Intellectual Property
Fall 2024
Final Exam Memo

The bullet points in the following outline do not precisely correspond to my grading rubric, but they do roughly reflect the overall weight I put on different parts of the analysis. I gave full credit for identifying an issue and analyzing it carefully even if you reached a different conclusion than I did. I gave partial credit for a wrong answer in the right ballpark; I gave extra credit 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 exams and your grades with you if you have any questions.

Question 1: The Dude Abides

Logjammin'

- Knutson might be a co-author of *Logjammin'*, or hold a separate copyright in the musical score, or have no copyright interest. She is very unlikely to be the sole copyright owner. Typical movie productions are organized as works made for hire, with the production company holding copyright. If so, then Treehorn is the sole copyright owner. If Knutson does not have a work made for hire agreement, then while the score might be a distinct copyrightable work (of which the movie is a derivative), her performance probably is not.
- The Dude is not a proper defendant. The plaintiff has no evidence that he has committed copyright infringement. He should inform Treehorn of the mistaken identity. If Treehorn does not voluntarily drop him from the suit, he should appear and move to dismiss.
- Geoffrey Lebowski has admitted downloading *Logjammin'*, so he is *prima facie* liable for copyright infringement.
- Geoffrey Lebowski does not have a defense under section 121 of the Copyright Act, as the download was not in a specialized format for the blind, and he fails to meet many other threshold conditions.
- Geoffrey Lebowski probably does not have a viable fair use defense. His use is nontransformative and involves copying the whole work without paying the normal price for access.

Bowling Ball

- The gel-cushioned ball design is a physical object (a "manufacture") so it is proper patentable subject matter.
- The ball is useful for bowling. Under *Juicy Whip*, it does not matter whether it can be used in league play. Illegal or prohibited use is still utility.
- Walter may or may not be a co-inventor for suggesting the use of a gel. It depends on how widely used gels are in similar applications and on how difficult The Dude's experiments were.

- Donny is not a co-inventor for pointing out the problem with a spring design. He did not contribute to the conception of the invention.
- The use of 376-PCE may or may not be novel and nonobviousness. A prior art search will be required. The fact that The Dude succeeded after only five experiments in one day suggests that the choice of gel, at least, would be obvious.
- No design patent is available on the gel core design. It is not visible at the time of purchase or in the course of use, so it is not ornamental.

The Rug

- The paint splatters almost certainly have enough authorship to be copyrightable. Moore and her assistants follow a deliberate creative process that produces a new and original arrangement of paint.
- Moore is probably the author, even though her assistants are the ones making the choices of when to pull on the ropes. They do so under her overall direction. They may well be her employees, in which case their contributions are works made for hire, with her as the copyright owner.
- LLI is a direct infringer of Moore's copyright in the rug. It has reproduced and distributed exact copies of the painting. Geoffrey Lebowski's relationship to the copying is less clear, and he may or may not be an infringer in his role as CEO of LLI.
- Stealing the rug is probably not an act of public distribution, but I admit that I have not found a case squarely on point. I think a court would hold that the thief is not distributing the rug "to the public" unless and until they fence it or otherwise pass it on to a stranger.
- The Dude is displaying his rug in his living room, where it really ties the room together, but this is a private display, not a public display.
- The Dude should return the rug. It is not his property, regardless of the IP issues.

The Big Lebowski

- Recipes are processes, so they are not copyrightable.
- The Dude probably does not have a trade secret in the recipe. Although it could be proper trade secret subject matter, telling a random stranger (who is suing him!) does not seem like reasonable efforts.
- The recipe could potentially obtain a patent on the recipe. However, selling since "last year" might mean he is outside the one-year grace period.
- The name BIG LEBOWSKI could be a feasible trademark for the drink sales. It is suggestive to arbitrary—the only connection between it and the drink is his name.

Nagelbatt

- Nagelbatt may infringe on the musical work copyright in Peaceful Easy Feeling. These elements are part of the musical work copyright, and if a random listener can make the connection, it is possible that the similarity in melody and chords is sufficient to create substantial similarity.
- Nagelbatt probably does not infringe on the sound recording copyright in "eaceful Easy Feeling. It is a fresh recording of original sounds.
- Nagelbatt probably does not infringe on the musical work copyright in Lookin' Out My Back Door. Six seconds out of an entire song is probably beneath the *de minimis* threshold
- Nagelbatt may infringe on the sound recording copyright in Lookin' Out My Backdoor. Under *Bridgeport*, any sampling is infringement, no matter how short. *But see Salsoul,* holding that sampling can be *de minimis*.
- Nagelbatt the musical work is probably a derivative work of Peaceful Easy Feeling, and Nagelbatt the sound recording is probably a derivative work of Out My Backdoor. The lack of any indication that it

is a cover version suggests that Autobahn and its members have not paid the § 115 mechanical license.

LLI Lawsuit

- LITTLE LEBOWSKI INDUSTRIES is an arbitrary trademark; is is unrelated to the goods, only to the name of the CEO owner. LLI is probably the senior user, as one typically cannot build up a multi-billion-dollar business in less than a year (the time since The Dude started using BIG LEBOWSKI as a trademark).
- No confusion with the mark JEFFREY LEBOWSKI for bowling instruction is likely. The only similarity in the marks is the name LEBOWSKI, and the lines of business are completely distinct. In addition, the fact that JEFFREY LEBOWSKI is The Dude's name, and that he is using it do describe himself, suggests are strong descriptive fair use defense.
- Confusion with BIG LEBOWSKI for cocktails is more likely, but only slightly. Here, the marks are more similar (and LITTLE vs. BIG is a meaning similarity), but the goods are still unrelated. The descriptive fair use defense is weaker, however, as BIG LEBOWSKI less obviously describes The Dude himself.
- There is no right of publicity violation. The public is unlikely to know who Geoffrey Lebowski is (as in the T.J. Hooker case). In addition, The Dude is using is own name, which cuts strongly against a right of publicity infringement.
- "The World's Best Bowling Instructor" is non-actionable puffery, and LLI is not a competitor with standing to sue for false advertising in the bowling-instruction industry.

Question 2: This Is Christmas

The Song

- O'Hara's Christmas-themed arrangement of This is Halloween is a derivative work of Elfman's song, and her recording is a derivative work of the arrangement and the original song. They may or may not an authorized derivatives: O'Hara's conversations with Skellington suggest that at the least O'Hara was retroactively authorized to create them (if not necessarily to obtain a copyright or to distribute them), so she is not an infringer.
- O'Hara's arrangement is probably not a work made for hire, although it is a tricky question. She is a HTI employee, but composition is not one of her job duties. She made the recording while on a HTI conference call, but while working from home.
- If O'Hara owns the copyrights, then HTI has already engaged in infringing reproductions (of both copyrights) and infringing public performances (of the musical work) by playing the demo tape in its stores.
- HTI should strike a licensing deal with O'Hara. The new arrangement is good, and has more value to HTI than to anyone else. In addition, O'Hara is good at it and HTI should find ways to use this skill. Finally, it is good to keep O'Hara and other employees happy and feeling that they will be properly appreciated and rewarded for taking initiative to help the business.

Store Design

- CVC probably does not have enforceable copyrights or trade dress rights in any of the store elements it is asserting against HTI, or in their combination.
- Red, green, and white are generic for Christmas-themed merchandise. Any store selling such goods is free to use them.
- The tree and nutcracker are probably not source-indicating for Christmas Village, although it depends on the specifics and whether they also appear in its logo, advertising, etc. These are common

Christmas symbols, so they are probably either descriptive of the goods sold there, or are purely ornamental. But if the tree and nutcracker in Christmas Town stores are different, then the likelihood of consumer confusion seems low.

- There is no copyright in the use of red, green, and white or in the idea of a tree and nutcracker. If these are the only similarities, they are too abstract and high-level for there to be substantial similarity.

Allegedly Infringing Goods

- CVC does not have standing to sue for any infringement of the wreath designs; it is not the IP owner. Only Oogie-Boogie could bring a suit.
- If Zero was authorized to make and sell the wreaths, then HTI is protected by first sale when it resells them. It appears that the wreaths are identical in design to authorized ones and made by a company that is authorized to make and sell some such wreaths, but that is not sufficient. Zero was not authorized to sell these specific wreaths, so first sale does not attach.
- CVC should seek indemnification from Zero for any harm it has suffered (e.g., a settlement with Oogie-Boogie) as a result of Zero's infringing conduct.
- CVC may have rights in the menorahs and kinaras (most likely copyrights and possibly design patents). But when it sold them to or through a liquidator, first sale attached and HTI is free to resell them. HTI should be careful to make clear that any CHRISTMAS VILLAGE trademarks on the good or their packaging are not presented in a way that suggests that CHRISTMAS TOWN is affiliated with CTI or endorsed by it.

False Advertising

- Selling unsanitary goods is not by itself false advertising.
- Skellington should confirm that he can be 100% certain that all of HTI's goods are insect-free. If so, then all of its statements are true and there is no false advertising risk.

- A claim of "safe and family-friendly" by itself is probably non-specific puffery that does not make falsifiable assertions about any specific characteristics of specific products. That said, a review of the actual advertising will be necessary to determine what specific claims about safety it makes.
- A demand letter is not a statement to the consuming public, so CVC's letter itself cannot constitute false advertising.

Trade Secret

- CVC's budget, market research, and supplier pricing are proper trade secret subject matter: business information that gains value from not being widely known. There is no indication that they are not actually secret or that CVC as a company fails to take reasonable efforts to keep them so.
- Whether giving Kringle drinks and pumping him for information is improper means seems like a tricky question. On the one hand, Kringle voluntarily disclosed the information. On the other, Kringle's judgment was impaired, Finkelstein knew it, and Finkelstein was responsible for creating the impairment in the first place.
- A close read of the UTSA explains why this would constitute improper means. UTSA § 1(2)(ii)(B)(III) prohibits disclosure or use by a person who "knew or had reason to know that his knowledge of the trade secret … derived from or through a person who owed a duty to the person seeking relief to maintain its secrecy or limit its use." In other words, Finkelstein knowingly induced Kringle to breach his duty of confidentiality to CVC.

Trademarks

- CHRISTMAS VILLAGE is suggestive for a store selling Christmas-themed merchandise: protectable but not strong on its own. It appears that CVC has substantial secondary meaning in CHRISTMAS VILLAGE from operating hundreds of stores for 17 years. CHRISTMAS standing alone is generic.

- CVC is the senior user for CHRISTMAS VILLAGE. It has been using the mark since 2007. Although HTI is senior for HALLOWEEN TOWN (and some of its goodwill may attach to CHRISTMAS TOWN if consumers know that they are stores from the same company), CHRISTMAS VILLAGE is the relevant mark for infringement purposes.
- The likelihood of confusion analysis does not obviously favor one side or the other. The marks are similar but not identical. Part of the similarity consists of the generic CHRISTMAS, while TOWN and VILLAGE have similar meaning but different sound and appearance. The goods of both parties are closely related, indeed nearly identical, aside from the fact that CHRISTMAS TOWN is seasonal while CHRISTMAS VILLAGE is year-round. There does not appear to be any bad faith on HTI's part, as its CHRISTMAS TOWN mark is a natural extension of its existing HALLOWEEN TOWN mark. A court will probably focus on how much effort HTI put into associating the two. Buyers at these stores are probably not particularly sophisticated, and there is no evidence of actual confusion.[1]

1. NB: A likelihood of actual confusion is just … likelihood of confusion. The "actual" in "actual confusion" is what makes it a distinct element. Unless you can point to specific consumers who were confused, there is no actual confusion.