**INTRODUCTION: IP OVERVIEW**

1. Misappropriation of “Hot News”
   1. Associated Press v. INS (US 1918)
      1. Basic Facts: Allegations that INS was stealing AP’s news, copying it and selling it
      2. Tort Theory (Misappropriation)
         1. Unfair Competition—intuitive, but ambiguous
         2. Misappropriation—more property language, but difficult to identify property in this case—only make it to “quasi-property”
         3. Elements of INS Misappropriation Tort
            1. P and D are in competition
            2. D has acted unfairly causing competitive injury to P

Loss of Profit—he who has fairly paid the price should have the beneficial use of the property; free-riding causing actual diversion of profits

Citation Issue—IN was getting information from AP, using them as a source without proper citation

Injury to reputation: J. Holmes would correct by citing to AP

AFFECTS THE REMEDY—VERY FACT SENSITIVE (that’s the way torts works, so not shocking that the remedy may vary; characterization of harm may also affect the remedy

Failure to follow “ethical” business practices could be causing harm to P (very difficult to prove)

* + - 1. Tort cause of action not the best mechanism for precisely shaping incentives
      2. Policy Perspective: Underinclusive (limited to competitors); Unpredictable (difficult to define boundaries, unclear duration, unclear incentives); Does it account for 3d party interests?
    1. IP Theory
       1. What is the property at issue?
          1. Difficult to precisely define: the combination of words and ideas that make up the news stories; effort of the organization to collect the facts the produce the text
          2. Mode of analysis required is that you must first precisely define the property and there are many possible packages (bundles) of those property rights
       2. **ELEMENTS OF AN INTELLECTUAL PROPERTY CLAIM**
          1. **P owns valid IP rights**: trade secret (state statute); patent (US Patent Act: 35 USC); Copyright (US Copyright Act: 17 USC); Trademark (Lanham Act: 15 USC; some state law)
          2. **D’s acts violate those rights**
       3. Policy Perspective: More predictable (clear boundary lines, but higher ex ante cost); Exclusive rights may provide effective incentives (but with high risk of impinging on 3d party interests?)
  1. Modern INS Doctrine
     1. Not a particularly viable modern doctrine (problems after Erie v. Tompkins)
     2. NBA v. Motorola—factually sort of a modern equivalent of INS
     3. People are still trying to test this general proposition

1. Misappropriation of Personal Identity (Right of Publicity)
   1. Eligible Subject Matter
      1. Keller v. EA (ND Cal 2010)
         1. Facts: P is former NCAA starting quarterback. He alleges that EA used his likeness without consent to enhance the reality of its “NCAA Football” game.
         2. Trespass to a natural right to control his identity, perhaps even as a matter of privacy—difficult to characterize the harm still
         3. Personhood Theory Basis: matter of having control over what we can define as being your person entitles you to a property interest to that’s why we have the right of publicity
         4. Court plays with TRANSFORMATIVE USE DOCTRINE: “Is the product containing the celebrity’s likeness so transformed that it has become primarily the defendant’s own expression rather than the celebrity’s likeness?”
      2. Cheatham v. Paisano (WD Ky 1995)
         1. Facts: P designs unique clothing to be displayed at biker events. A photo of one outfit was taken and published as part of a photo essay in a Paisano magazine and later a shirt was featured with a similar design.
         2. **ELEMENTS OF RIGHT TO PUBLICITY AT COMMON LAW** (as derived from Cheatham)
            1. **Plaintiff’s identity has commercial value**

**Due to its distinctiveness**

**Due to high degree of recognition**

* + - * 1. **Plaintiff intended to profit from that value**
        2. **Defendant used the identity commercially without consent**
        3. **No celebrity requirement—case by case determination**
        4. **Identifiability, distinctiveness**
    1. Most states recognize a right of publicity—there is NO FEDERAL CAUSE OF ACTION
    2. Statutory Right of Publicity—Indiana
       1. Basic Idea: IC 32-36-1-8(a)
          1. Terms are defined in the statute
          2. Right of publicity defined in IC 32-36-1-7

PROPERTY INTEREST

Name, voice, signature, photograph, image, likeness, distinctive appearance, gestures, mannerisms

* + - 1. See Notes for Hypotheticals
    1. **Summary: Elements of a Claim**
       1. **P owns valid rights (protectability; term; ownership/transfer)**
          1. **Protectable indicia of identity**
          2. **Commercial value**
       2. **D’s acts violated those rights**
          1. **D has appropriated some protectable indicia of P’s identity without P’s consent (scope of rights; limitations; remedies)**
  1. Indiana Remedy (reveals that IN statute is very property based
     1. Compulsory granting of attorney’s fees for the prevailing party
     2. Meant to be the most robust form of a right of publicity anywhere in the world
  2. Limiting Doctrines
     1. Statutory provisions designed to avoid questions of constitutionality (many difficult line drawing questions)
        1. Use of personality’s identity in specified (mainly artistic) works
        2. Use of personality’s name to identify person truthfully as author or performer
        3. Use of personality’s identity “in connection with the broadcast or reporting of an event or a topic of general interest or public interest”
     2. Defendant’s use must be for a COMMERCIAL PURPOSE
        1. Commercial/non-commercial distinction often ends up being not very protective

1. Trade Secret
   1. Generally
      1. Recognized at common law (Restatement of Tort, 1939)
      2. 1979—Uniform Trade Secret Act (now the law in MOST states, including Indiana—IC 24-2-3-1 to -8)
         1. BASED ON A PROPERTY MODEL
      3. 1995—Restatement of Unfair Competition
      4. 1996—Economic Espionage Act (federal legislation)
   2. Eligible Subject Matter
      1. **UTSA § 1(4): “Trade secret” means INFORMATION, including a formula, pattern, compilation, program, device, method, technique, or process, that: (i) derives independent ECONOMIC VALUE, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of EFFORTS THAT ARE REASONABLE under the circumstances TO MAINTAIN ITS SECRECY**
      2. Protectability under UTSA does NOT require:
         1. Evidence of labor/investment or creativity
         2. Expression in tangible form
         3. Application, registration, or compliance with other formalities
      3. Metallurgical Industries, Inc. v. Fourtek, Inc. (5th Cir. 1986)
         1. Common Law: Can make limited disclosures and a case-by-case determination will be made about whether secrecy was destroyed
   3. Misappropriation (UTSA § 1(2))
      1. NO CRIME REQUIRED TO SHOW MISAPPROPRIATION OF TRADE SECRET
      2. **Includes acquisition, disclosure, or use of a trade secret where trade secret was obtained by “improper means”**
         1. Limitations on Improper Means:
            1. Discovery by independent invention doesn’t count
            2. Discovery by “reverse engineering” (i.e., starting with the known product and working backwards to find the method by which it was developed) doesn’t count
      3. Can also have **misappropriation by breach of confidence** (at common law or UTSA)
         1. Restatement 757(b): One who discloses or uses another’s trade secret without a privilege to do so, is liable to the other if (b) his disclosure or use constitutes a breach of confidence reposed in him by the other in disclosing the secret to him (CAN BE EXPRESSED OR IMPLIED)
            1. Sources of Confidentiality Obligation: Restatement (3d) Unfair Competition, § 41

Express confidentiality restriction

Implied duty of confidentiality where

Recipient knew or had reason to know that disclosure was intended to be confidential, and

Disclosing party reasonably inferred that recipient consented to confidentiality obligation (often in employment situations)

* + - 1. Express non-compete obligations are generally enforceable if they are REASONABLE in scope (time, place, manner)
  1. Rules about Remedies
     1. Can frequently be handled by contract, but wan injunctive relief
     2. Under UTSA:
        1. Injunctive Relief: (1) Actual or threatened misappropriation may be enjoined (§2a); (2) Court may decline injunction but order payment of reasonable royalty for future use (§ 2b)
        2. Compensatory Damages and/or recovery for unjust enrichment? (§ 3a)
        3. Enhanced Damages (2x) (§ 3b)
        4. Attorney’s fees for willfulness or bad faith (§ 4)
     3. Criminal Enforcement—espionage act (big growth area in IP—possibility of criminal remedy for transnational stealing of secrets)

**COPYRIGHT**

1. Introduction
   1. Sources of Law
      1. US Constitution, Article 1, Section 8, Clause 8: Congress shall have the power “to promote the progress of science and the useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.”
      2. Copyright Act of 1976 (17 USC) (NOTE: has the imprint of special interest compromises leading to some very complicated statutory provisions)
2. Copyrightability Requirements
   1. Originality
      1. Statutory Basis for Originality (17 USC 102(a)): Copyright protection subsists, in accordance with this title, in ORIGINAL works of authorship fixed in any tangible medium of expression, now known or later developed…
      2. **FEIST TEST FOR ORIGINALITY:**
         1. **Originality requires a showing that the work: (1) was independently created by the author, and (2) possesses at least some minimal degree of creativity**
3. Low threshold for creativity—courts are not competent to judge the artistic merit of works (ex. KC and the Sunshine Band, “Shake Your Booty”)
4. “Progress of science” from the statute is not a real limitation either because we can’t make value judgments about the type of progress—if it arguable promotes progress in some way, it is okay.
5. INDEPENDENT CREATION—you originated it even if someone else also did the same thing separately
6. No protection for “short phrases”—arbitrary, but pragmatic rule from copyright office regulations
7. Facts are NOT copyrightable, but compilations of facts generally are (depends on originality of selection, arrangement and coordination of those facts) (ex: telephone book from Feist case)
   * Lots of line drawing problems—what is a fact, what is interpretation of fact, is Wilma Flintstone a fact?
     + 1. Class Examples: email from prof’s son; US News Law School Rankings
     1. Justifications and Incentives for Copyright Protection of Original Creations
8. Utilitarian Incentives
9. Encourage creativity and experimentation; **gives an incentive for artists to create**
10. Constitutional provision is systemic—expresses a goal for the entire system as a whole, not individual examples
11. Encourage investments in dissemination—lots of implications: maybe care more about the publishers than the creators; usually a high investment in dissemination
    1. Fixation
       1. Statutory Basis for Fixation (17 USC 102(a)): Copyright protection subsists, in accordance with this title, in original works of authorship FIXED IN ANY TANGIBLE MEDIUM OF EXPRESSION now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device
       2. Definition of Fixed (17 USC 101): A work is “fixed” in a tangible medium of expression when its embodiment in a copy or phonorecord, by or under the authority of the author is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration. A work consisting of sounds, images, or both, that are being transmitted, is “fixed” for purposes of this title if a fixation of the work is being made simultaneously with its transmission.
       3. Requirements for Fixation
          1. Must be BY OR UNDER THE AUTHORITY OF THE AUTHOR
       4. Policy Rationales
          1. Evidentiary standard—how do you know if a defendant has made an unauthorized copy?
          2. If it is fixed, it falls in the federal copyright regime; if not, it may be able to be pursued under common law
          3. Constitutional requirement
12. Limitations on Copyrightability
    1. Idea v. Expression
       1. Common Law—Baker v. Selden (US 1879)--“The conclusion to which we have come is, that blank account books are not the subject of copyright; and that mere copyright of Selden’s book did not confer upon him the exclusive right to make and use account books”
          1. **IDEAS CANNOT BE COPYRIGHTED; ONLY THE EXPRESSION OF THE IDEA**
       2. Modern Statute (17 USC 102(b)): “In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.”
          1. Modern Application
             1. BLANK FORMS RULE: “Blank forms, such as time cards, graph paper, account books, diaries, bank checks, scorecards, address books, report forms, other forms and the like, which are designed for recording information and do not in themselves convey information” may not be the subject of copyright
             2. Lotus Development Corp. v. Borland International (US Ct. App. 1996) (key reader and macros in computer programs)

Uncopyrightable as “METHOD OF OPERATION”

* + 1. Tests for Distinguishing Between Idea and Expression
       1. Merger Doctrine: When there is only one or but a few ways of expressing an idea, then courts will find that the idea behind the work MERGES with its expression and the work is NOT COPYRIGHTABLE (Morissey v. Procter & Gamble)
       2. Abstractions Test: Pick a range of abstractions. The lowest level is the literal text, the highest level is whatever you want it to be. Pick levels in between. Somewhere in the middle, it will move from expression to idea (line drawing exercise)
          1. VERY FLEXIBLE methodology—leaves lots of room to wiggle in litigation
    2. Idea/Expression is always a case-by-case determination; most frequently used in cases of non-literal copying
  1. Useful Articles Doctrine
     1. Modern Statute (17 USC 101, 102(a))
        1. 102(a): Pictorial, graphic, and sculptural works (PGS works) are included among the categories of copyrightable works
        2. 101, Definition of PGS Works: Specifies that “the design of a useful article…shall be considered a PGS work only if, and only to the extent that, such design incorporates [PGS] features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article
        3. 101, Definition of Useful Article: An article having an intrinsic utilitarian function where that function is not merely to portray the appearance of the article to convey information (ex. A Frankenstein mask would NOT be a useful article)
     2. Tests for Distinguishing Useful Articles
        1. **SEPARABILITY TEST: If it is a useful article, the design can be separated from the utilitarian aspects of the article (must be both PHYSICAL and CONCEPTUAL separability)**
        2. Brandir International, Inc. v. Cascade Pacific Lumber Co. (2d Cir. 1987) (Ribbon Bike Rack Case)
           1. Denicola “Merger” Test: If “design elements can be identified as reflecting the designer’s artistic judgment exercised independently of functional influences, conceptual separability exists” (Can the reasonable viewer see art separately from the function?)
           2. Newman Test: Aesthetic features are conceptually separable if “the article stimulates in the MIND OF THE BEHOLDER a concept that is separate from the concept evoked by its utilitarian function.” (Rejected by the Brandir court)
     3. Copyright v. Design Patent
        1. Design Patent: 14 year protection for ornamental, new, and nonobvious designs for articles of manufacture
        2. Interface with Copyright: The availability of protection or grant of protection under the law for a utility or design patent will not affect the registrability of a claim in a [PGS work] (37 CFR 202.10(a))
        3. Design patents have a much shorter term and a different balance of incentives. It has only really been successful in a limited number of industries (furniture makers, Apple, Volkswagen chassis, Crocs)
     4. Copyright v. Trademark
        1. Trade Dress: Trademark protection where overall appearance serves as a symbol of the manufacturer
        2. Interface with Copyright: Concurrent copyright and trademark protection is sometimes barred
     5. Clothing and Design
        1. Currently no coverage for claims based on clothing design (no conceptual separability)
           1. Good Thing: Fashion changes so quickly, it’s good to avoid protection
           2. Bad Thing: Don’t want to allow designs to be ripped off so quickly (big debate right now)
           3. Proposed Legislation: Innovation Design Protection and Piracy Prevention Act (introduced July 2011)

3 year “sui generis” IP protection for “fashion designs,” expanding protections currently available

“Fashion design” defined as the appearance as a whole of an article of apparel (where apparel is separately defined)

* + - 1. Vessel Hull Protection (17 USC 1301 et seq.)

1. Categories of Copyrightable Subject Matter
   1. Categories of “**WORKS OF AUTHORSHIP**”
      1. § 102(a): **literary works; musical works, including any accompanying words; dramatic works, including any accompanying music; pantomimes and choreographic works; pictorial, graphic, and sculptural works; motion pictures and other audiovisual works; sound recordings; and architectural works** (FIRST GENERATION CATEGORIES)
      2. § 102(a): …and **COMPILATIONS** and **DERIVATIVE WORKS**
         1. Compilation: work formed by collecting and assembling of preexisting works
         2. Derivative Works: work based upon one or more preexisting works
         3. § 103 Limits
            1. Protection for a work employing preexisting material in which copyright subsists does not extend to any part of the work in which such material has been used unlawfully
            2. The copyright in a compilation or derivative work extends only to the material contributed by the author of such work…The copyright in such work…does not affect or enlarge the scope, duration, etc. of any copyright protection in the preexisting material
2. Duration and Formalities
   1. Duration (see also table 4-1, pg. 509)
      1. Works CREATED on or after 1/1/78 extend for the life of the author plus 70 years
         1. Eldred v. Ashcroft (US 2003) (Congress’ extension of the copyright term from life +50 years to life +70 years does not violate the “limited times” clause of the Art. I, Sec. 8, Cl. 8
      2. Works PUBLISHED between 1923 and 1977 extend for a 28 year 1st term and a 67 year 2d term, but may require a renewal
      3. Works PUBLISHED before 1923: work is now in the public domain
   2. Formalities
      1. Copyright Notice (results from adherence to the Berne Convention)
         1. For works published on or after March 1, 1989: Copyright notice is permissive (17 USC 401(a))
         2. For works published before March 1, 1989: Failure to use copyright notice might inject work into the public domain, subject to various cure provisions (17 USC 405-406) (effect of omission of notice for old works)
         3. FORM OF NOTICE:
            1. © or [p in a circle if a sound recording], work “copyright,” or “copr.”
            2. Year of first publication of the work
            3. Name of the owner of the copyright
            4. 17 USC 401-406
      2. Copyright Registration
         1. **Registration is NOT a condition of copyright protection** (17 USC 408(a))
         2. **Registration IS a prerequisite for bringing an infringement action** (17 USC 411)
         3. Belated registration could limit the available remedies (17 USC 412)
            1. Fee shifting provision will not work for you if you register late
      3. Copyright Ownership
         1. Initial Ownership (Authorship)
            1. Default Rule for Most Works: Copyright in a work protected under this title vests initially in the author or authors of the work. The authors of a joint work are co-owners of copyright in the work (17 USC 201(a))
            2. § 101 Definition: A “joint work” is a work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole

In copyright, joint works are owned as a tenancy in common (joint undivided interest in the whole)

One owner can grant a non-exclusive license, but must give the other owner part of the action

* + - 1. Works Made for Hire
         1. “In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author for purposes of this title, and, unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright.” (17 USC 201(b)) (in some circumstances an organization may be deemed an author)
         2. A “work made for hire” is:

A work prepared by an employee within the scope of his or her employment; or

A work specially ordered or commissioned for use as [one of a series of specified types of work] if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire (VERY idiosyncratic list—can almost never assume it is on the list)

17 USC 101 (definitions)

* + - * 1. “Academic Exception”—matter of practice that permits academics to retain rights in their work despite their status as professors or university employees
        2. Absent an employment situation, the original author is probably the owner and everything is transferable via contract.

1. Infringement and Exclusive Rights
   1. Copyright Owner’s Exclusive Rights (17 USC 106)
      1. Subject to §§ 107-118, the owner of a copyright under this title has the exclusive right to do and to authorize any of the following:
         1. To reproduce the copyrighted work in copies…(17 USC 106(1))
            1. COPYRIGHT MUST GIVE YOU THE RIGHT TO PREVENT COPYING—Fixation is REQUIRED
         2. To prepare derivative works (17 USC 106(2))
         3. To distribute copies…to the public…
         4. [for certain classes of works] to perform the copyrighted work publicly
         5. [for certain classes of works] to display the copyrighted work publicly
         6. In the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission
      2. Anyone who violates ANY of the exclusive rights of the copyright owner as provided by §§ 106-121 is an infringer of the copyright (17 USC 501(a))
   2. Infringement of Right to Copy
      1. Basic Framework: (from Arnstein v. Porter (2d Cir. 1946) (Cole Porter supposedly stole Arnstein’s melodies)
         1. Copying—direct evidence or circumstantial evidence (access + “probative” similarity)
         2. Improper Appropriation—substantial similarity
         3. Framework suggests that there are particularly cases where there is copying, but no infringement/liability
         4. Copying and Improper Appropriation are both QUESTIONS OF FACT
      2. Important Points to Notice:
         1. Whose perceptions matter? Lay audience? Expert audience? Some composite?
         2. When doing comparison for similarity, is it qualitative? Quantitative? Both? How would you blend both?
         3. How do you make sure that you are not effectively giving people protection over uncopyrightable matters?
      3. Substantial Similiarity
         1. Stock characters, storylines, “scenes a faire” (scenes/settings)—stock elements deemed NOT PROTECTABLE expression (Nichols v. Universal Pictures Corporation (2d Cir. 1930) (2 plays not infringing—level of abstraction too high))
      4. Circumstantial Evidence: Access + Substantial Similarity (Tests for Infringment)
         1. Funky Films v. Time Warner (HBO Six Feet Under case)
            1. INTRINSIC TEST: subjective and fact dependent; “an ordinary person’s impressions of similarity”

Jury decides on commonly understood notions of similarity

* + - * 1. EXTRINSIC TEST: objective in nature; careful dissection of the work; usually involves an expert; like levels of abstraction test (used for MSJ)
        2. ACCESS INVERSE RATIO: when there is a high degree of access, you get a break on showing similarity (sliding scale)
      1. Turfenkian Rug Case
         1. “Total Concept and Feel” Test: ignores access; ignores the protectable and unprotectable elements; you can’t get out of copyright infringement by showing what you didn’t copy (slippery test)
      2. Computer Associates v. Altai
         1. ABSTRACTION/FILTRATION/COMPARISON TEST

Separate into levels of abstraction; filter to separate protectable expression from non-protectable materials (was inclusion at that level an “idea”?); compare the original and allegedly infringing products

* 1. Infringement of Right to Prepare Derivative Works
     1. Anderson v. Stallone (CD Cal 1989) (Rocky IV case)
        1. Proper to deny copyright to the entirety of a derivative work where preexisting work is incorporated without authorization
        2. RULE in 103(a): The subject matter of copyright as specified by § 102 includes compilations and derivative works, but protection for a work employing preexisting material in which copyright subsists does not extend to any part of the work in which the material has been used unlawfully.
  2. Infringement of the Distribution Right
     1. Distribution right violated by unauthorized distribution of copyrighted material (cannot copy or scan and resells copies of books)
     2. First Sale Doctrine: After the first sale, the purchaser may not copy it, but may resell, lease, donate, or dispose of it without restriction (109(a)) LIMIT TO DISTRIBUTION RIGHT—copyrights are exhausted after the first sale)
  3. Infringement of the Performance Right
     1. Public Performance Right (17 USC 106(4))
        1. Violated if copyrighted material is performed or displayed publicly without the author’s permission.
        2. The prima facie right is incredibly broad (a place open to the public)—many limiting doctrines likely apply
        3. 106(4) applies to musical works, but NOT to sound recordings (reflects political scenario—who lobbied hard)
           1. Radio has to pay for musical work, but not for sound recording (i.e. pay composer, but not performer)
        4. EXEMPTIONS (110): Teaching, religious services, not-for-profit activities, “music at the mall”—VERY DETAILED REQUIREMENTS, etc.
     2. Digital Performance Right (17 USC 106(6))
        1. In the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission
           1. Digital Audio Transmission: applies to Internet, satellite radio, and cable transmissions, but not conventional radio (17 USC 114(d))
        2. Repeated efforts to introduce legislation to extend the sound recording performance right beyond just digital transmissions—recording artists lobby for it, radio stations fight against it

1. Indirect Liability
   1. Elements of an Indirect Infringement Theory:
      1. Act of “aiding and abetting” AND
      2. Act of underlying direct infringement (if it is a fair use, you can aid and abet all you want)
   2. Statutory Basis for Indirect Copyright Liability (17 USC 106): Subject to §§ 107-118, the owner of a copyright under this title has the exclusive right to do AND TO AUTHORIZE any of the following: (1) to reproduce the copyrighted work in copies…etc.
   3. Forms of Indirect Copyright Liability
      1. **VICARIOUS LIABILITY: Defendant (1) possesses the right and ability to supervise the infringing conduct of the direct infringer, and (2) has an obvious and direct financial interest in the exploitation of the copyrighted material**
         1. Example: Sony Corporation of America v. Universal City Studios, Inc. (US 1984) (VCRs used for home recording)
         2. Must show underlying direct infringement and that Defendant is encouraging that particular use
         3. If there is a substantial non-infringing use, vicarious liability will NOT hold
      2. **CONTRIBUTORY COPYRIGHT INFRINGEMENT: Defendant (1) materially contributes to an underlying infringement (e.g., by supplying devices having “no substantial non-infringing uses”), and (2) has knowledge of the underlying infringement**
         1. Example: Napster—business model was to use a peer to peer network, but everything flowed through the central facility (easier to apply indirect theories)
      3. **INDUCEMENT: Defendant “distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement.”**
         1. Example: MGM Studios Inc. v. Grokster, Ltd. (US 2005) (inducement idea taken from the patent realm)
         2. Evidence applicable to show INTENT: (examples from Grokster)
            1. Advertising and promotional activities to get former Napster users
            2. Declined to develop filters that could help distinguish infringing and non-infringing uses (affirmative duty to police)
            3. Made money by selling ad space
            4. Responded to questions and requests for help in locating and playing copyrighted materials
2. Fair Use (Affirmative Defense)
   1. Statutory Provision (17 USC 107): Notwithstanding the provisions of 106 and 106A (infringement provisions), the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research is not an infringement of copyright
   2. VAGUE MULTI-FACTOR BALANCING TEST
      1. **In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include:**
         1. **The purpose and character of the use**, including whether such use is of a commercial nature or is for nonprofit educational purposes;
         2. **The nature of the copyrighted work**
            1. Will almost always be a copyrightable work, very rarely weighs as much in the balance
            2. Unpublished, here, makes a really strong case for no fair use

“Under ordinary circumstances, the author’s right to control the first public appearance of his undisseminated expression will outweigh a claim of fair use”

* + - 1. **The amount and substantiality of the portion used in relation to the copyrighted work as a whole** (portion of defendant’s product in relation to copyrighted work—look at copyrighted work and the portion that defendant took. Like basic infringement calculations); and
         1. Not all about the quantitative measure, also qualitative
         2. Have to be careful not to make judgments about aesthetics
         3. Sounds sort of like a rehash of whether there is infringement or not
      2. **The effect of the use upon the potential market for or value of the copyrighted work**
  1. Implied Consent Model of Fair Use:
     1. Find fair use where circumstances indicate that a reasonable copyright owner would have consented to the use at issue
     2. Policy Questions:
        1. What are the best arguments against an implied consent model for adjudicating fair use?
           1. A lot of authors want a monopoly on their work—not necessarily consistent because of dissemination issues—will be a lot of works where owners will withhold consent
           2. Could be whole classes of works we would want to be more freely disseminated (i.e. parodies), but authors would not consent—maybe makes too generous a monopoly
           3. Could also erode incentives to create if it goes too far the other way
        2. Can an implied consent model be overridden by express refusal? Can fair use doctrine be contracted around?
        3. Should there be a user’s right?
  2. First Amendment interests are covered by the fair use doctrine
  3. Fair Use and Market Failure
     1. If there is a well-functioning market such that a defendant could go and get a license without overwhelming transaction costs, then perhaps the courts or the statute shouldn’t intervene
     2. Where there is not a well-functioning market, then we do need fair use—as a remedy for market failure
     3. Others think fair use can be a cause of market failure by discouraging the formation of effective licensing institutions
  4. Representative Cases:
     1. American Geophysical Union v. Texaco Inc. (2d Cir. 1994)
        1. Test Case—photocopies of scientific journal articles kept by scientists to be read or used later or on a current project
     2. Campbell v. Acuff-Rose Music, Inc. (US 1994)—The Pretty Woman Case
        1. Commercial, usually not fair use, but PARODY
        2. TRANSFORMATIVE USE CONCEPT—Driven by the classification of the expressive work as a parody
        3. Had to take a lot to convey the message that it is a parody
     3. See notes for more sample cases

1. Future of Copyright
   1. Indirect Copyright Liability and the DMCA Debate (Fair Use and Indirect Liability—very case-by-case)
      1. Digital Millennium Copyright Act (1998)
         1. Title I Anticircumvention Provisions (17 USC 1201 et seq)
            1. If you are a content owner thinking that there is inadequate protection, you will try contract and technological methods to clamp down on protection. Someone will hack into and override the protections—Content owners wanted a way to call circumvention copyright, even though it is of a very different character
         2. Title II Safe Harbor for Internet Service Providers (17 USC 512)
            1. Pulling in the opposite direction of the anticircumvention provisions because they can’t do business when it is so case by case
            2. Part of a compromise deal that was made
            3. Safe Harbor is for companies like AOL, etc. –notice and takedown provisions—complicated mechanisms by which copyright owners could give notice and then providers could take certain steps to gain safe harbor from infringement liability

**TRADEMARK**

1. Introduction
   1. Policy Rationales for Trademark Protection
      1. Producer Protection: Encourage investment in symbols that signify producer’s “goodwill” (which includes consistency of product quality; goodwill is a fictitious construct)
      2. Consumer Protection/Perspective:
         1. Care about preventing consumers from confusion—they need protection for the cost to consumers
         2. Easy to articulate a consumer deception rationale in addition to producer protection rationale
         3. Protect consumers against deception; reduce “search costs”
      3. Under the Lanham Act, there is no consumer violation—it is only producer against producer. There are other consumer interests in state and federal law, but the Lanham Act is only indirectly about consumer protection.
   2. Sources of TM & Unfair Competition Law
      1. Federal Law: Lanham Act (15 USC 1051-1129)
      2. State Law: State trademark/unfair competition regimes
         1. Federal trademark law DOES NOT preempt state trademark actions (but nobody really wants a state trademark—miniscule area of practice)
      3. Trademark Law evolved from the common law and eventually became statutory (statute codified and largely did not displace the common law)—Evolution led to a confusing structure for the trademark regime
   3. Institutions of the US Federal TM System
      1. Obtaining Registered TM Rights
         1. US Patent and Trademark Office (examiner, TTAB) 🡪 Court of Appeals of Federal Circuit 🡪 (cert) US Supreme Court
      2. Enforcing TM Rights
         1. Federal District Court 🡪 Regional Circuit Court 🡪(cert) US Supreme Court
   4. MAJOR LANHAM ACT THEORIES

|  |  |  |  |
| --- | --- | --- | --- |
| **32(1)(a): Trademark Infringment** | **43(a)(1): Unfair Competition** | **43(c): Trademark Dilution** | **43(a)(1)(B): False Advertising** |
| Unauthorized use | Unauthorized use | Unauthorized Use | False/Misleading statement |
| Valid, registered mark | Valid mark | Valid, famous mark  DOES NOT HAVE TO BE REGISTERED | Deceived or had capacity to deceive |
| Likelihood of confusion | Likelihood of confusion | Likelihood of dilution | Deception is material |
|  |  |  | Interstate commerce |
|  |  |  | Injury |

* + 1. 32(1)(a) and 43(a)(1) are often argued together
    2. False Advertising—no reference to validity or a mark; “test” is derived from case law

1. Eligible Subject Matter
   1. Lanham Act § 45 Definition of “Trademark”
      1. **The term “trademark” includes ANY WORD, NAME, SYMBOL, OR DEVICE, OR ANY COMBINATION THEREOF**
      2. **Used by a person…to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others, and to indicate the source of the goods, even if that source is unknown**
         1. Examples: Shape of Coke bottle, back pocket stitching on jeans, Nike swoosh
   2. Qualitex Co. v. Jacobsen Products Co., Inc. (US 1995)
      1. Product color is among the types of subject matter potentially eligible for TM protection
      2. Text of the Act:
         1. Broad text of the Act is not very restrictive, easy to make a color eligible—virtually anything should pass the threshold
         2. Color is descriptive, so you need a SECONDARY MEANING to be able to have a TM
         3. Conceivable that consumers could come to associate that color with that particular producer
      3. Policy Rationale:
         1. Conceivably could induce protection of goodwill
         2. Could also be a consumer protection rationale as consumers come to associate the color with the quality of the producer
         3. Separate inquiries into validity would also be required
   3. **Elements of Validity: Distinctive, Non-Functional, Adopted and Used**
2. Distinctiveness
   1. **Word Mark Distinctiveness Under the Abercrombie Spectrum**
      1. **Aribtrary/Fanciful (most protectable)**
      2. **Suggestive (protectable)**
         1. **INHERENTLY DISTINCTIVE**
      3. **Merely Descriptive (protectable upon showing of 2dary meaning)**
      4. **Generic (not protectable)**
         1. **NOT INHERENTLY DISTINCTIVE**
   2. SECONDARY MEANING
      1. A product acquires a secondary meaning through long use…don’t lose the primary meaning, but also a secondary source indicating meaning is added in the mind of the consumer
      2. Proving Secondary Meaning
         1. Direct Evidence: Survey
            1. Potential Pitfalls—can phrase the question to elicit the response you want, what method should be used to choose the population?, etc.
         2. Circumstantial Evidence
            1. Amount and manner of advertising (and $$)
            2. Volume of use/sales
            3. Duration of use/manner of use
            4. If you have proof of market presence, it is more likely that it is well known enough it is likely people will associate the problem with your brand
         3. Prima facie secondary meaning established after 5 years’ continuous use—Lanham Act § 2(f)
   3. Distinguishing Between “Suggestive” and “Merely Descriptive” Marks
      1. Dictionary—can give a good indication of how people think of the meaning of a word
      2. Imagination Test—whether the term requires imagination, though, and perception to reach a conclusion as to the nature of the produce
         1. If there is an imaginative leap involved, it is more likely suggestive, but if not, it is more likely descriptive
      3. Competitor’s Need—do competitors need it to describe their product?
      4. Actual Use in Marketplace
   4. Lanham Act Basis for Generic-ness
      1. LA § 2: “No trademark by which the goods of the applicant may be distinguished from the goods of others…”
      2. LA § 14(3): Registration may be cancelled “if the registered mark becomes the generic name for the goods or services, or a portion thereof
   5. **TRADE DRESS**
      1. **Components that add up to the total image of the business—décor, ambiance, shapes of things, colors, worker uniforms, etc.**—really wide range of subject matter
      2. Two Pesos, Inc. v. Taco Cabana, Inc. (US 1992) (décor of taco restaurants)
         1. HOLDING: Proof of secondary meaning is NOT required to prevail on a 43(a) claim where the trade dress at issue is inherently distinctive. It is possible to have unregistered trade dress that is inherently distinctive
         2. Statute doesn’t distinguish between rules for trade dress and rules for verbal marks, but case decided as a policy matter
         3. In the wake of this case, each circuit essentially created its own test for inherent distinctiveness of trade dress
      3. Wal-Mart Stores, Inc. v. Samara Brothers, Inc. (US 2000) (knock-off baby clothing)
         1. Attempted to resolve the circuit split on test for inherent distinctiveness in trade dress
         2. Holding: Product design trade dress can never qualify as inherently distinctive. Other types of trade dress can qualify as inherently distinctive. (Now must distinguish between product design and product packaging)
            1. Still not helpful—slippery slope—really no good test that would allow cases to be decided on SJ
      4. Err on the side of caution and where anything is ambiguous, you must require a showing of secondary meaning. Now courts almost always say that things are product design—basically have to show secondary meaning.
3. Functionality
   1. The effect of a functionality finding is not just to get a party out of infringement, but rather to say they have no TM rights
   2. LANHAM ACT STANDARDS
      1. LA § 2(e)(5): Registration will be refused for a mark that “comprises any matter that, as a whole, is functional”
      2. LA § 43(a)(3): In a 43(a) action involving unregistered trade dress, “the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional”
   3. Functionality Concerns in Trade Dress Cases
      1. Certain types of trade dress it is easy to determine the de facto function performed—product shape might indicate source in addition to performing some useful function.
      2. Do competitors need access to this shape in order to compete? (even if distinctive, may not be protected)
   4. Rationales for Functionality Doctrine
      1. Don’t want to interfere with the patent regime—it is a channeling doctrine
      2. Term of trademark rights is FOREVER—just has to be in use, distinctive, and non-functional (if it is registered, must maintain filing too)
      3. Don’t want people essentially getting utility patent protection forever just by giving trademark protection (anti-competitive and unconstitutional)
      4. Like idea/expression dichotomy and useful article doctrine in copyright
      5. Want to preserve goals of patent system and leave things that aren’t functional in the trademark system
   5. TrafFix Devices, Inc. v. Marketing Displays, Inc. (2001)
      1. THE TRAFFIX PRESUMPTION:
         1. Evidence that the feature at issue is the subject of an expired patent is “strong evidence that features claimed therein are functional” for trade dress purposes and “adds great weight to the statutory presumption” of functionality (§ 43(a)(3))
            1. Courts have construed the policy LIBERALLY—even those things shown, but not claimed, in a patent will likely trigger the presumption
      2. Judicially-Developed Tests for Functionality (before TrafFix)
         1. Mark is function if it is
            1. “Utilitarian” Functionality Test: “Essential to the use or purpose of the article or if it affects the cost or quality of the article” (Inwood v. Ives (US 1983))

Endorsed in TrafFix

* + - * 1. Cost or Quality Prong: If something is that much more expensive to produce, then it is something that must be necessary and functional for the product.

…”that is, if exclusive use of the [mark] would put competitors at a significant non-reputation-related disadvantage” (Qualitex v. Johnson (US 1995))

Endorsed in TrafFix, but only for analyzing “aesthetic functionality”

* + 1. Proving “Utilitarian” Functionality after TrafFix: Alternative Designs Evidence
       1. Evidence on the existence of alternative designs for performing the function:
          1. “Where the design is functional under the Inwood formulation there is no need to proceed further to consider if there is a competitive necessity for the feature”
          2. No need to engage in “speculation about other design possibilities” once functionality has been established under the Inwood standard
       2. Courts continue to really struggle with this standard and it is likely the Supreme Court will have to address it again at some point
  1. Don’t appear to be many limits to this doctrine. Right now it is a very mainstream view that the system needs a very robust functionality doctrine

1. Registration
   1. Some infringement claims require registered marks to be pursued
   2. Benefits of Registration on the Principal Register
      1. Presumptions (registration = prima facie evidence of validity, ownership, and exclusive right to use) (LA § 7(b); § 33(a))
      2. Incontestability (achieved after 5 years on the Principal Register) (LA § 15; § 33(b))
      3. Nationwide constructive use priority (LA § 7(c))
         1. Often at common law, the geographic scope of the rights are significantly restricted, but registration makes it nationwide
         2. Constructive is even better—if you intend to use the mark, you can file for registration if you are going to use it in the future and you can be treated as though you are actually using it as of the date you filed and others are on notice that it is taken
         3. Intent to use has become the predominant way to register marks now
   3. Supplemental Register
      1. If you have a mark, but don’t really have time to establish secondary meaning can register on supplemental register
      2. Often people file as a basis for a foreign filing because the requirements are different abroad
   4. Registration Process: Key LA Provisions
      1. More strenuous than copyright because there is actually someone at the PTO who examines the thing at issue
      2. Governing Provisions: Lanham Act §§ 1-22
         1. Contents of Application (§§ 1(a); 1(b))
         2. Exclusions from Registration (§ 2)
         3. Publication; Opposition (§§ 12, 13)
         4. Duration (10 years); Renewal (§§ 8, 9)
         5. Notice (§ 29)
            1. ® means registered mark; ™ means not registered, but you assert common law rights
      3. Can be malpractice if you don’t notify your clients about deadlines and renewals, etc.
   5. Grounds for Refusing Registration
      1. LA § 2 Descriptiveness Bar; Secondary Meaning Rule:
         1. No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it:
            1. Consists of a mark which (1) when used on or in connection with the goods of the applicant is merely descriptive…of them…
            2. Except as expressly excluded…nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant’s goods in commerce…
      2. Confusion Bar (§ 2(d))
         1. Mark which so resembles another…as to be likely to cause confusion or mistake or to deceive (implicit priority of use element)
      3. Immoral or Scandalous Marks (§ 2(a))
         1. Look at “CONTEMPORARY ATTITUDES”
            1. Makes a difference who you ask—fine inquiries into context make a big difference
            2. Maybe a dumb idea to keep this bar—waste of time and no real consequences, but politically difficult to remove—don’t want to open floodgates (no one wants to propose taking it away)
         2. Was mostly a fringe problem until “disparaging” (as racial) language came into play (e.g., Washington Redskins)
            1. Governing Test—2 prongs

Disparaging: Is mark “dishonorable, degrading” as viewed by the referenced group (or by “reasonable person of ordinary sensibilities” if there is no group?)?

Scandalous: Is mark “shocking” as viewed by substantial composite of the public?

* + 1. Geographic Marks
       1. Typically marks are descriptive and need secondary meaning.
       2. Some areas are known for certain products—worried about deceiving the consumer
       3. Test for the PTO: (from Nantucket)
          1. Primary significance of mark is geographic
          2. Purchasers would be likely to make a goods/place or services/place association
          3. Mark identifies geographic origin of the goods/services
       4. Geographically Deceptive & Misdescriptive—Nantucket has been superseded in this area, VERY complicated tests apply
  1. Incontestability (LA § 15, § 33)
     1. Quiets title by making the registration presumption “conclusive,” subject to preserved defendants (33(b))
        1. Makes certain defenses unavailable, like mere descriptiveness
     2. Only triggered if registrant has complied with procedures for attaining incontestability (15)
     3. See Park N Fly, Inc. v. Dollar Park and Fly, Inc.

1. Infringement
   1. Likelihood of Confusion
      1. Lanham Act § 32(1)(A): Any person who shall, without the consent of the registrant (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is LIKELY TO CAUSE CONFUSION, or to cause mistake, or to deceive; or (b)… Shall be liable in a civil action by the registrant for the remedies hereinafter provided.
         1. Typically asking for an injunction, but only need to show actual confusion when asking for damage
         2. Has not been read include causes of action for likelihood of mistake or deception…only confusion
      2. **ILLUSTRATIVE MULTI-FACTOR ANALYSIS FOR LIKELIHOOD OF CONFUSION:** (Consider Squirt/Quirst example)
         1. **Similarity of the marks**
            1. **Analyze based on SIGHT, SOUND, and MEANING**

Sight—look at the way the words look when written

Sound—work of mouth, tv, and radio ads

Meaning—different subtlety of meanings

* + - * 1. If things are in the same industry, don’t want to create monopolies just because both companies are in the lemon-lime soda industry
        2. Need to know exactly what the mark at issue is…

If there is a registration, you’re stuck with the registration, otherwise it can be argued

Could just be the word—if that’s the case, is it appropriate to look at the cans, etc?

Unresolved issue in the trademark regime. Tension remains in this particular area of argument

Are consumers likely to see the products at issue side by side? That would up the level of confusion or make a big difference the other way

* + - 1. **Strength of P’s mark**
         1. On Abercrombie scale: Arbitrary/fanciful; suggestive; merely descriptive; generic
      2. **Relatedness of the products/services (competitive proximity)**
      3. **D’s intent**
      4. **Actual confusion**
      5. **Purchase care/purchaser sophistication**
         1. Low cost item, purchasers don’t take much time to determine which to buy. Impliedly low level of consumer sophistication means more likely to be consumer confusion.
         2. Consumer sophistication can become a touchy subject because some statements get a little offensive—best to make these arguments when you are well-versed in how the product is actually marketed
    1. ALL TESTS FOLLOW THE FORMAT OF Market Factors + Intent + Actual Confusion
    2. Intent to copy does not mean intent to confuse (See Windex v. WindOh! Example in notes)
    3. Policy Rationale for Likelihood of Confusion (Instead of Actual Confusion)
       1. Easier to show likelihood of confusion if there is actual confusion
       2. VERY difficult to show actual confusion
       3. Surveys typically can best show likelihood of confusion
       4. May also want to settle the issue before there is actual confusion…it also takes a while for a new, possible confusing product to penetrate the market
    4. There can be other kinds of confusion—sometimes there is confusion before the sale, but not at the point of purchase. Should there be actionable confusion before the sale?
       1. Courts struggle with this idea—“purchasers” was taken out of the language of the LA and it allows for “pre-sale confusion”
       2. It is controversial in the US because it is subtle and difficult to determine that it is occurring and also what the harm would be, particularly where there is no divergence of sales…particularly lots of problems come up in the internet context.
  1. Class Examples: Squirt/Quirst; AMF, Inc. v. Sleekcraft Boats

1. 43(a)(1)(B) False Advertising (Janis thinks this is a major growth area for litigation)
   1. Began as a much narrower tort for when an advertiser lied about his own product
   2. **Statutory Basis: LA 43(a)(1)(B)**
      1. **Any person who, on or in connection with any good or services…uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which...(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another persons’ goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act…**
      2. No requirement for a particular MARK to be at issue
   3. JUDICIALLY-DERIVED TEST FOR § 43(a)(1)(B) FALSE ADVERTISING CLAIM
      1. False or misleading statement of fact about a product;
      2. Statement deceived or had capacity to deceive a substantial segment of consumers (usu. proven by survey)
      3. Deception is material, in that it is likely to influence the purchasing decision;
      4. Product is in interstate commerce; and
      5. Plaintiff has been or is likely to be injured as a result
      6. [Last 2 criteria are weak, but the first three are REALLY IMPORTANT]
   4. NO CONSUMER STANDING in these cases
   5. Literal v. Non-literal Falsity of Statements
      1. If statement is literally false, presume at least elements 1 & 2 (and maybe 3) are met
      2. What about subjective types of advertising (e.g. Mall of America--#1 Destination for Shopping and Fun; Papa John’s—Better Ingredient. Better Pizza)
         1. Not really statements of fact—they are statements of opinion
         2. Not liable because it is “mere puffery” and not a statement of fact.
2. Dilution
   1. Forms of Dilution
      1. Standard is LIKELY TO CAUSE DILUTION (still difficult to show because hard to elicit the right kind of evidence and answers from a survey)
      2. DILUTION BY BLURRING
         1. (c)(2)(B) For purposes of paragraph (1), dilution by blurring is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including [specifying factors (which are strikingly similar to confusion factors)]
         2. Rolex example
      3. DILUTION BY TARNISHMENT
         1. (c)(2)(C) For purposes of paragraph (1), dilution by tarnishment is association arising from the similarity between a mark or a trade name and a famous mark that harms the reputation of the famous mark
            1. “Harm the reputation of” could be a little dangerous and open the opportunity for subject value judgments
   2. Fame Requirement
      1. General consuming public of the United States (implies the entire country—added recently)
      2. Factors involving the reputation and goods and the geographic area
      3. FAMOUS: “widely recognized by the general consuming public of the United States (§ 43(c)(2)(A))
         1. Standard has been elevated a little bit by this language—could be seen as a strong filter, or could be manipulated a little
         2. Some courts have now decided that niche market fame is not enough, but it is still a tricky issue that has not been considered by all jurisdictions
   3. Remedy Under Lanham Act § 43(c) (2006)
      1. (c)(1)…The owner of a famous mark that is distinctive inherently or through acquired distinctiveness, SHALL BE ENTITLED TO AN INJUNCTION against another person who, at any time after the owner’s mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark
      2. INJUNCTIVE RELIEF ONLY (except in cases of willfulness—§ 43(c)(5))
   4. Defenses to Dilution Under LA 43(c)
      1. Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person’s own goods or services, including use in connection with **COMPARATIVE ADVERTISING** or **PARODY** or **CRITICISM OTHER THAN AS A DESIGNATION OF A SOURCE…**
      2. No parody defense where defendant IS using the mark as a designation of source for its own goods or services (Louis Vuitton (4th Cir. 2007)
      3. FACTORS for Fair Use
         1. Mark similarity
         2. Degree of distinctiveness of the famous mark
         3. Lack of 3d party uses of the famous mark
         4. The degree of recognition of the famous mark
         5. Defendant’s intent to create association
         6. Actual association

But existence of parody is relevant to overall question of “impairing distinctiveness”

* + 1. See Louis Vuitton Malletier SA v. Haute Diggity Dog, LLC (2007)
  1. Dilution as a Section 2 Bar
     1. Cannot be used by examiners
     2. (f) a mark which would be likely to cause dilution by blurring or dilution by tarnishment under section 43(c), may be refused registration only pursuant to a proceeding brought under Section 13 (OPPOSITION)…[or] may be canceled under…Section 14 (CANCELLATION)
        1. This provision may be invoked more frequently in the future because of the court’s skepticism of the lack of similarity argument
     3. See Notes for “Just Jesu It” Hypo

1. Defenses
   1. Nominative Fair Use (Referential Fair Use)
      1. Defendant uses plaintiff’s mark in the course of referring to plaintiff’s product (e.g. in comparative advertising)
      2. Tests for Nominative Fair Use
         1. New Kids on the Block v. News Am. Pub. (9th Cir. 1992)
            1. Product or service in question is one not readily identifiable without use of the TM;
            2. Only so much of the mark was used as was reasonably necessary to identify the product or service; and
            3. User did nothing that would suggest sponsorship or endorsement by the TM holder
         2. Century 21 v. Lendingtree (3d Cir. 2005)
            1. Is the use of the plaintiff’s mark necessary to describe (1) plaintiff’s product and (2) defendant’s product?
            2. Is only so much of the plaintiff’s mark used as is necessary to describe plaintiff’s products?
            3. Does the defendant’s conduct or language reflect the true and accurate relationship between plaintiff and defendant’s products?

Avoids being duplicative of the confusion issue. Worried about inappropriately shifting the burden of proof on this element from the plaintiff to defendant

* 1. Descriptive Fair Use
     1. Defendant uses plaintiff’s mark in the course of describing its own product (highly contextualized analysis)
     2. Sunmark, Inc. v. Ocean Spray Cranberries, Inc. (7th Cir. 1995) (Sunmark lost this case)
        1. SweeTart candy and Sweet, Tart ads for cranberry juice
           1. Sweet/Tart descriptive of the flavor of the juice
           2. SweeTart is a descriptive mark, but has secondary meaning (probably)
     3. Test for Descriptive Fair Use:
        1. Defendant uses plaintiff’s mark “descriptively” or “otherwise than a mark;” and
        2. Defendant’s use is in good faith
           1. Awareness of another’s mark is not automatically bad faith (vice versa is not automatically good faith)
     4. KP Permanent (Descriptive Fair Use Case)
        1. HOLDING: A person using the fair use defense does not have to negate likelihood of confusion
        2. Relationship Between Descriptive Fair Use and Confusion:
           1. TM owner has burden of proving likelihood of confusion (even for incontestable registrations), and fair use is an affirmative defense…Such that it would be error to require fair use claimant to negate likelihood of confusion in order to establish fair use
  2. Statutory Basis for Fair Use Defenses
     1. LA § 33(a): If you have a registered mark, and you sue on it, you are subject to the same array of defenses that would have been available at common law
     2. LA § 33(b): If you have a registration that has become incontestable, your registration is only subject to the listed defenses
        1. Example: (4) That the use of the name, term or device charged to be an infringement is a use, otherwise than as a mark, of the party’s individual name in his own business, or the individual name of anyone in privity with such party, or of a term or device WHICH IS DESCRIPTIVE OF AND USED FAIRLY AND IN GOOD FAITH ONLY TO DESCRIBE THE GOODS AND SERVICES OF SUCH PARTY, or their geographic origin…
           1. Clearly covers descriptive fair use, but what about nominative fair use?
  3. Parody
     1. High degree of appropriation for the other person’s work—directly implicates the kinds of tests we have been talking about (can only take that which was necessary, etc.)
     2. THERE IS NO DEFINITIVE TEST FOR PARODY IN USE OF TRADEMARKS. Courts are very inconsistent and there has been a certain chilling effect that should cause concern
     3. Evaluating Parody Defense to TM Infringement
        1. When the mark has “taken on an expressive meaning apart from its source-identifying function,” apply a First Amendment balancing analysis to determine whether speech interest outweighs interest in protecting against confusion (Mattel, Inc. v. MCA Records (9th Cir. 2002) (Barbie Girl case))
        2. Allegedly parodic use of a mark fails balancing analysis only if it “has no artistic relevance to the underlying work” or it “explicitly misleads as to the source or content of the work” (Rogers v. Grimaldi (2d Cir. 1989))
        3. 2 basic approaches to claims of parody in TM
           1. Treat it as bound up with the question of confusion (or dilution)

Concern: underprotective of speech (can probably show some small level of confusion in almost every case); even strong evidence of intent could be overwhelmed by other factors

* + - * 1. Treat parody like a defense (like fair use, etc.) (i.e., Barbie Girl)

Need some kind of separate test for parody—usually a balancing analysis for competing interests

Avoiding confusion against interests promoting speech; more protective than the first approach

See test above from Rogers v. Grimaldi (sounds a lot like the fair use test)

When a title is not at issue, there are other kinds of balancing used and not as much of a concrete test

* + 1. Parody is now included as a defense to dilution in LA § 43(c)

**PATENT**

1. Introduction
   1. STRONGEST of all IP rights available. Provides an incentive for people to INVEST in INNOVATION.
   2. What do people do with their patents?
      1. Shop the patent around for investors to raise capital (a way to capture investor interest)
      2. Excluding rivals from manufacturing the claimed invention (not realistic for every patent holder because cost is prohibitive)
      3. Could facilitate disclosure and doing deals—protects the patent holder in the face of disclosure (at least in theory)
      4. Larger companies use them to close off other avenues of litigation and to build up the arsenal because down the road there could be a lot of big litigation.
      5. Patent Trolls (people who get patents to threaten suits and get licensing revenues) seek patents to generate revenue
   3. Sources of Law
      1. US Constitution, Art. I, Section 8, Clause 8: Congress shall have the power “to promote the progress of science and the useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries”
      2. Patent Act 35 USC 100 et seq (Revised Sept. 2011, previously dated back to 1952)
      3. PTO Regulations 37 CFR Part 1
   4. Getting a Case to the Supreme Court:
      1. Obtaining Patent Rights (appeals from determination of no patent protection)
         1. BEFORE 1982: USPTO 🡪 Court of Customs and Patent Appeals (CCCPA) 🡪 Cert to US Supreme Court
         2. AFTER 1982: USPTO 🡪 Court of Appeals for the Federal Circuit 🡪 Cert to US Supreme Court
      2. Enforcing Patent Rights
         1. BEFORE 1982: Federal District Court 🡪 Regional Circuit Court 🡪 Cert to US Supreme Court
         2. AFTER 1982: Federal District Court 🡪 Court of Appeals for Federal Circuit 🡪 Cert to US Supreme Court
      3. Federal Circuit is a federal court of national jurisdiction, has become very important because patents are so important to the economy
2. Eligible Subject Matter
   1. Eligibility Under 35 USC 101
      1. Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirement of this title
      2. **SUBJECT MATTER CATEGORIES: process, machine, manufacture, or composition of matter**
         1. Mostly judge-made law because of these categories
         2. Article of manufacture is a catch-all category, but must establish the article in one of the categories
         3. Marginal areas: living subject matter and software (they don’t really fit the categories—software typically categorized as processes)
   2. Diamond v. Chakrabarty (US 1980)
      1. Rules for 101 Eligibility Analysis
         1. **Construe 101 subject matter categories broadly (“anything under the sun made by man…”)**
         2. **Exclude “laws of nature, physical phenomena, and abstract ideas**”—Everything qualifies prima facie, but it is abstract, etc. it will be excluded
            1. Judicially created prong that is difficult to apply and has little guidance
      2. At issue in Diamond: Genetically modified oil-eating bacteria (Holding: qualifies)
         1. Patent is only a right to exclude, it isn’t a right TO DO anything—e.g., does not give FDA approval, etc. There could still be many additional reasons research would be regulated or stopped completely separately of the patent system.
         2. ALWAYS AN ARGUMENT ABOUT JUDICIAL RESTRAINT IN ELIGIBLE SUBJECT MATTER CASES
      3. MPEP 2105 (1987): (set of instructions to patent examiners, not even binding law, but a policy statement)
         1. Non-naturally occurring, non-human, multi-cellular living organisms are eligible subject matter; America Invents Act Section 33(a) (2011) (“no patent may issue on a claim directed to or encompassing a human organism”)
   3. Eligibility of Business Methods
      1. Bilski v. Kappos: Currently the leading case on software related business method inventions; Supreme Court rejects automatic exclusion for business methods
      2. Bilski v. Kappos Holdings:
         1. Machine or transformation test is not the exclusive test for determining whether a process claim defines 101-eligible subject matter
         2. State Street Bank “useful, concrete, tangible result” test is rejected
         3. There is no categorical exclusion from eligibility for “business methods” (consistent with State Street Bank)
      3. **MACHINE-OR-TRANSFORMATION TEST**: 2 Prong Test (determine if claim is too abstract)
         1. **A claimed process is patent eligible if it (1) is tied to a particular machine or apparatus, OR (2) transforms a particular article into a different state or thing.**
         2. Still an important clue, but can’t be the exclusive test for determining if something is too abstract—violates statutory interpretation principles by construing broadly instead of consistently with ordinary meaning
      4. Prometheus Laboratories, Inc. v. Mayo Collaborative Services (Fed. Cir. 2010), cert. granted (2011-2012 term)
         1. Claimed Invention is a method of optimizing therapeutic efficacy for treatment of immune mediated gastrointestinal disorder
         2. See notes.
3. Utility and Disclosure
   1. Utility Under 35 USC 101
      1. Whoever invents or discovers any new and USEFUL process, machine, manufacture, or composition of matter, or any new and USEFUL improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title
      2. **“All that the law requires is, that the invention should not be frivolous or injurious to the well-being, good policy, or sound morals of society.”** Lowell v. Lewis (CCD Mass 1817) (Story, J.)
      3. Juicy Whip, Inc. v. Orange Bang, Inc. (no morality objection for utility)
         1. Patent examiner doesn’t/shouldn’t really have the power to determine what is moral or immoral
         2. Patent office is not there to serve as police for consumer deception—there are other institutions to serve that purpose
         3. Judicial restraint argument—if Congress wants to legislate, let them come back and say it is immoral
         4. COMPARE: European Patent Convention Article 53(a)
   2. Brenner v. Manson Utility Standard
      1. **Adopted heightened utility standard—i.e., 101 utility requires that claimed invention demonstrate (1) “substantial utility” (2) yielding a “specific benefit which exists in “currently available form”**
         1. Okay if something only works in experimental stages
   3. § 101 Utility Analysis Summarized
      1. 2 Ways the Court May Be Looking At It (hasn’t really said):
      2. Option 1:
         1. “Unpredictable” Arts (chem/bio):
            1. Apply Brenner substantial + specific standard
         2. Predictable Arts
            1. Apply Lowell standard?
      3. All arts: Apply Brenner substantial + specific standard, with the understanding that most subject matter in the predictable arts will readily satisfy it
   4. Describing and Enabling the Invention
      1. Patent Document
         1. Disclosure Section (standard text, aka specification)
         2. CLAIMS
            1. Frequently amended through the process, can even string a number of applications together
         3. Description—CANNOT BE CHANGED
      2. 35 USC 112, Paragraph 1:
         1. The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains…to make and use the same, and shall set forth the best mode of carrying out his invention.
         2. **3 REQUIREMENTS:**
            1. **Enablement**
            2. **Written Description**
            3. **Best Mode**
         3. “To a person skilled in the art” means a person of average expertise in the art area
      3. Process for Examining Patents
         1. Look at the claim; Look at the adequacy of the disclosure
         2. Question: How much extrapolation should be allowed between the disclosure and the claim? How broad can the claim get?
      4. **ISSUE IN ENABLEMENT ANALYSIS**:
         1. Whether the claims are invalid because the disclosure fails to enable a person of ordinary skill in the art to make and/or use the claimed invention WITHOUT UNDUE EXPERIMENTATION
         2. **FACTORS TO TEST UNDUE EXPERIMENTATION**: (subtle case-by-case determination)
            1. **Quantity of experimentation**
            2. **Amount of direction or guidance presented**
            3. **Presence or absence of working examples**
            4. **Nature of the invention**
            5. **State of the prior art**
            6. **Relative skill of those in the art**
            7. **Predictability or unpredictability of the art**
            8. **Breadth of the claim (as compared to the specification)**
      5. Written Description Requirement: (See 35 USC 112 above) “The specification shall contain a WRITTEN DESCRIPTION”
         1. Disclosure fails to provide adequate “written description support for a claimed invention if disclosure fails to convey to a person of ordinary skill in the art that patentee had “possession” of the claimed invention as of application filing date (Ariad Pharms. V. Eli Lilly & Co. (Fed. Cir. 2010))
            1. See also Gentry Gallery v. Berkline Corp. (Fed. Cir. 1998) (broad claim that issues was not supported by the claim as filed, the inventor is stuck with the version he disclosed when he filed the claim)
            2. These cases almost always come up in situations where an amendment has been made to the claim
      6. **Best Mode Requirement: (See 35 USC 112 above) “…shall set forth the best mode of carrying out his invention”**
         1. Attempts to avoid allowing someone to get both a patent and keep a trade secret in the form of the best mode of production
         2. Has been abolished in the UK, but has become a litigation game here (could be argued as redundant and fulfilled by enablement requirement)
         3. As it exists now—it means inventor’s **SUBJECTIVE BEST MODE**
         4. America Invents Act § 15 (amending 35 USC 282 to eliminate best mode as a defense in litigation and in post-grant administrative proceedings)
            1. Basically kills the doctrine by not allowing it to be raised as a defense because that was previously its primary use
4. Novelty and Statutory Bars

NOTE: Look at the language in full of §§ 102 and 103 and should look at amendments made in patent reform legislation. Patents filed through the end of the year will still be under the 1952 rules and they will be in force for the next 20 years or so. Because of the way the effective dates are structured, lawyers will have to know both for the next couple decades.

* 1. Novelty Bar—Prior Art and Anticipation
     1. Statutory Basis for Novelty Bar: 35 USC 102 (1952 Act)
        1. A person shall be entitled to a patent unless…(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent…(g)(2) before such person’s invention thereof, the invention was made in this country by another who had not abandoned, suppressed, or concealed it.
        2. US is typically called a “first to invent” system
     2. Prior Art: Evidence that falls into some category under § 102 and/or § 103 and can be used to make a patent ineligible
        1. In most cases, the controversy is about whether the reference qualifies as prior art to begin with
     3. Framework for Analyzing a § 102 PRIOR ART Issue:
        1. **Determine whether the reference qualifies as prior art under at least one subsection of 35 USC 102 (1952 and 2011)**
        2. **Compare the claimed invention to the disclosure in the reference to determine whether the reference ANTICIPATES the claim**
           1. **ANTICIPATION—strict correlation between the prior art and the claim—literally have to go and do a step-by-step checklist**
           2. **Anticipation Rules:**

A claim is anticipated if a single prior art reference source discloses each element of the claim (it eliminates the newness/novelty of the claim)

* + 1. 102(b) (2011 Act): Exceptions to 102(a)(1):
       1. A “disclosure” is disqualified as 102(a)(1) prior art if made 1 year or less before applicant’s filing date and
          1. 102(b)(1)(A) Exceptions: (1) is made by inventor or joint inventor; or (2) is made by another who obtained subject matter from inventor or joint inventor
          2. 102(b)(1)(B) Exception: before such “disclosure” was “publicly disclosed by inventor or joint inventor”
  1. Statutory Bar (35 USC 102(b)) (1952 Act)
     1. A person shall be entitled to a patent unless (b) the invention was PATENTED or DESCRIBED IN A PRINTED PUBLICATION in this or a foreign country or IN PUBLIC USE or ON SALE in this country, more than one year prior to the date of the application for patent in the US

|  |  |  |
| --- | --- | --- |
| **Evidentiary Component** | **Geographic Component** | **Temporal Component** |
| Patented | Worldwide | More than 1 yr. before filing date |
| Printed Publication | **“** | **“** |
| In “Public Use” | US only | **“** |
| “On Sale” | **“** | **“** |

* + 1. Starting Point—Need to know when the application was FILED. Go back one year from that date (GRACE PERIOD). CRITICAL DATE is one year before filing. Anything that occurred before the critical date is potentially early enough to qualify as prior art.
  1. Representative Cases and Relevant Tests for Statutory Bar
     1. In re Hall (Fed. Cir. 1986) (Thesis paper available in Europe available before critical date and therefore qualifies as prior art. Bias in favor of bright line rule)
     2. Egbert v. Lippmann (US 1881) (Corset Case)
        1. **§ 102(b) (1952 Act) “PUBLIC USE” ANALYSIS**
           1. **Weigh Factual Indicia of Publicity:**

**Large number of uses? Large number of users? Visible use? Agreement containing express obligations of confidentiality?**

* + - * 1. **Factor in Statutory Bar Policy Considerations**

**Protect public’s expectations; encourage prompt filing (discourage abandonment); prevent early commercialization; Also might care in order to get disclosure—want things to be filed soon to promote disclosure and the knowledge will be publicly available more quickly**

* + - 1. These cases are often difficult to predict
    1. City of Elizabeth v. American Nicholson Pavement Co. (US 1877) (Pavement tested in another city before patent was filed does not constitute public use)
       1. “The use of an invention by the inventor himself, or of any other person under his direction, by way of experiment, and in order to bring the invention to perfection has never been regarded as a patent-defeating public use”
       2. **Federal Circuit’s § 102(b) EXPERIMENTAL USE DOCTRINE**
          1. **Multi-factor analysis for determining whether an otherwise public use should be deemed “experimental”:**

**Inventor’s control over prototypes**

**NOTE: Often used by courts as a shortcut if they don’t want to let you keep the rights they will usually say not enough control**

**Nature of invention**

**Duration of testing**

**Existence of compensation to inventor**

**Changes to invention as a result of experimentation**

**Inventor’s subjective purpose**

* + 1. **“ON SALE” DOCTRINE**
       1. Test for Evidentiary Component of 102(b) On Sale Bar:
          1. **There is a COMMERCIAL OFFER FOR SALE (as tested by contract law)**

Can be secret sale, just has to be on sale (VERY POTENT BAR TO PATENT)

* + - * 1. **Of subject matter that is “ready for patenting”** (the invention has to actually be in existence—ready for patenting means you have a prototype or you have at least an enabling conception of the invention—if you have a drawing it is probably enough)

1. Obviousness
   1. “THE ULTIMATE CONDITION OF PATENTABILITY” (Most important validity doctrine in patent law, very fact sensitive)
   2. Statutory Basis: 35 USC 103(a) (1952 Act)
      1. A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title (prior art), if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.
         1. “Obvious” instead of “inventive” is somewhat limiting
         2. “At the time the invention was made” limits the use of hindsight
         3. Last sentence is a direct response to former requirements that something be created in a Nobel Prize winning way. Accidents will not preclude patentability
   3. Obviousness Under Graham v. John Deere (US 1966)
      1. **“PRIMARY FACTORS”** (Questions of Fact)
         1. Scope and content of the prior art
         2. Differences between the claimed invention and the prior art
         3. Level of ordinary skill in the art
      2. **“SECONDARY” CONSIDERATIONS** (some courts say they MUST be considered if in evidence)
         1. Commercial success of the invention
            1. If there was such a great commercial demand, someone else would’ve come up with it (especially if it is so easy)
            2. Commercial success with a NEXUS to the obviousness of the invention
         2. Long felt need that the invention meets
         3. Failure of others to achieve the claimed invention
         4. Initial skepticism towards the invention, followed by acceptance
         5. Etc.
      3. **CONCLUSION AS TO OBVIOUSNESS**
         1. Balance “primary” factors and “secondary” considerations (if in evidence) to formulate an obviousness conclusion
         2. Obviousness conclusion is a QUESTION OF LAW, based upon underlying fact considerations
            1. Implications of being a question of law:

De novo review on appeal (federal circuit)

Takes the question away from the jury

Questions of fact are less able to be adjudicated on SJ

* + - * 1. FUNDAMENTAL TENSION IN PATENT LAW—WHO GETS TO DECIDE?
  1. Obviousness Under KSR Int’l v. Teleflex (US 2007)
     1. “While the sequence of these questions [from Graham v. John Deere] might be reordered in any particular case, the factors continue to define the inquiry that controls”
     2. Teaching-Suggestion-Motivation Concept
        1. The argument for obviousness should be: I have the coffee, I have the beer, and I have evidence that there was a teaching, suggestion, or motivation to combine the two, and then it is obvious.
        2. It must be subtle or it would be the same level as anticipation
        3. Supreme Court determined that this concept must be applied flexibly
  2. Conclusion as to Obviousness: Common Formulations
     1. Claimed invention combines prior art elements according to known methods to achieve predictable results
        1. KSR v. Teleflex: focus is not on the inventor’s subjective reasons for combining the elements; “under the correct analysis, any need or known problem in the field of endeavor at the time of the invention and addressed by the patent and can provide a reason for combining these elements
     2. Claimed invention appropriates a solution from one field and adapts it for use in another, where market forces or other incentives made it predictable that such an adaptation would occur.
        1. KSR v. Teleflex: hypothetical person of ordinary skill in the art is reasonably creative; “not an automaton;” has there been evidence of “teaching away” (i.e. someone said don’t put the coffee and beer together, but inventor did, against common wisdom)
     3. Claimed invention is a selection from among a relatively small number of identified possibilities, with a reasonable expectation of success
        1. KSR v. Teleflex: prior art that renders claimed subject matter “obvious to try” may suffice to establish obviousness
     4. Claimed invention substitutes one known element or material for another to obtain predictable results
        1. Hotchkiss v. Greenwood (US 1851)

1. Claim Interpretation (Enforcement Doctrine) (Question of Law)
   1. Sources for Claim Interpretation (privilege evidence over the extrinsic evidence)
      1. **Claim language** (intrinsic)
      2. **Specification** (intrinsic)
         1. Need to be very careful in writing the specification because this is where the emphasis falls
      3. **Prosecution History** (intrinsic)
         1. May not actually be all that useful
      4. **Expert testimony/inventor testimony** (extrinsic)
         1. Would need to be a person of ordinary skill in the art
         2. Inventor would be likely to be bias if he were the expert testimony
      5. **Dictionary** (extrinsic)
         1. Which dictionary should be used?
         2. Could be too broad, could be the same problem with not necessarily being an ordinary person skilled in the art. Plain meaning of the claim itself—seems to point to the dictionary as the source, but causes issues
      6. **Documents** (extrinsic)
      7. Rely on extrinsic evidence to the extent that other testimony is ambiguous. Dictionary definitions have only limited probative value as extrinsic evidence.
         1. END GOAL IS TO GET AT THE INVENTOR’S INTENT
         2. Virtually all judges will let the extrinsic testimony in, but may not “rely” on it in the judgment. Questionable how much is really not relied on in the expert testimony. Inventor testimony is a little clearer.
   2. Allocation of Decisionmaking Authority Over Claim Interpretation
      1. Claim interpretation is almost always viewed as a QUESTION OF LAW (means de novo review on appeal)
         1. Downside of de novo review—usually ends up going back on remand
         2. New judges now tend to be pressing to revisit this issue of de novo review/question of law (Markman hearings—claim construction hearings)
2. Infringement (Question of Fact)
   1. Framework for Infringement Analysis (to be applied after construing the claim)
      1. Determine whether the accused activity qualifies as an act of infringement under 35 USC 271(a) (it almost always will)
      2. If so, compare the claimed invention to the accused activity to determine whether the activity literally infringes the claim
         1. Literal infringement parallel to anticipation (more rigid)
      3. If the activity does not literally infringe, compare the claimed invention to the accused activity to determine whether the activity infringes the claim under the DOCTRINE OF EQUIVALENTS
         1. Doctrine of equivalents analogous to obviousness (slippery, expert testimony required, etc.)
   2. Qualifying Under 271(a)
      1. **Except as otherwise provided in this title, whoever without authority makes, uses, offers to sell, or sells any patented inventions, within the United States or imports into the US any patented invention during the term of the patent therefor, infringes the patent**

|  |  |  |
| --- | --- | --- |
| **Evidentiary** | **Geographic** | **Temporal** |
| Makes |  |  |
| Uses |  |  |
| Sells | Within or into the US  \*\*CAREFUL, Could be sucker exam detail—must be in the US!!! | During the term of the patent |
| Offers to Sell |  |  |
| Imports |  |  |

**VERY BROAD, encompasses almost everything you could do with a patent**

* 1. Literal Infringement (Question of Fact)
     1. **VERY STRICT RULE TO DETERMINE LITERAL INFRINGEMENT—MATCHING—every element of the claim must be found in the accused device. JUST LIKE ANTICIPATION FOR PRIOR ART**
        1. It always comes up that the accused device has additional pars—there is still literal infringement—the extra piece may be an improvement, but it is still literally infringes
        2. “Comprising” is a term of art meaning “including, but not limited to” (ALL CLAIMS ARE WRITTEN THIS WAY FOR OUR CLASS)
     2. **ALL ELEMENTS RULE FOR LITERAL INFRINGEMENT**
        1. Literal Infringement occurs only when the accused device includes each element of an individual claim
        2. “Comprising” = “Including but not limited to”
           1. All elements test satisfied for “comprising” claim even if accused includes additional elements not expressly recited in claim
     3. In writing a patent claim—job is to write the claim so that there is literal infringement by almost anything conceivable
     4. NON-LITERAL COPYING—Unclear how this is done in patents
        1. Choices:
           1. Too bad, you have a powerful right, if you didn’t write the claims to encompass that, too bad. Important to define the boundaries of the claim VERY carefully (i.e. all elements rule)
           2. Maybe there should be another rule that a “close enough” kind of rule. (Could allow broad claim construction or an alternative rule, i.e., doctrine of equivalents)
     5. All Elements Rule for the Doctrine of Equivalents:
        1. Doctrine of equivalents permits a finding of infringement where accused device includes an equivalent substitute for any element of the claim that is not included literally.
        2. If you have a claim where one or two elements are not met literally, you will probably lose.
        3. Also consider from a policy perspective—step away from the strict literal infringement, but isn’t a very big step…still must meet all elements test
        4. Equivalent Substitute:
           1. Component in accused device performs…

Substantially same function

In substantially same way

To achieve substantially same result as claim element

Graver Tank v. Linde Air Prods. (US 1950)

* + - * 1. Genuine issues of fact that require resolution by the fact finder—probably can’t really do SJ
  1. PROSECUTION HISTORY ESTOPPEL (Festo Corp. Case (US 2002))
     1. When an applicant makes an amendment to a claim that narrows it during prosecution, you can’t turn around and recapture what you gave up in the course of an argument under the doctrine of equivalents.
     2. **PATENTEE IS ESTOPPED FROM RECAPTURING, through assertion of the doctrine of equivalents (DOE), CLAIM SCOPE THAT PATENTEE GAVE UP DURING PATENT PROSECUTION** (Exhibit Supply v. Ace Patents (US 1942))
        1. Similar to equitable estoppel, but reliance element is not explicit in the patent test
        2. Don’t have to show intent—strict liability (different from copyright where you have to show copying)—can be a literal infringer without ever having heard of your patent
     3. Flexible v. Absolute Bar (consider coffee beer hypo from class)
        1. **ABSOLUTE BAR:** Patentee is estopped from arguing equivalents as to the coffee element
           1. Once it is triggered, no range of equivalency is left with that particular element
        2. **FLEXIBLE BAR:** Patentee is estopped from asserting a range of equivalents that would recapture all caffeinated beverages, but still may be entitled to argue that “coffee is equivalent to some subset of caffeinated beverages”
           1. Looked at more on a case-by-case basis
           2. Can’t get back what you gave up, but still may have some small range of equivalencies
     4. Prosecution History Estoppel AFTER FESTO
        1. Was the claim amendment narrowing?
        2. Was reason for the amendment a “substantial reason relating to patentability”?
        3. Where a and b are met, patentee is presumed to have surrendered “all territory between the original claim limitation and the amended claim limitation” (“Festo presumption”)
           1. REBUTTING the FESTO PRESUMPTION:

Unforeseeability; Tangentialness; “some other reason”

* 1. Indirect Infringement (§ 271(b) and (c))
     1. The Framework for Analyzing Indirect Infringement
        1. Indirect Infringement (by X)
           1. Whoever ACTIVELY INDUCES infringement of a patent shall be liable as an infringer

Level of Culpability

Intent to bring about the direct infringement AND knowledge of the patent

* + - * 1. Determine whether S’s activity qualifies as (1) CONTRIBUTORY INFRINGEMENT under § 271(c); OR (2) INDUCEMENT under § 271(b)

AND

* + - 1. Underlying Direct Infringement (by Y):
         1. Determine whether Y’s activity qualifies as an act of infringement under 35 USC 271(a)
         2. If so, compare the claimed invention to Y’s activity to determine whether Y’s activity literally infringes the claim
         3. If Y’s activity does not literally infringe, compare the claimed invention to Y’s activity to determine whether Y’s activity infringes the claim under the doctrine of equivalents
    1. Contributory Infringement 35 USC 271(c)
       1. 4 Acts and Their Limitations
          1. “Sells or offers to sell in the US a component”
          2. “Imports into the US a component”
          3. “Constituting a material part of the invention” (courts don’t pay much attention to this, always material)
          4. “Not a staple article or commodity of commerce suitable for substantial non-infringing use”
       2. Relevant level of culpability—KNOWLEDGE
          1. MUST BE KNOWLEDGE OF THE ACTS THE INFRINGING PARTY WOULD TAKE (but does the contributor have to know that there was a patent?)
          2. CULPABILITY: “knowing the same to be especially made or especially adapted for use in an infringement of such patent”

Knowledge that the component was “especially made…”; and

Knowledge of the patent

MAJOR LIMITATION (most of the time you need ACTUAL NOTICE from the patentee, but Global Tech may have slightly tweaked rule)

* + - * 1. Courts use WILLFUL BLINDNESS in RARE CASES to satisfy knowledge of the patent. Will probably need to have a really bad actor to succeed on willful blindness (see Global Tech Appliances v. SEB SA)

1. Defenses
   1. The most common defenses to patent infringement are non-infringement and invalidity of the patent (obvious, etc.)
   2. Doctrine of Inequitable Conduct
      1. Severe remedy and really powerful defense; rarely successful because it is too difficult to prove intent
         1. Pleaded to open up discovery of possibly privileged conversations
      2. Purpose of the Defense:
         1. PTO has very limited ability to go and research patents, so they have to rely on what they are given
         2. It is a barrier and strict warning against people lying to the PTO about what is being presented
            1. Ex parte procedure of patents—PTO not like judge or adversary and doesn’t have the power for discovery or to compel witnesses
            2. Need some limitation to deter the possibility of abuse of the system
            3. There is a duty to disclose information that might be relevant to the patentability
         3. Important in day-to-day patent litigation, but there is a real split in the Federal Circuit about it
      3. CLASSIC CASE: Failure to disclose known prior art
      4. Two Layers of Regulation
         1. PTO Regulation—Rule 56—imposes on patent applicants a duty to disclose information they are aware of that is relevant to patentability (not really enforceable)
         2. Judicially Created Doctrine of Inequitable Conduct—only arises in litigation
      5. ELEMENTS OF INEQUITABLE CONDUCT DEFENSE
         1. During prosecution, applicant (1) failed to disclose material information of which applicant was aware, or submitted false or misleading information (materiality element)…(2)…with intent to deceive the PTO (“intent” element)
            1. Intent Element: “the involved conduct, viewed in light of all the evidence, including evidence indicative of good faith, must indicate sufficient culpability to require a finding of intent to deceive”

Court says they are not applying a sliding scale, but Janis doesn’t think it will work, they will apply it without saying they are

* + 1. REMEDY FOR INEQUITABLE CONDUCT DEFENSE:
       1. ..So that patent should be deemed unenforceable in its entirety in a subsequent litigation
       2. WHOLE PATENT RENDERED UNENFORCEABLE (and may even be extended to related patents)
    2. Important Case—Therasense, Inc. v. Becton, Dickinson and Co. (Fed. Cir., en banc)
    3. Provision in 2011 Patent Reform Act: Supplemental Examination
       1. Creates an administrative procedure. Patentee can invoke and attempt to cleanse activity that may be close to inequitable conduct. Difficult to tell how it will work, but will continue to be important

1. Remedies
   1. HUGE area in patent law—lots of money, among the biggest in civil litigation
   2. Injunctive Relief
      1. 35 USC 283: The several courts having jurisdiction of cases under this title may grant injunction in accordance with the principles of equity to prevent the violation of any right secured by patent, on such terms as the court deems reasonable
      2. 4 FACTOR EQUITABLE TEST FOR INJUNCTION:
         1. Plaintiff has suffered irreparable injury
         2. Remedies at law are inadequate to compensate
         3. Balance of hardships between plaintiff and defendant favors grant of injunctive relief
         4. Public interest would not be disserved by grant of injunctive relief
      3. Can still get injunctive relief in most cases, but certain cases it seems like licensing would be a better remedy
      4. 35 USC 284: Upon finding for the claimant the court shall award the claimant damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by the infringer…
         1. Minimum: “reasonable royalty” (15 Georgia Pacific Factors)
            1. Amorphous standard—could encourage litigation rather than settlement or could have a chilling effect (both views exist)
         2. Additional: Patentee’s lost profits on los sales (Panduit Test)
            1. Different from recovery of defendant’s profits that they made from the infringement (disgorgement of D’s profits)
            2. Could also get money on top for erosion of profits because patentee could have charged more but for the infringer’s competition
         3. Enhanced: Treble damages (§ 284); attorney’s fees (§ 285)
            1. Have to show willful infringement—pretty trick and difficult to tell when you will be tagged with willful infringement
   3. Limitations
      1. Time limitations on damages: 6 years prior to complaint filing (35 USC 286)—different than a statute of limitation
      2. Inherent limitation because of the limited span of patents to begin with
      3. Patent Marking: No damages prior to complaint filing unless patentee has properly marked patented products or has ACTUALLY NOTIFIED infringer of the infringement (35 USC 287(a)