

**TRADE SECRET**

- (1) **TRADE SECRET** - information not generally known or available
- (2) **PROTECTION** – “reasonable efforts to maintain secrecy”
- (3) **COMMERCIAL VALUE**
- (4) **MISAPPROPRIATION**
  - (1) “IMPROPER” MEANS
  - (2) CONFIDENTIAL DISCLOSURE
- (5) **REMEDIES**
- Criminal Law (Trade Secret Theft / Econ Espionage)

**TRADEMARK/TRADE DRESS**

- (1) **TYPE OF PROTECTION**
  - **FUNCTIONALITY PROHIBITION**
- (2) **EXISTENCE**
  - (A) **DISTINCTIVENESS**
    - (i) **TESTS**
    - (ii) **MARKS**
      - **Inherently Distinctive** - (1) Arbitrary Mark, (2) Suggestive Mark, [x] Product Packaging / Trade Dress
      - **Secondary Meaning Required** - (2) Descriptive Mark – Colors, symbols, product design, geo/personal name
      - (4) Generic Mark – Genericide, etc.
    - (iii) **SECONDARY MEANING** (If necessary)
  - (B) **(MINIMAL) USE IN COMMERCE**
  - [C] **PRIORITY & SCOPE**
    - (i) Lanham 43(a) use in commerce.
    - (ii) **Geographic Dimensions**
    - (iii) **Penumbral Trademark**
- (3) **INFRINGEMENT**
  - (1) “Use as a Trademark”
  - (2) “Likelihood of Consumer Confusion”
  - (3) **INTENTIONAL INFRINGEMENT**
  - (4) **REMEDIES**
- (4) **INDIRECT/ (“CONTRIBUTORY”) INFRINGEMENT**
- (5) **DILUTION**
  - (A) **TEST**
    - (1) **FAMOUS MARK**
    - (2) **DILUTION BY BLURRING**
    - (3) **DILUTION BY TARNISHMENT**
  - (B) **REMEDY**
- (6) **FALSE ADVERTISING**
- (7) **DEFENSES**
  - (1) **GENERICIDE**
  - (3) **FUNCTIONALITY**
  - (3) **FAIR USE**
- [8] **CYBERSQUATTING**
- [9] **TRADEMARK COUNTERFEITING**
- (10) **REMEDIES**
  - **Injunctions**
  - **Damages**
    - (1) **PROFITS.**
    - (2) **DAMAGES SUSTAINED BY P**
    - (3) **COST OF ACTION**
    - [4] **Punitives**
    - [5] **Criminal Penalties**
- (11) **INTERNATIONAL RAMIFICATIONS**
  - **Gray Market**

## COPYRIGHT

- (1) REQUIREMENTS
  - (1) ORIGINAL WORKS OF AUTHORSHIP
  - (2) FIXATION IN A TANGIBLE MEDIUM OF EXPRESSION
- (2) COPYRIGHTABLE SUBJECT MATTER
  - (A) UNIVERSAL LIMITS
    - (i) Function vs. Expression vs. Idea
    - (ii) Useful Article Doctrine
    - (iii) **SPECIAL PC PROG LIMIT**. *Computer Associates v. Altai* test below in rights section.
  - (B) CATEGORIES. 17 USC 102–[...] Works of authorship include the following categories:
    - (a) Literary Works
    - (b) Musical Works
    - (g) [Sound Recordings]
    - (c) Dramatic Works, Inc. Accompanying Music + (d) Pantomimes and Choreographic Works
    - (e) Pictorial, Graphic, and Sculptural Works
    - (f) Motion Pictures and other audiovisual Works
    - (h) Architectural Works
    - [i] Semiconductors/”Mask Works”
    - [j] Vessel Hull Designs –Protected per [Vessel Hull Design Protection Act](#), also a *sui generis* independent protection.
    - [k] Derivative Works and Compilations
    - [l] Unpublished Works (of any kind?) - General duration: 120 from creation.
  - Gov’t
- (3) OWNERSHIP
  - (A) INITIAL OWNERSHIP
    - Initial Ownership
    - WFH
    - Joint Works
    - Collective Works
  - (B) DIVISION, TRANSFER, AND RENAMING
- (4) RIGHTS OF OWNERS/INFRINGEMENT
  - (A) 17 USC 106(1) – [Reproduction]
    - **INFRINGEMENT FACTORS**
      - (A) COPYING
        - (i) Access
        - (ii) “Substantial [Probative] Similarity”
      - (B) IMPROPER APPROPRIATION (“going too far” per *Nichols*)
        - *Altai*
      - (C) LIMITATIONS
    - (B) 17 USC 106(2) – [Derivative Works]
    - (C) 17 USC 106(3) – [Distribution]
      - (A) First Sale Doctrine –
      - (B) Importation Right –
      - (C) “Making Available” right
    - (D) 17 USC 106(4) – [Performance/Display]
      - [1] Perform – For moving works.
      - [2] Display – For non-moving works
    - **INDIRECT INFRINGEMENT**
      - Respondeat superior
      - Vicarious Liability
      - Contributory
  - (5) DEFENSES
    - (1) FAIR USE
      - (1) the purpose and character of the use,
      - (2) the nature of the copyrighted work;
      - (3) the amount and substantiality of the portion
      - (4) the effect of the use upon the potential market
    - (2) ALTERNATIVE DEFENSES
  - (6) REMEDIES
    - (A) INJUNCTIONS
    - (B) DAMAGES
      - (i) ACTUAL DAMAGES & PROFITS
      - (ii) STATUTORY DAMAGES
    - (C) ATTORNEY’S FEES
  - DIGITAL COPYRIGHT LAW
  - INTERNATIONAL COPYRIGHT LAW

**PATENT**

- (1) REQUIREMENTS FOR PATENTABILITY
  - (A) PATENTABLE SUBJECT MATTER
    - (1) **PATENTABLE**
      - (i) PROCESS CLAIMS
      - (ii) PRODUCT CLAIMS
    - (2) **NOT PATENTABLE** (Per *Diamon v. Chakrabaty*)
      - (i) LAWS[+ Processes?] OF NATURE/ (ii) PHYSICAL (“NATURAL”) PHENOMENA
      - (iii) ABSTRACT IDEAS
  - (B) UTILITY/USEFULNESS
  - (C) NOVELTY& PRIORITY
    - (1) NOVELTY
    - (2) PRIORITY
  - (D) NON-OBVIOUSNESS
    - COMBINING PRIOR ART
  - (E) DISCLOSURE (“Written Description” + “Enablement” + “Best Mode”)
    - [1] [WRITTEN DESCRIPTION]“
    - [2] [ENABLEMENT]
    - [3] [BEST MODE]
    - [4] DEFINITIVENESS [Para. 2] –
- [1.5] CLAIM INTERPRETATION
  - STANDARDS OF CLAIM REVIEW
    - SOURCES
    - STANDARDS
- (2) INFRINGEMENT
  - (i) DIRECT INFRINGEMENT
    - (A) LITERAL INFRINGEMENT
    - (B) INFRINGEMENT BY (DOCTRINE OF) EQUIVALENTS
      - (a) ALL ELEMENTS RULE:
      - (b) PROSECUTION HISTORY ESTOPPEL
  - (ii) INDIRECT INFRINGEMENT
    - (C) CONTRIBUTORY INFRINGEMENT
    - (D) JOINT INFRINGEMENT
    - (E) FOREIGN INFRINGEMENT ACTIVITIES
- (3) DEFENSES
  - (A) EXPERIMENTAL USE DEFENSE
  - (B) INEQUITABLE CONDUCT
  - (C) PATENT EXHAUSTION
- (4) REMEDIES
  - (1) INJUNCTIONS
  - (2) DAMAGES
    - (A) LOST PROFITS
    - (B) REASONABLE ROYALTIES

**RELATED STATE DOCTRINES**

- (1) MISAPPROPRIATION
- (2) RIGHT TO PUBLICITY
- (3) TRESPASS TO CHATTELS

**PREEMPTION**

## INTELLECTUAL PROPERTY

### PHILOSOPHICAL PERSPECTIVES

- **General** – IP, being nonrivalrous and nebulous, is protected for reasons other than rivalrous property
  - Also infinitely duplicatable, not easily state-run.
- **Locke's Labor Theory** – “Property” in a “person” – when person adds work to natural land, he owns that work “AS MUCH AS GOOD”
  - **Dispute over ownership degree.** Does the person own all or merely his added work? Tomato soup in ocean.
  - **Absolutism** – Furthering the idea, position that ownership is absolute, one can withhold absolutely.
- **Hegel's Personhood Perspective** – Concept emphasizing emotional connections, relative to pain occasioned by loss.
  - **“Personhood” Property** – Emotionally connected, cannot easily be replaced (rings, etc). Embodiment of freedom.
  - **Fungible Property** – Can be replaced with money or the like
- **DOMINANT Economic Incentives Perspective**
  - **BENEFITS – Economic Incentive** – Incentivize invention and creation as much as possible, inc. Investment.
    - **But what about alternative incentives?** State funding obviates this need?
  - **BENEFIT – Market Integrity** – Trademarks as special incentive to prevent fraud, abuse.
    - **Veblen Goods** – Trademarks as status indicators, raising worth, personhood.
    - **Anti-dilution** – Protection of even the dilution of a brand for recognition.
  - **COST – Limiting Diffusion** – Items become more expensive and more limited.

**CORE QUESTIONS:** (1) What subject matter? (2) What req's for protection? (3) What rights? (A) re: Infringement? (B) re: Defenses? (5) What Remedies?

TRADE SECRET	PATENT	COPYRIGHT	TRADEMARK/TRADE DRESS
Protection against unfair competition, freedom of K	Limited monopoly to encourage disclosure, utilization, and invention	Limited monopoly to encourage creation of creative works	Perpetual protection to improve quality of info in marketplace
State Laws	Federal Patent Laws	Copyright Acts, Common Law	Lanham Act, Common Law
Formulae, patterns, compilations, programs, devices, method, technique, process	Process, machine, manufacture, composition of matter, asexually reproducing plants, designs <i>excluding</i> natural things, printed matter, and mental steps	Artistic works, <i>limited by</i> idea/expression dichotomy, no protection of facts/research	Trademarks, service marks, certifications, collective marks, etc. <i>No protection for</i> functional features, descriptive terms, geographic names, misleading aspects, generic names.
Requires (1) information not generally known or available, (2) reasonable efforts to keep secret, (3) commercial value, (4) misappropriation	Requires (1) novelty, (2) non-obviousness, and (3) utility	Requires (1) originality, (2) authorship, (3) fixation in a tangible medium	Requires (1) distinctiveness, (2) secondary meaning (for geographic/descriptive marks), (3) (minimal) use in commerce, (4) famous mark [for dilution protection]
Protects against misappropriation, use, and unauthorized disclosure	Exclusive right to use, sell, offer to sell, or import.	Rights of use and protection against circumvention.	Exclusive rights in the US, likelihood for confusion, false designation of origin, dilution
Until it becomes public knowledge	20 years from filing (utility), extensions up to 5 years for drugs, medical devices, and additives. 14 years for designs.	Life of author + 70 years. Entity Authors minimum of 95 years after publication or 120 years after creation.	Perpetual, subject to abandonment
Disclosure = loss of protection (unless <i>sub rosa</i> )	Right to patent lost if delay after publication, full disclosure required, notice of patent required for damages	(c) notice and publication no longer required but confer benefits.	(R) notice optional but makes prima facie evidence of validity, constructive knowledge of registration, confers fed jur, becomes incontestable after 5 years of continuous use, authorizes treble damages, att'y's fees, barring of imports
Others may independently discover, reverse engineer	Only if licensed, may request re-examination at patent office	Fair use, compulsory licensing for musical compositions, independent creation	Truthful reflection of source product, fair and collateral use (e.g. comment)
Costs: Security, litigation	Filing, issue, and maintenance fees, litigation costs	None (protection attaches upon fixation), publication requires notice, suit requires registration, litigation costs	No naked licenses (must monitor licensee), no sales of trademark “in gross”
Civil suits for misappropriation, conversion, etc	Injunctive relief and damages, att'y's fees in exceptional cases	Injunction against further infringement, destruction of infringing articles, damages, att'y's fees, criminal pros.	Injunction, accounting for profits, damages, seizure and destruction, att'y's fees, criminal pros.

## TRADE SECRET

- Protection against misappropriation of confidential information where the owner took reasonable steps to keep the information secret.
  - **Justifications:** (1) *utilitarian* – incentives investment in discovery, (2) *deterrence* – moral protection against wrongful acts.
    - **Can be cast in either property** (conversion) or **tort** (duty-based theory)
- **Requires**
  - **(1) TRADE SECRET - information not generally known or available**
    - **UTSA Sec. 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*[not in Cali. Ver.]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.
      - “matters of general knowledge in an industry cannot be appropriated by one as his secret” *Wisman v. Boucher*.
    - **Rest. 3d of Unfair Comp. 39** – A trade secret is any information that can be used in the operation of a business or other enterprise and that is sufficiently valuable and secret to afford an actual or potential economic advantage over others.
      - **Rest. Torts Factors:** Extent info is known outside of business, extent known by employees etc, extent of measures to keep secret, value of info, amount of money or effort expended developing info, ease or difficulty by which the info could be acquired.
    - **Absolute secrecy not required.** Must be able to actually use secret. *Metallurgical*.
    - **Strict novelty not required.** Can be special ordering, process, etc. No newness requirement per se.
    - **“Negative Know-How”** – Knowledge *not* to do something (bad research direction, etc)
      - **Metallurgical disallows**– Not “useable”
      - **UTSA allows**– “derives [...] value [...] from not being generally known”
  - **(2) PROTECTION – “reasonable efforts to maintain secrecy”**
    - **UTSA Sec 1 (4)(ii)** - is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.
      - **Cf Rest. 3d of UC** *does not require* reasonable efforts.
    - **Confidential relationships between different companies** may imply secrecy, duty to protect.
    - **(A) DISCLOSURE destroys** secrecy
      - **Methods:** Publication, disclosure within the product in an obvious way, public disclosure by non-owner, inadvertent disclosure, mandatory government disclosure (pesticides, etc).
      - **Reverse engineering** of a product embodying secret means likely discovery if done legitimately.
      - **Patent publication** discloses (“*election*” of protections).
      - **Preliminary Injunctions** useful to prevent further disclosure, but sometimes meaningless
  - **(3) COMMERCIAL VALUE**
    - *~dead/ de minimis*
  - **(4) MISAPPROPRIATION**
    - **(1) “IMPROPER” MEANS**
      - **UTSA Sec. 1(2)** "Misappropriation" means: (i) acquisition of a trade secret of another by a person who knows or has reason to know that the trade secret was acquired by improper means; or (ii) disclosure or use of a trade secret of another without express or implied consent by a person who (A) used improper means to acquire knowledge of the trade secret; or (B) at the time of disclosure or use, knew or had reason to know that his knowledge of the trade secret was (I) derived from or through a person who had utilized improper means to acquire it; (II) acquired under circumstances giving rise to a duty to maintain its secrecy or limit its use; or (III) derived from or through a person who owed a duty to the person seeking relief to maintain its secrecy or limit its use; or (C) before a material change of his [or her] position, knew or had reason to know that it was a trade secret and that knowledge of it had been acquired by accident or mistake. [...]
        - **UTSA Sec. 1(1)** "Improper" means includes theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy, or espionage through electronic or other means;
      - **Reverse Engineering & Independent Discovery allowed.** *Kandant v. Seeley* Not so allowed with patents.
        - **UTSA Sec. (1)(4)(i)** “Not readily ascertainable” = if discoverable, not protectable
        - **Questionable reverse engineering not allowed.** Stealing of code then RE not allowed.
        - **Source code/Object code distinction?**
        - **“Network Externalities”** – Harms where an industry does not adopt the same standard.
      - **“Improper” balanced against costs?** Flyover issue with ceiling, etc. In *DuPont v. Rolfe Christopher*
      - **Inference of wrongness may be allowed** under certain circumstances, but VERY limited. *Pioneer H-Bred v. Holden* (inference allowed) v. *Othentec v. Phelan* (not allowed).
      - **Actual discovery via fraud, while otherwise discoverable, may prevent use.** Dirty hands idea.
    - **(2) CONFIDENTIAL DISCLOSURE**
      - **Rest. UC § 41 --DUTY OF CONFIDENCE** - A person to whom a trade secret has been disclosed owes a duty of confidence to the owner of the trade secret for purposes of the rule stated in § 40 if: (a) the person made an express promise of confidentiality prior to the disclosure of the trade secret; or (b) the trade secret was disclosed to the person under circumstances in which the relationship between the parties to the disclosure or the other facts surrounding the disclosure justify the conclusions that, at the time of the disclosure, (1) the person knew or had reason to know that the disclosure was intended to be in confidence, and (2) the other party to the disclosure was reasonable in inferring that the person consented to an obligation of confidentiality.
      - **Departing Employees**

- General knowledge of employer v. Specialized employer knowledge
- **Agreement Types:** Confidentiality Agreements, Invention Assignments, Noncompetition Agreements, *Implied* agreements not to disclose.
- **DEFAULT RULES OF ASSIGNMENT (Contract Modifiable)**
  - **(1) HIRED TO INVENT**
    - Hired scientists, etc. -> all to employer.
  - **(2) INVENTION ON EMPLOYER'S TIME**
    - Employee gets patent, Employer gets *equitable right*
  - **(3) INDEPENDENT INVENTION**
    - Absent contractual agreement or use of employer resources, no ownership.
    - **Freedom to Create** – Laws that give more rights to inventing employee.
- **Contracts between Companies**
  - **Unlimited duration.** *Warner-Lambert* seems to imply a K for a trade secret exists *even when the trade secret is discovered*. Disputed.
  - **Restatement 3d UC 41 Cmt. D** – NDAs which protect info in the public domain are unenforceable as a restraint on trade.
- **(5) REMEDIES**
  - **UTSA 2[Prelim In.] - (a)** Actual or threatened misappropriation may be **enjoined**. Upon application to the court, an injunction shall be terminated when the trade secret has ceased to exist, but the injunction may be continued for an additional reasonable period of time in order to eliminate commercial advantage that otherwise would be derived from the misappropriation. **(b)** If the court determines that it would be unreasonable to prohibit future use, an injunction may condition future use upon payment of **a reasonable royalty** for no longer than the period of time the use could have been prohibited. **(c)** In appropriate circumstances, **affirmative acts to protect a trade secret** may be compelled by court order.
    - **FOUR FACTOR TEST:** **(1)** Whether P will be irreparably injured absent an injunction, **(2)** whether grant will impose hardship on D, **(3)** whether denial will impose hardship on P, **(4)** where the public interest lies.
    - **Temporary.** Otherwise, permanent stop on what could otherwise be fair competition.
    - **FOCUS ON time it would take to normally discover.** If it is inevitable, injunctions until a reasonably inevitable time proper.
      - **“Head Start Injunction”** – Injunction to prohibit use AFTER disclosure – punishes for prior use by prohibiting what would otherwise be legitimate.
  - **UTSA 3[Damages] - (a)** In addition to or in lieu of injunctive relief, a complainant may recover damages for the actual loss caused by misappropriation. **(b)** A complainant also may recover for the unjust enrichment caused by the misappropriation that is not taken into account in computing damages for actual loss. **(b)** If willful and malicious misappropriation exists, the court may award exemplary damages in an amount not exceeding twice any award made under subsection (a).
  - **UTSA 4[Att’y Fees]-** If **(i)** a claim of misappropriation is made in bad faith, **(ii)** a motion to terminate an injunction is made or resisted in bad faith, or **(iii)** willful and malicious misappropriation exists, the court may award reasonable attorney's fees to the prevailing party.
- **Criminal Law (Trade Secret Theft / Econ Espionage)**
  - **Generally higher requirements**, such as being limited to scientific info or the like.
  - **Includes** larceny, receiving stolen property, etc.
  - **Economic Espionage Act of 1996 Sec. 1832 – [TRADE SECRET THEFT]** **(a)** Whoever, with intent to convert a trade secret, that is related to or included in a product that is produced for or placed in interstate or foreign commerce, to the economic benefit of anyone other than the owner thereof, and intending or knowing that the offense will , injure any owner of that trade secret, knowingly-- **(1)** steals, or without authorization appropriates, takes, carries away, or conceals, or by fraud, artifice, or deception obtains such information; **(2)** without authorization copies, duplicates, sketches, draws, photographs, downloads, uploads, alters, destroys, photocopies, replicates, transmits, delivers, sends, mails, communicates, or conveys such information; **(3)** receives, buys, or possesses such information, knowing the same to have been stolen or appropriated, obtained, or converted without authorization; **(4)** attempts to commit any offense described in paragraphs (1) through (3); or **(5)** conspires with one or more other persons to commit any offense described in paragraphs (1) through (3), and one or more of such persons do any act to effect the object of the conspiracy, shall, except as provided in subsection (b), be fined under this title or imprisoned not more than 10 years, or both. **(b)** Any organization that commits any offense described in subsection (a) shall be fined not more than \$5,000,000.
  - **Economic Espionage Act of 1996 Sec. 1831 –[ECONOMIC ESPIONAGE]** **(a) In General.**--Whoever, intending or knowing that the offense **will benefit any foreign government, foreign instrumentality, or foreign agent**, knowingly-- **(1)** steals, or without authorization appropriates, takes, carries away, or conceals, or by fraud, artifice, or deception obtains a trade secret; **(2)** without authorization copies, duplicates, sketches, draws, photographs, downloads, uploads, alters, destroys, photocopies, replicates, transmits, delivers, sends, mails, communicates, or conveys a trade secret; **(3)** receives, buys, or possesses a trade secret, knowing the same to have been stolen or appropriated, obtained, or converted without authorization; **(4)** attempts to commit any offense described in any of paragraphs (1) through (3); or **(5)** conspires with one or more other persons to commit any offense described in any of paragraphs (1) through (3), and one or more of such persons do any act to effect the object of the conspiracy, shall, except as provided in subsection (b), be fined not more than \$500,000 or imprisoned not more than 15 years, or both.
    - **Overbroad?** Prevents reverse engineering, prohibits “take”ing, allows for mistake of fact (and thus stolen info need not even be a trade secret in fact).
    - **Mirrored by 1832, covering conversion, etc.**
- **Ex:** Zinc recovery process a trade secret even though it used existing technology, esp. where company kept information secret. *Metallurgical Indus. Inc. v. Fourtek, Inc.* BBQ chicken recipe not trade secret per se. *Buffets, Inc.* Hotel prices secret. *Camp Creek Hospitality Inns.* Reasonable efforts to protect something indicate it is a secret, even though that secret may be used widely in a company’s operations. *Rockwell Graphic Systems*



*v. DEV Indus.* Duty of IMAX theater owner to protect IMAX tech. *IMAX Corp v. Cinema Tech.* Where only object code (and not source code) available, reverse engineering disallowed *Data General v. Grumman Systems Support.* Public disclosure of Scientology docs on Usenet obviated secrecy. *Religious Tech Center v. Lerma.* Flyover photography to discover methanol production methods was improper. *El duPont de Nemours v. Rolfe.* Where engineer was given info about special steel containers and later substantially used such info in another company, violation of confidence. *Smith v. Dravo Corp.* Quick RE did not make prima facie case for theft of secret by other means. *Kadant v. Seeby Machine.* Contract for Listerine requiring payment for use still valid even after ingredients discovered. *Warner-Lambert Pharm. V. John J. Reynolds, Inc.* Injunctive relief only for misappropriation of tape recorder system appropriate, no sale so no damages and eventual discovery was inevitable. *Winston Research v. 3M.* Stolen info under EEA of 1997 need not even be secret, mistake of fact. *US v. Lange.*

## TRADEMARK/TRADE DRESS

- Theory
  - Market protection of names for better information about quality, etc.
  - Prevents **unfair competition**, **deception**, and furthers concepts about quality.
- (1) TYPE OF PROTECTION
  - 15 USC 1127 [Lanham Act Sec. 45]– “any word, name, symbol, or device, or any combination thereof [used as a mark]...”
    - **Trademark**– Lanham 45 –[...] 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.
      - **Colors, Fragrances, and Sounds included.**
    - **Trade Dress - Lanham 45** – [Design and packaging of the materials, shape, color, etc]
      - (1) **Product Packaging** (Secondary meaning implied)
      - (2) **Product Design** (Secondary meaning must be proven)
      - (3) **Tertium Quid** (Everything else, prob. Means secondary meaning)
    - **Service Mark – Lanham 45** –[...] to identify and distinguish the services of one person, including a unique service, from the services of others and to indicate the source of the services, even if that source is unknown. Titles, character names, and other distinctive features of radio or television programs may be registered as service marks notwithstanding that they, or the programs, may advertise the goods of the sponsor.
    - **Cert. Mark – Lanham 45** - which its owner has a bona fide intention to permit a person other than the owner to use in commerce and files an application to register on the principal register established by this Act, to certify regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of such person's goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.
    - **Collective Mark - Lanham 45** –which such cooperative, association, or other collective group or organization has a bona fide intention to use in commerce and applies to register on the principal register established by this Act, and includes marks indicating membership in a union, an association, or other organization
    - **Trade Name**–[Must identify the source of particular goods or services, rather than a company]
  - **FUNCTIONALITY PROHIBITION** – Trademarks *cannot be part of the functional aspect of the product.* They must be independent, lest they create unfair competition.
    - **Rest 3d UC 17 Com c** – If design’s aesthetic value lies in its ability to “confer a benefit that cannot practically be duplicated by the use of alternative designs”, then the design is “functional”
- (2) EXISTENCE
  - (A) **DISTINCTIVENESS**
    - (i) **TESTS**
      - (1) **Dictionary** – Generic vs. Something Else
      - (2) **Imagination** – Suggestive vs. Descriptive
      - (3) **Comparable use by Competitors**
      - (4) **Actual use by Competitors**
      - [5] **Product Packaging vs. Design**
    - (ii) **MARKS**
      - **Inherently Distinctive (No Secondary Meaning Required)**
        - (1) **Arbitrary Mark**
          - **Ex:** Apple Computers, etc.
        - (2) **Suggestive Mark** – Suggests with some removal. (Inherently Distinctive)
          - **Ex:** Coppertone, etc.
        - **[x] Product Packaging/Trade Dress – Two Pesos**
          - Must be **inherently distinctive**. Cannot be merely functional/utilitarian. *Two Pesos*
          - NOT DESIGN. The *packaging* in *Two Pesos* is contrasted to the *product itself*, which is subject to things like *Qualitex* and *Wal-Mart v. Samara Bros.*
      - **Secondary Meaning Required**
        - (2) **Descriptive Mark** – “Word, picture, or other symbol that directly describes something about the goods or services in connection with which it is used as a mark”.
          - **Nonfunctional Features** – Colors, designs, etc. “Fish Fri” in *Zatarains v. Oak Grove*
          - **Colors, symbols, etc.** *Qualitex* color, etc.
            - **C/independently significant color** such as a pill color or the like. *Qualitex*
          - **Product Design.** *Wal-Mart v. Samara Bros.* Contra trade dress, involving stuff that isn’t the product (i.e. packaging) in *Two Pesos*.
          - **Ex:** Invecicorp, Arthriticare, Vision Center.

- **Geographic or Personal Name Mark** – Boston Soft Drink, O’Malley Pub, etc.
      - **Personal names** must get secondary meaning
      - **Geographic Marks** confusing, Trademark Office has distinctions based on “Descriptive” and “misdescriptive” names, requirements of confinement of us
    - **(4) Generic Mark** – “Base nature of goods or services”. “Car,” “Aspirin”, etc. *NEVER PROTECTED.*
      - **Functional Features** – Colors necessary for the product, etc.
        - i.e. **Nondistinctive trade dress.**
      - **Genericide**– Arbitrary term becoming generic. Jell-o, Elevator, etc.
        - “Chick Fri” in *Zatarains v. Oak Grove.*
    - **(iii) SECONDARY MEANING (If necessary)**
      - **Must indicate the product came from a single (even anonymous) source.**
      - **Geographic dimensions.** May be local (if state) or nationwide (if federally registered).
      - **Advertising, usage also relevant.**
      - **“NY Rule”** – Copying implies secondary meaning, as otherwise it wouldn’t be copied.
  - **(B) (MINIMAL) USE IN COMMERCE**
    - **Fulfills requirement of commerce clause.** However, *intent registration* conflicts.
  - **[C] PRIORITY& SCOPE**
    - **Generally:** Priority determined by speed, but registration more secure, reliable. Lanham 43 use difficult to prove.
    - **(i) Lanham 43(a)** requires **use in commerce**. (“First to Use”)
      - **Commerce in the US.** Cannot sell overseas. *Buti v. ImpresaPersosa SRL*
      - **(A) Bad Faith Exception** – Where someone steps in quickly to protect mark by, for example, sticking stickers on existing labels.
        - **Ex:** Sticker-labels, sales to employees(?), etc.
      - **(B) “Intent to Use”** – Allows protection under 1989 amendments.
        - **Lanham 1** – “. . . [a] person who has a bona fide intention, under circumstances showing the good faith of such person, to use a trademark in commerce may apply to register the trademark . . . on the principal register”
        - “An unregistered plan to use a mark creates no rights”. *Zazu.*
        - **Intent registration is constructive,** meaning it requires eventual use. “Notice of allowance” initially filed, 6 months from initial registration to file info about use, then it goes on principal reg.
          - **Requires perfection**
      - **(C) “Secondary Use in the Making”** –Where the mark is descriptive or otherwise requires secondary meaning, intent to use established and priority made where secondary meaning is in the making.
        - **Very disfavored.** *Laureysens v. Idea Group.* Considered anti-competitive.
        - **Problem still needs to be fixed.** Secondary meaning requires more time than actual use, so it makes the process of acquiring trademarks of that nature slow.
      - **(D) “Token Use” prohibited.** 1989 amendments indicate prohibition on feigned use in commerce.
      - **Contra foreign countries,** which use “First to File”.
      - **Contracts may be made** in order to enable working around priority issues.
    - **(ii) Geographic Dimensions**

	FED	STATE
FED	First to File, subject to <u>concurrent</u> grants in special circumstances	Fed wins, subject to state trademark (if it came before) <u>being frozen in place</u>
STATE	Fed wins, subject to state trademark (if it came before) <u>being frozen in place</u>	First to use and acquire secondary meaning in relevant region, but simultaneous use in different regions allowed.

      - **Federal** – Nationwide
        - **Exception: Prior Use.** Where someone used via Lanham 43 prior, may continue to do so, *but the 43 trademark is frozen in place.*
      - **State** – Statewide/**Lanham 43** – Effective area.
        - **Exception (1) Reputation.** Where item not actually sold but reputation built in some area, seller may sell there.
        - **Exception (2) Ill Will.** Even where not trademarked, trademark holders can insist on only good will use of their trademark.
    - **(iii) Penumbral Trademark** – Some trademarks may preclude use of a similar trademark in a different field
  - **(3) INFRINGEMENT**
    - **15 USC 1114 [Lanham 32] [REGISTERED MARK] (1)** 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) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive, shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) hereof, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive. [...] [Any person is anyone]



- (2) [remedies]
  - (2)(D) [No domain squatting]
- 15 USC 1125 [Lanham 43] [FEDERAL COMMON LAW False Designations of Origin] - (a)(1) Any person who, on or in connection with any goods or services, or any container for goods, 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-- (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's 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) [Any person includes states] (3) In a civil action for trade dress infringement under this Act for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional.
- (1) “Use as a Trademark”
  - **Cannot use trademarks as trademarks, pending there is confusion.**
    - **Ex:** No use in a search engine to deliberately trick people into buying different products. *Rescuecom v. Google* (nonetheless requiring proof of confusion).
  - **However, may use in “non-trademark” ways.** Spelling out name in phone call, “non-trademark” uses, cataloguing of domain names, use by newspapers, etc.
  - **Use in a “non-trademark way” may not count.** *Lockheed Martin v. Network Solutions* (domain registration)
- (2) “Likelihood of Consumer Confusion”
  - **Sleekcraft Factors:** (1) Strength of the Mark, (2) Proximity of the Goods, (3) Similarity of the Marks [sight, sound, meaning], (4) Evidence of Actual Confusion [surveys], (5) Marketing Channels Used, (6) Type of Goods and Degree of Care Exercised, (7) D’s intent in selecting the mark, and (8) likelihood of expansion of the product lines.
    - **Focuses on competition, confusion, etc.** *Heavy* emphasis on similarity and intent.
    - (3) “Similarity” – Sight, sound, and meaning.
  - **Usually a “reasonable purchaser” confusion test.**
  - **Types of Confusion**
    - **Confusion as to Product Identity (Default)** – Confusion as to what the product is
    - **Confusion as to Source** – Erroneous belief two companies are similar. Courts are split, but reasoning can be like that of dilution
    - **Confusion as to Sponsorship** – Actionable
    - **Initial Interest Confusion** – Tricking people by using trademarks into other products. Considered somewhat okay in context of metatags, but disputed.
    - **Post-Sale Confusion** – Confusion of other people, etc. Probably not actionable, but some may allow.
    - **Reverse Confusion** – Large company adopting junior company’s mark. Trademark infringement. *Goodyear*
      - **“Dual Use Trademark”** – Use where the public appropriate before some company.
- (3) INTENTIONAL INFRINGEMENT
  - Leads to much higher damages, destruction of goods, etc. 18 USC 2320, etc.
- REMEDIES
  - 15 USC 1119 [Lanham 33] – [Court can determine right to register, cancel regs in whole or in part, restore cancelled regs, and otherwise rectify the register]
- (4) INDIRECT/ (“CONTRIBUTORY”) INFRINGEMENT
  - **Inglewood** – Not only if a (1) distributor induces a retailer to infringe a trademark, but also (2) if a company “continues to supply its service/product to one whom it knows or has reason to know is engaging in trademark infringement”
    - (1) DISTRIBUTOR INDUCING RETAILER
    - (2) SUPPLYING SERVICE/PRODUCT TO ONE CONDUCTING TRADEMARK INFRINGEMENT
      - **“Specific” knowledge standard** of *Tiffany v. eBay* probably governs, though nature of knowledge may differ.
      - **Attempts to police copyright** relevant to refute presumption of knowledge, but some (domain name registrars) may have no duty to screen or police.
- (5) DILUTION
  - **Gen:** (1) P owns famous mark, (2) D has commenced using a mark that is diluting the famous mark, (3) similarity gives rise to association between marks, and (4) the association is likely to impair distinctiveness of mark.
    - **“CONFUSIONLESS PROTECTION”**
    - **Trademark, trade dress, etc.**
    - **Worries:** (1) Protection of economic profit, (2) Genericide
  - (A) TEST
    - **TDRA Requires:** (1) Plaintiff owns famous mark that is distinctive, (2) D has commenced using a mark in commerce that allegedly is diluting the famous mark, (3) the similarity between D’s mark and the famous mark gives rise to an association between the marks, and (4) the association is likely to impair the distinctiveness of the famous mark or likely to harm the reputation of the famous mark. *Louis Vuitton Malletier v. Haute Diggity Dog*
    - (1) FAMOUS MARK
      - **“Widely recognized by the general consuming public of the United States”.**
        - **Lanham 43(c)(2)(A)** – [...]a mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark’s owner. In determining whether a mark possesses the requisite degree of recognition, the court may consider all relevant **factors**, including the following: (i) The duration, extent, and geographic reach of advertising

and publicity of the mark, whether advertised or publicized by the owner or third parties. **(ii)** The amount, volume, and geographic extent of sales of goods or services offered under the mark. **(iii)** The extent of actual recognition of the mark. **(iv)** Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

- **Old: Variable definition.** Some consider it to be nationwide, others consider it able to be limited to a small market.
- **(2) DILUTION BY BLURRING**
  - **Lanham 43(c)(2)(B)** - [...]“**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 the following: **(i)** The degree of similarity between the mark or trade name and the famous mark. **(ii)** The degree of inherent or acquired distinctiveness of the famous mark. **(iii)** The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark. **(iv)** The degree of recognition of the famous mark. **(v)** Whether the user of the mark or trade name intended to create an association with the famous mark. **(vi)** Any actual association between the mark or trade name and the famous mark.
  - **Focuses on association.**
  - **Nature of use relevant.** Parody, etc give rise to higher burden on owner.
  - **Identical nature/mark not required.** Must be similar, but not perfectly so. Arguably more similar than that for customer confusion. *AutoZone v. Tandy*.
  - **Mere “use” insufficient.** Registration of domain names, etc. Not infringement per se.
- **(3) DILUTION BY TARNISHMENT**
  - **Lanham 43(c)(2)(C)** - [...] “**dilution by tarnishment**” is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.
  - **NOT:** Criticism/reviewing, display during sale, etc.
  - **Harmful use.** Attempts to harm via selling super-inferior products, etc.
- **(B) REMEDY**
  - **Lanham 43(c)(1) Injunctive relief.** Subject to the principles of equity, 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, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.
- **(6) FALSE ADVERTISING**
  - **15 USC 1125 [Lanham 43] (a)(1)** Any person who, on or in connection with any goods or services, or any container for goods, 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 person’s 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.
    - **“Advertising”** – Generally requires more than “isolated statements or correspondence to individuals.”
      - **Can include others products** per the 1988 amendments.
    - **Content**
      - **(1) ACTUAL FALSEHOODS**
        - **Third Circuit** allows *prima facie* falsehood where claims are unsubstantiated.
      - **(2) INFERENCE OF FALSEHOODS**
        - **Second Circuit** allows “innuendo, indirect intimations, and ambiguous suggestions” *Vidal Sassoon v. Bristol-Myers*
        - **Requires finding of what consumers infer BEFORE inference of what that means**
    - **CANNOT BE RAISED BY CONSUMER.** Must be raised by a competitor. (Standing issue)
      - **Private regulatory agencies (FTC, etc)** also interface here.
    - **DAMAGES** - Injunctive Relief generally available, **Damages** can be available.
  - **(7) DEFENSES**
    - **(1) GENERICIDE**
      - **(A) Generic term**
        - **No protection.** Not enforceable, etc.
      - **(B) Genericide** (ex: *Murphy Door Bed v. Interior Sleep Systems*)
        - **Factors:** (1) Prior PTO/TTAB decisions, (2) Dictionary determinations of meaning, (3) Newspaper/magazine/ etc use.
        - **Use by “a substantial majority of the public”** *King-Seeley*.
        - **“Dilution by Genericization”** a major threat, incites litigation.
        - **Contract** may avoid the issue – one may contract with a genericized term
        - **Expiration of patent** may also apply.
    - **(3) FUNCTIONALITY**
      - “[An aspect is functional] if it is essential to the use or purpose of the article or if it affects the cost or quality of the article”. *Qualitex/Inwood*.
      - “If it is essential to the use or purpose of the article or if it affects the cost or quality of the article” *TrafFix Devices*

- A functional feature is one “the exclusive use of [which] would put competitors at a significant non-reputation-related disadvantage” *Qualitex/Inwood*.
      - **Restatement of UC 17** – “A design is “functional” for purposes of the rule stated in § 16 if the design affords benefits in the manufacturing, marketing, or use of the goods or services with which the design is used, apart from any benefits attributable to the design's significance as an indication of source, that are important to effective competition by others and that are not practically available through the use of alternative designs.”
      - **Prior patents** may weigh towards a finding of functionality
      - **“Aesthetic Functionality”**
        - Highly debatable idea that with certain goods that are predominantly purchased for aesthetic purposes, the design may be itself functional. Ex: fine china.
        - **Rest. UC 17 Com. C** – [Feature is aesthetically functional only if it] “confers a significant benefit that cannot practically be duplicated by the use of alternative designs”
    - (3) FAIR USE
      - **15 USC 1119 [Lanham 33(b)]** If “used fairly and in good faith only to describe to users the goods or services of such party, or their geographic origin”.
  - [8] CYBERSQUATTING
    - STATUTE
      - **15 USC 1125 (d) Cyberpiracy prevention. (I)(A)** [Liable without regards to goods if person]— (i) has a bad faith intent to profit from that mark, including a personal name which is protected as a mark under this section; and (ii) registers, traffics in, or uses a domain name that— (I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark; (II) in the case of a famous mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark; or (III) is a trademark, word, or name protected by reason of section 706 of title 18 or section 220506 of title 36.
      - **(B) (i) [Bad faith factors include/not limited to:]** (I) the trademark or other intellectual property rights of the person, if any, in the domain name; (II) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person; (III) the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services; (IV) the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name; (V) the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site; (VI) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct; (VII) the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure to maintain accurate contact information, or the person's prior conduct indicating a pattern of such conduct; (VIII) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and (IX) the extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous within the meaning of subsection (c). (ii) [SAFE HARBOR] Bad faith intent [...] shall not be found in any case in which the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful.
        - Includes infringement (bad faith intent to profit, use of domain name confusingly similar), dilution, and other violations.
        - **Safe harbor** interpreted narrowly.
      - (C)[Court may demand forfeiture], (D) [Liable for domain name infringement only if] domain name registrant or that registrant's authorized licensee., (E) [...] “traffics in” refers to transactions that include, but are not limited to, sales, purchases, loans, pledges, licenses, exchanges of currency, and any other transfer for consideration or receipt in exchange for consideration., (2)(A)[Procedural rules] (B) [Service of Process] (C)[In rem jurisdiction], (D) (i) The remedies in an in rem action under this paragraph shall be limited to a court order for the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark. Upon receipt of written notification of a filed, stamped copy of a complaint filed by the owner of a mark in a United States district court under this paragraph, the domain name registrar, domain name registry, or other domain name authority shall— (I) expeditiously deposit with the court documents sufficient to establish the court's control and authority regarding the disposition of the registration and use of the domain name to the court; and (II) not transfer, suspend, or otherwise modify the domain name during the pendency of the action, except upon order of the court. (ii) The domain name registrar or registry or other domain name authority shall not be liable for injunctive or monetary relief under this paragraph except in the case of bad faith or reckless disregard, which includes a willful failure to comply with any such court order. (3) The civil action established under paragraph (1) and the in rem action established under paragraph (2), and any remedy available under either such action, shall be in addition to any other civil action or remedy otherwise applicable. (4) The in rem jurisdiction established under paragraph (2) shall be in addition to any other jurisdiction that otherwise exists, whether in rem or in personam.
    - DETAILS
      - **RETROACTIVE.** Can apply to domains previously required, but only with injunctions.
      - **Forms of Application**
        - (1) **D has own trademark that corresponds to domain name.** Conflicting trademarks, etc. May be actionable if company uses abbreviation it knows to be used by other company – ex: VW.
        - (2) **D is a legal reseller.** Disputed, but finger on the scale towards allowing it.

- (3) D wants to criticize. May be allowed. Some “suck” sites have been held violations, etc. *Lamparello v. Falwell*
- [9] TRADEMARK COUNTERFEITING
  - 18 USC 3230 – [Felony to knowingly use a counterfeit mark in connection with the sale of goods or services. Includes labels. Fines and imprisonment, allows for destruction of goods.]
  - Exceptions: (1) If maker allowed to use trademark “at the time of manufacture or production”
- (10) REMEDIES
  - Injunctions - Lanham 34(a) – Courts have the power to give injunctions to “prevent the violation of any right of the registrant of a mark ... or to prevent a violation under [43(a)]”
  - Damages
    - 15 USC 1117(a) - [for vio of reg trademark] the plaintiff shall be entitled, subject to the provisions of sections 1111 and 1114 of this title, and subject to the principles of equity, to recover (1) defendant’s profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action. The court shall assess such profits and damages or cause the same to be assessed under its direction. In assessing profits the plaintiff shall be required to prove defendant’s sales only; defendant must prove all elements of cost or deduction claimed. [...]
    - (1) PROFITS.
      - **Equitable.** Meaning for willful and deliberate violations. Standard applies where infringement is “willfully calculated to exploit the advantage of an established mark. *Playboy Enterprises*.
      - **“In assessing profits** the plaintiff shall be required to prove defendant’s sales only; defendant must prove all elements of cost or deduction claimed”
      - **“Fraud” or “Palming off” really required -> BAD FAITH.** *Champion Spark Plug*.
      - **MODERN TREND:** Award damages even without willfulness, but equity involved.
    - (2) DAMAGES SUSTAINED BY P
      - 15 USC 1117(a) - **“In assessing damages** the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount. If the court shall find that the amount of the recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case. Such sum in either of the above circumstances shall constitute compensation and **not a penalty**”
      - **Accounting of Loss.** Generally required to get damages.
      - **P has the burden to prove.**
      - (A) CORRECTIVE ADVERTISING
        - Allowed, but limited. *Big O Tire Dealers v. Goodyear* (tire trademark use – limited very sharply)
    - (3) COST OF ACTION
      - 15 USC 1117(a) - “The court in exceptional cases may award reasonable attorney fees to the prevailing party.”
    - [4] Punitives
      - **IF STATE ACTION ONLY**
    - [5] Criminal Penalties
      - **If applicable.** Counterfeit, etc.
- (11) INTERNATIONAL RAMIFICATIONS
  - GATT TRIPPS – Multilateral agreement for base-level protection.
  - Madrid Trademark Agreement (MTA) – Facilitates trademark registration in member states with addendum filing. PROCUREMENT ONLY, no enforcement (have to do in foreign country)
  - Madrid Protocol (MP) – (1) Allows for filing in English or French in the US PTO or any other member country trademark office, (2) allows filing of int’l app based not only on home country *registration* but also home country *application*, speeding things up, and (3) lessens the impact of “central attack” provision of MTA where failure in one country invalidated in others.
  - Gray Market
    - 15 USC 1526 - “[...] it shall be unlawful to import into the United States any merchandise of foreign manufacture if such merchandise, or the label, sign, print, package, wrapper, or receptacle, bears a trademark owned by a citizen of, or by a corporation or association created or organized within, the United States, [...] unless written consent of the owner of such trademark is produced at the time of making entry.”
      - **May violate Paris Convention** as it treats US trademark holders differently.
    - **Contexts:** (1) domestic firm using independent foreign firm to sell in foreign land, (2) domestic firm manufactures abroad and (a) parallel importation by third party, or where (b-c) manufacturing or sales division overseas only and someone imports in.
- **Ex:** Green-gold color could be trademarked, as it had acquired secondary meaning and association and there was no prevention of other colors. *Qualitex v. Jacobson Products*. Where “Fish-Fri” had a strong secondary meaning in New Orleans but “Chick-fri” did not, the former was protected and the latter was not. *Zatarains Inc v. Oak Grove Smokehouse*. No secondary meaning req for Mexican restaurant style. *Two Pesos v. Taco Cabana*. Where Wal-Mart allegedly stole clothing designs, the product design trade dress had to have a secondary meaning to be trademarked. *Wal-Mart v. Samara Bros*. One jean company got trademark where other used stickers, sales to employees to try to speed-register trademark. *Blue Bell Inc. v. Farah Mfg*. No use of a defendant’s trademark to connect the trademark with search terms was not infringement. *1-800 Contacts*. Use of a trademark intentionally to point to a competitor’s product on Google AdSense could very well be infringement. *Rescuecom Corp v. Google*. “Slickcraft” and “Sleekcraft” boats were easily confused. *AMF Inc v. Sleekcraft Boats*. Use of Louis Vuitton style on dog toy was not infringement per se because of parody, but no dilution was found because the likelihood of blurring was nonexistent. *Louis Vuitton Malletier v. Haute Diggity Dog*. | Where man registered a bunch of domain names including PETA.org and offered to sell, violation of anticybersquatting consumer protection act. *PETA v. Doughney*. Man correctly utilized Falwell.com to criticize Jerry Falwell, no offer to sell and no proof of commercial use. *Lamparello v. Falwell*. No liability for drug advertisement where secondary ad was not proven to infer incorrect assumptions about aluminum intake. *Johnson & Johnson \* Merck Cons. Pharm. Co. V. SmithKline Beecham*. | “Murphy bed” became generic despite identification of specific brand.

*Murphy Door Bed Co v. Interior Sleep Systems.* | System of two springs on the bottom of a sign was too functional and not aesthetic such that it was not protected. *TrafFix Devices v. Marketing Displays.* | Where accounting failed to show any sort of real damage calculation, no damages. *Bic Pen.* Corrective advertising costs allowed in reverse infringement case, but not in far excess of necessity. *Big O Tire Dealers v. Goodyear.*



## COPYRIGHT

- Gen
  - Protection of creative works. (“Science” in “science and useful arts” in constitution.)
  - **Requires** (1) originality, (2) authorship, (3) fixation in a tangible medium
    - **Features:** Copyrightable subject matter (fixation in tangible medium minus ideas), Modicum of originality and “Tangible medium of expression”, *possibly* registration, authorship required for enforcement, life + 70 or 90
    - **Conferred Rights:** Reproduction, Derivative Works, Distribution, Performance & Display, Ant circumvention, Moral Rights (attribution, no distortion, etc)
- History
  - **Pre-American:** Development alongside printing press for publishers. Statute of Anne vested right in *authors*, subject to 14 yr (+ 14 yr renewal) period with registration and with gov’t control of max prices, compulsory license.
    - **Continental Approach** – Copyright as a fundamental moral right.
  - **Copyright Act of 1790** – Books, Maps, and Charts for 14 + 14, requires disclosure in newspaper and registration
    - **Amended** to cover various other new media, including compositions, photographs, etc.
  - **1909 Act** – Broadened scope to “all writings”, 28 + 28, discriminated against foreign works.
  - **1976 Act** – All works “fixed in a tangible medium of expression” even if unpublished, life + 50 OR 75 for anon or WFH.
    - **1980** – Computer programs, &c.
  - **Berne Convention (1988-1994)** – Scaled back formalities of registration, extended moral rights and protection of architectural works, extending foreign rights so formerly PD works in the US went back to copyright
  - **90s Reforms** – Audio Home Recording Act of 92 (blanks tapes, etc), Digital Performance Right in Sound Recordings Act of 1995 (creators and owners of sound recordings get income on digital streams), No Electronic Theft Act of 1996 (criminal enforcement of piracy over digital networks). LIFE + 70 OR 90 FOR WFH OR 120 YRS AFTER CREATION.
  - **Digital Millennium Copyright Act of 1998** – Copy protection protection.
- (1) **REQUIREMENTS**
  - **17 USC 102(a)** Copyright protection [exists] in [1] original works of authorship (2) 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 [...]
  - (1) **ORIGINAL WORKS OF AUTHORSHIP**
    - **“Original [...] means only that the work was independently created by the author (as opposed to copied from other works), and that it possesses at least some minimal degree of creativity.”** *Nimmer on Copyright*
      - Generally means (1) **INDEPENDENT CREATION** AND (2) **MODICUM OF CREATIVITY**
        - But no judgment of artistic merit.
      - **Modern test, generally.** Requires *some* degree of creativity and a non-copy.
      - “Something more than “merely trivial” variation, something recognizably “his own” *Alfred Bell & Co v. Catalda Fine Arts*
    - (A) **Copying** destroys the originality *and* comprises infringement in most situations
    - (B) **Compilations of facts as originally put together covered**, but the **facts themselves not**, no originality. *Feist Publications*
      - **Facts** are *not original*.
      - Contra **“created facts,”** like the name of a movie character. *Probably* protected.
      - **Works holding themselves out as fact** are similarly *not original*. Estoppel.
      - **Contracting around possible.** *ProCD v. Zeidenberg*, using contract to protect compilations of fact.
      - **Maps** debatable, probably protected with some degree of creativity.
      - **“Sweatwork”** – EU proposal to protect collected DBs of fact, but allowing others to discover independently.
      - Originally tied to physical medium. *White-Smith*. Dissent by Holmes argues collection of sounds should be copyrightable, not merely the recording.
    - (C) **Computer Programs** debatable due to need to prevent network externalities
      - **Factors:** (1) Standard practices in industry for which software is designed, (2) Methods or practices that a large population has come to rely on for daily activities, and (3) need to operate on common hardware and common software.
      - **Patents** also come into play.
    - (D) **Not artistic merit.**
  - (2) **FIXATION IN A TANGIBLE MEDIUM OF EXPRESSION**
    - **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.
      - **17 USC 101** - **“Copies”** are material objects, other than phonorecords, in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. The term “copies” includes the material object, other than a phonorecord, in which the work is first fixed
      - **17 USC 101** - **“Phonorecords”** are material objects in which sounds, other than those accompanying a motion picture or other audiovisual work, are fixed by any method now known or later developed, and from which the sounds can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. The term “phonorecords” includes the material object in which the sounds are first fixed.



- **DIVIDING LINE BETWEEN STATUTORY AND COMMON LAW PROTECTION.**
  - **Meaning state laws may still apply.** Unfixed improv, etc subject to some small degree of state common law protection, at least according to a House note.
- **ALSO PRESENT IN SECTION 106 RIGHTS.** 17 USC 106 governs rights to copy.
- **Applies to future methods.** No enumeration.
- **Streamed/broadcasted work** protected *so long as they are simultaneously recorded.*
- **RAM debatable.** *MAI v. Peak Computing* considers RAM fixed, *Cartoon Network v. CSC Holdings* considers a video buffer not fixed
- **(3) FORMALITIES (NOTICE/PUBLICATION/REGISTRATION/DEPOSIT)**
  - **(A) NOTICE (Copyright symbol – (C))**
    - **Encouraged but not required.** Not required, but holder can preclude “innocent infringement” defense if the work is registered/gives notice.
    - **Old:** 1909 required lest author lose copyright, '76 gave lots of remedies, Berne destroyed.
  - **(B) PUBLICATION**
    - **Deposit** only required for published works. 17 USC 407.
    - **Published works of foreign authors** subject to 17 USC 104(b)
    - **Duration for entity owners/WFH** is 95 years from first publication and 120 years for unpublished works.
    - **Other:** Changes reproduction rights (17 USC 108(b),(c)), termination of transfers (17 USC 203(a)(3)), certain performance rights (17 USC 110(9), 118(b), (d)), damages if registered within 3 months of publication (17 USC 412).
    - **Old:** 1909 triggered with (C), '76 notice requirement, but trigger
  - **(C) REGISTRATION**
    - **Largely eliminated.** Required, however, for suit on domestic works or works originating in non-Berne nations
    - **Grants prima facie evidence of validity.** If registered within 5 years of first pub. 17 USC 410(c).
    - **Old:** 1909 reg/review, '76 validate, infringement action, etc.
  - **(D) DEPOSIT**
    - 17 USC 407 – [Deposit of **two copies for each work** (with the Library of Congress) published in the US which copyright is claimed within 3 months after publication]
      - **Failure = fine, no issue with copyright validity.**
      - 17 USC 408 – [Deposit with copyright office may be required, but 407 compliance may implicate]
- **(2) COPYRIGHTABLE SUBJECT MATTER**
  - **(A) UNIVERSAL LIMITS**
    - **(i) Function vs. Expression vs. Idea**
      - 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.
      - **Description** of an object (protected) vs the **Object/idea** (not protected). *Baker v. Selden.*
        - **Learned Hand:** Sliding scale with dropoff set by law. *Nichols v. Universal Pictures Corp.*
        - **Paul Goldstein’s Three Unprotectables**
          - **(1) “Animating Concept”** – Idea itself, not protected.
          - **(2) “Solution”** - Forms, etc.
            - **“Method of Operation”** – “the means by which a person operates something”. *Lotus v. Borland*
            - Copyright office does not allow reg. For “blank forms, such as time cards, graph paper, account books, diaries, bank checks, scorecards [...]”
          - **(2) “Building Blocks”** - Basic plot, character outlines, etc. -> TROPES.
      - **EXCEPTIONS**
        - **(1) Merger Doctrine** – Where there is only one or but a few ways of expressing an idea, *idea behind the work merges with the expression* and thus both are nonprotectable. *Morrissey v. Proctor and Gamble.*
          - **(A) Objective vs. Pragmatic.** Split in determining how Ct should determine standard
          - **(B) Nature of idea** relevant to determination
          - **Creates “thin copyright”** in some cases, protecting very limited *direct* copying.
        - **(2) Indispensability** – Copyright not extending to “incidents, characters, or settings which are a practical matter indispensable, or at least standard, in the treatment of a given topic”. *Atari v. N. Am. Philips.*
        - **[3] Privileged use (idea)** -*Lotus* concurrence. Idea that the necessity of similarity dictates fair use of method
    - **(ii) Useful Article Doctrine**
      - **SEE BELOW re: PGS works.**
    - **(iii) SPECIAL PC PROG LIMIT.** *Computer Associates v. Altai* test below in rights section.
  - **(B) CATEGORIES.** 17 USC 102–[...] Works of authorship include the following categories:
    - **PG 509 – TIMES CHART (+ 17 USC 302 – Duration).**
    - **ILLUSTRATIVE, NOT LIMITING.** Use as a series of examples, but working in between OK.
    - **(a) Literary Works**

- **17 USC 101 - “Literary works”** are works, other than audiovisual works, expressed in words, numbers, or other verbal or numerical symbols or indicia, regardless of the nature of the material objects, such as books, periodicals, manuscripts, phonorecords, film, tapes, disks, or cards, in which they are embodied.
  - **37 CFR 202.1 – Does not include** “words and short phrases such as names, titles, and slogans”.
  - **Extends to non-literal aspects (tropes).** More specific plots, etc. Some dropoff for more generic chars and elements.
- **Rights** – Everything *including* public performance and public display.
- **Duration** -Life + 70 (95 from pub or 120 after creation) [2002+]
- **(b) Musical Works**
  - Music, lyrics, and arrangements. *Generally given to the artists.*
  - **Owners get full complement of rights** (right to perform in public, etc).
  - **Rights** – Everything *including* public performance and public display.
  - **Duration:** *See Literary works.*
- **(g) [Sound Recordings]**
  - **17 USC 101 - “Sound recordings”** are works that result from the fixation of a series of musical, spoken, or other sounds, but not including the sounds accompanying a motion picture or other audiovisual work, regardless of the nature of the material objects, such as disks, tapes, or other phonorecords, in which they are embodied.
  - *Generally given to music studios.*
  - **Rights**
    - **DIGITAL AUDIO TRANSMISSION rights.** Cf public performance, etc.
  - **Duration**
    - Life + 70 (or 95 from pub or 120 from creation if wfh/anon) [1990+]
    - **Distinction if published in US.** See pg 510.
- **(c) Dramatic Works, Inc. Accompanying Music + (d) Pantomimes and Choreographic Works**
  - **Dramatic Work** – Portray a story via means of dialogue or acting
  - **Pantomime/Choreographic works** – Came into copyright in 76, usually written in some form to document
    - **NO “conventional gestures”.** Like short words under literary prong, too small.
  - **All three governed like literary works.** Protection against copying with some penumbral control.
  - **Rights** – Everything *including* public performance and public display.
  - **Duration:** *See Literary works.*
- **(e) Pictorial, Graphic, and Sculptural Works**
  - **17 USC 101 - “Pictorial, graphic, and sculptural works”** include two-dimensional and three-dimensional works of fine, graphic, and applied art, photographs, prints and art reproductions, maps, globes, charts, diagrams, models, and technical drawings, including architectural plans. Such works shall include works of artistic craftsmanship insofar as their form but not their mechanical or utilitarian aspects are concerned; [A] the design of a useful article, as defined in this section, shall be considered a pictorial, graphic, or sculptural work only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.
    - **(A) USEFUL ARTICLE DOCTRINE/EXCEPTION**
      - **17 USC 101 - A “useful article”** is an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information. An article that is normally a part of a useful article is considered a “useful article”.
      - **(1) Physical Severability** (somewhat rejected).
      - **(2) Conceptual Severability.**
        - **(A) Carol Barnhart Test:** Aesthetic features are conceptually separable if “the article ... stimulate[s] in the mind of the beholder a concept that is separate from the concept evoked by its utilitarian function”
        - **(B) Alt Tests (listed in Brandir):** Whether the primary use is of a utilitarian article, whether the aesthetic aspects of the work can be said to be “primary,” and whether the article is marketable as art.
        - **(C) Denicola Test:** “[Unprotectable] industrial design is the influence of nonaesthetic, utilitarian concerns” and thus copyrightability “ultimately should depend on the extent to which the work reflects artistic expression uninhibited by functional considerations” (adopted in *Brandir v. Cascade*).
        - **(D) Winter (Concurring/dissenting in Brandir) test:** “whether the design of a useful article, however intertwined with the article’s utilitarian aspects, causes an ordinary reasonable observer to perceive an aesthetic concept not related to the article’s use”
  - **Rights** – Everything *including* public performance and public display.
  - **Duration:** *See Literary works.*
- **(f) Motion Pictures and other audiovisual Works**
  - **17 USC 101 - “Motion pictures”** are audiovisual works consisting of a series of related images which, when shown in succession, impart an impression of motion, together with accompanying sounds, if any.
  - **17 USC 101 - “Audiovisual works”** are works that consist of a series of related images which are intrinsically intended to be shown by the use of machines, or devices such as projectors, viewers, or electronic equipment,

together with accompanying sounds, if any, regardless of the nature of the material objects, such as films or tapes, in which the works are embodied.

- **Rights** – Everything *including* public performance and public display.
- **Duration:** *See Literary works.*
- **(h) Architectural Works**
  - **Architectural Works Copyright Protection Act of 1990** – Protects “the design of a building as embodied in any tangible medium of expression, including a building, architectural plans, or drawings. The work includes the overall form and elements in the design, but does not include individual standard features”
    - **17 USC 120 - (a) Pictorial Representations Permitted.**— The copyright in an architectural work that has been constructed does not include the right to prevent the making, distributing, or public display of pictures, paintings, photographs, or other pictorial representations of the work, if the building in which the work is embodied is located in or ordinarily visible from a public place. **(b) Alterations to and Destruction of Buildings.**— Notwithstanding the provisions of section 106 (2), the owners of a building embodying an architectural work may, without the consent of the author or copyright owner of the architectural work, make or authorize the making of alterations to such building, and destroy or authorize the destruction of such building.
    - **Effective date of Dec 1, 1990, does not apply retroactively.**
    - **Exceptions:** (a) Pictorial representations [when in a public place], and (b) Alterations and destruction [so actual owner can change/bulldoze]
  - **Rights** – Everything *including* public performance and public display.
  - **Duration:** Life + 70 (or 95 from pub or 120 from creation if wfh/anon) [1990+]
- **[i] Semiconductors/”Mask Works”**
  - **Semiconductor Chip Protection Act** – Protects chips that are novel *as a sui generis and completely separate part of copyright*, does NOT protect “any idea, procedure, process, system method of operation, concept, principle, or discovery”
- **[j] Vessel Hull Designs** –Protected per **Vessel Hull Design Protection Act**, also a *sui generis* independent protection.
- **[k] Derivative Works and Compilations**
  - **17 USC 103 - (a)** The subject matter of copyright as specified by section 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 such material has been used unlawfully. **(b)** The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material.
    - **17 USC 101 - A “compilation”** is a work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship. The term “compilation” includes collective works.
    - **17 USC 101 -A “derivative work”** is a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a “derivative work”.
- **[l] Unpublished Works** (of any kind?) - **General duration:** 120 from creation.
- **Gov’t Works**
  - **17 USC 105** - Copyright protection under this title is not available for any work of the United States Government, but the United States Government is not precluded from receiving and holding copyrights transferred to it by assignment, bequest, or otherwise.
  - **SCOTUS Opinions** not protected.
- **(3) OWNERSHIP**
  - **(A) INITIAL OWNERSHIP**
    - **17 USC 202** - Ownership of a copyright, or of any of the exclusive rights under a copyright, is distinct from ownership of any material object in which the work is embodied. [...]
    - **17 USC 201 (a) Initial Ownership.**— 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 coowners of copyright in the work.
    - **17 USC 201 (b) Works Made for Hire.**—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 101 - A “work made for hire” is—(1)** a work prepared by an employee within the scope of his or her employment; or **(2)** a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire. For the purpose of the foregoing sentence, a “supplementary work” is a work prepared for publication as a secondary adjunct to a work by another author for the purpose of introducing, concluding, illustrating, explaining, revising, commenting upon, or assisting in the use of the other work, such as forewords, afterwords, pictorial illustrations, maps, charts, tables, editorial notes, musical arrangements, answer material for tests, bibliographies, appendixes, and indexes,

and an “instructional text” is a literary, pictorial, or graphic work prepared for publication and with the purpose of use in systematic instructional activities. [Adoption of IP and Comm. Omnibus Reform Act of 1999]

○ **Tests**

- (1) Pure control
- (2) Control in fact
- (3) [i] “Employee” in [ii] “Scope of employment” under common law – default rule
  - [i] **Factors of “employee”**: “We consider the hiring party’s right to control the manner and means by which the product is accomplished. Among the other factors relevant to this inquiry re the skill required; the source of the instrumentalities and tools; the location of the work; the duration of the relationship between the parties; whether the hiring party has the right to assign additional projects to the hired party; the extent of the hired party’s discretion over when and how long to work; the method of payment, the hired party’s role in hiring and paying assistants, whether the work is part of the regular business of the hiring party, whether the hiring party is in the business, the provision of employee benefits, and the tax treatment of the hired party.” *CCNV v. Reid*.
  - [ii] **Restatement 2<sup>nd</sup> of Agency 228** – [Employee’s work deemed **within scope of employment** if (a) it is within the kind he is employed to perform, (b) it occurs substantially within the authorized time and space limits, and (c) it is actuated, at least in part, by a purpose to serve the master]
- (4) Salaried employee

- **Teacher Exception** –Protects professors from having universities claim ownership to prof’s work.

▪ [b-2] **[JOINT WORKS]**

- **17 USC 101 - 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.
- **Factors in determining authorship:** (1) Author “superintends” the work by exercising control. A person “who has actually formed the picture by putting the persons in position, arranging the place where the people are to be – the person who is in effective control of that” or “The inventive or master mind” or “gives creative effect to the idea. (2) Putative coauthors who make objective manifestations of shared coauthorship (dual names on title, etc). (3) Audience appeal of the work turns on both contributions and “the share of each in its success cannot be appraised” *Alamhammed v. Lee*.
- **Become tenants-in-common of work**, each have single indivisible right to work.
  - **If not found**, there still may be some equitable right or unjust enrichment.

- **17 USC 201 (c) Contributions to Collective Works**.— Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution. In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series.

- **17 USC 101 - A “collective work”** is a work, such as a periodical issue, anthology, or encyclopedia, in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole.

- **17 USC 201 (d) [Transfer]**

- **17 USC 201 (e) [Involuntary Transfer]**

○ **(B) DIVISION, TRANSFER, AND RENAMING**

- **17 USC 202-** Ownership of a copyright, or of any of the exclusive rights under a copyright, is **distinct from ownership of any material object in which the work is embodied**. Transfer of ownership of any material object, including the copy or phonorecord in which the work is first fixed, does not of itself convey any rights in the copyrighted work embodied in the object; nor, in the absence of an agreement, does transfer of ownership of a copyright or of any exclusive rights under a copyright convey property rights in any material object.
- **17 USC 201(d) -- Transfer of Ownership.**— (1) The ownership of a copyright may be transferred in whole or in part by any means of conveyance or by operation of law, and may be bequeathed by will or pass as personal property by the applicable laws of intestate succession. (2) Any of the exclusive rights comprised in a copyright, including any subdivision of any of the rights specified by section 106, may be transferred as provided by clause (1) and owned separately. The owner of any particular exclusive right is entitled, to the extent of that right, to all of the protection and remedies accorded to the copyright owner by this title.
- **17 USC 201(e) -- Involuntary Transfer.**— When an individual author’s ownership of a copyright, or of any of the exclusive rights under a copyright, has not previously been transferred voluntarily by that individual author, no action by any governmental body or other official or organization purporting to seize, expropriate, transfer, or exercise rights of ownership with respect to the copyright, or any of the exclusive rights under a copyright, shall be given effect under this title, except as provided under title 11.
- **17 USC 203(a)(3) –Termination [~reclamation] of the grant** may be effected at any time during a period of five years beginning at the end of thirty-five years from the date of execution of the grant; or, if the grant covers the right of publication of the work, the period begins at the end of thirty-five years from the date of publication of the work under the grant or at the end of forty years from the date of execution of the grant, whichever term ends earlier.

• **(4) RIGHTS OF OWNERS/INFRINGEMENT**

- (A) **17 USC 106(1) -- to reproduce the copyrighted work in copies or phonorecords;**
  - **17 USC 101 - “Copies”** are material objects, other than phonorecords, in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. The term “copies” includes the material object, other than a phonorecord, in which the work is first fixed.
  - **INFRINGEMENT FACTORS**
    - (A) **COPYING**
      - (i) **Access** – That person had *access* to work copied.
        - **7<sup>th</sup> Circuit requires** “sufficient evidence to support a reasonable possibility of access because the jury cannot draw an inference of access based upon speculation and conjecture alone”
        - **Beyond public domain.** *Ty v. GMA Accessories* opinion by Posner noting that things that are *both copies of things in the public domain* are not copies of each other *per se*
      - (ii) **“Substantial [Probative] Similarity”** – “whether the ordinary observer, unless he set out to detect the disparities [between the two works], would be disposed to overlook them, and regard their aesthetic appeal as the same”. *Peter Pan Fabrics*.
        - “If there are no similarities, no amount of evidence of access will suffice to prove copying. If there is evidence of access and similarities exist, then the trier of facts must determine whether the similarities are sufficient to prove copying...If evidence of access is absent, the similarities must be so striking as to preclude the possibility that plaintiff and defendant independently arrived at the same result” *Arnstein v. Porter*.
        - If the work and infringing work are “Strikingly similar” *Gaste v. Kaiserman*
        - **Posner in *Ty v. GMA Accessories*:** Strikingly similar *minus* that in the public domain.
        - **Subconscious copying** still counts.
    - (B) **IMPROPER APPROPRIATION (“going too far” per *Nichols*)**
      - **Test: Levels of abstraction.** Hinges on def between parts and whole. Used in *Nichols*.
        - **Objective** (objective manifestations of creativity) **vs Subjective** (subjective perspective of judge determining similarity)
        - **Sliding scale** – “More similarity is required when less protectable matter is at issue”. *Nimmer*.
      - **Hinges on scope of nature of copyright of original work.**
      - **EXCEPTION: *De minimis non curat lex*** – the law doesn’t work with meaningless things
        - **Digital sampling** *does not count*.
        - **Minor use of composition may be allowed.**
      - **Special Topics**
        - (A) **Movie/story factors:** Objective {plot, themes, dialogue, mood, setting, pace, sequence, characters}, subjective {eval of judge}
        - (B) **Test for Comp Prog. Substantial Similarity *Comp Assocs. V. Altai***
          - (1) **Abstraction** – Each part of the program in modules, etc
          - (2) **Filtering** – Taking out parts allowed to exist
            - (A) **Elements of efficiency**(merger)
            - (B) **Elements influenced by external factors**(standards)
            - (C) **Public Domain works**
          - (3) **Comparison** of the remaining modules (“golden nugget”).
    - (C) **LIMITATIONS**
      - **Archival copies for public libraries.** 108
      - **Ephemeral Copies by Broadcasters.** 112, 118(d).
      - **Compulsory Cover License (composition only).** 115
        - Requires *high degree of similarity* or else derivative work. *Campbell*.
      - **Non-Commercial Copies of Musical Compositions and Sound Recordings.** **AHRA**
      - **Running PC Software.** 117(a)
      - **Maintaining Computer Software.** 117(c)
      - **Fair use (BELOW, IN DEFENSES)**
  - (B) **17 USC 106(2) -- to prepare derivative works based upon the copyrighted work;**
    - **17 USC 101 -A “derivative work”** is a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a “derivative work”.
      - **Include sequels.** *Anderson v. Stallone*.
      - **Originality only if substantially different** than original work to be copyrightable as something different. *Gracen v. Bradford Exchange*.



- **17 USC 103(a)** - The subject matter of copyright as specified by section 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 such material has been used unlawfully.
  - **9<sup>th</sup> Circuit Rule:** Only a derivative work if it would be infringing. Pg. 559.
  - **Presumption of indivisibility in certain circumstances.**
- **Derivative Stories**
  - **Sam Spade** – Chars must connect to “story being told.”
  - **Air Pirates mod** – Broader, cartoon chars, implies *Sam Spade* is wider.
- **Originality may be higher.** *Gracen v. Bradford Exchange*. But may be limited to where one purports to make a derivative work over another’s copyright.
- **No copyright in third party made works deriving from other party’s copyright.** *Anderson v. Stallone*
  - **Issue of degree.** Should some non-infringing parts of a derivative work be protected?
- **(C) 17 USC 106(3) -- to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;**
  - **(A) First Sale Doctrine** – Right to re-sell copy of copyrighted work purchased.
    - **17 USC 109** – “[...] the owner of a particular copy or phonorecord lawfully made under this title, or any person authorized by such owner, is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord.”
    - **Vs Distribution right** – First sale may not allow use to otherwise violate distro right – tiles example.
  - **(B) Importation Right** – Exclusive right to create sale boundaries.
    - **17 USC 602(a)(1)** – “[...] Importation into the United States, without the authority of the owner of copyright under this title, of copies or phonorecords of a work that have been acquired outside the United States is an infringement of the exclusive right to distribute copies or phonorecords under [ 106]”
  - **(C) “Making Available” right** – Argument by some music labels that even making copies *available* on distro networks infringement. *Not widely accepted.*
    - **“Deemed distribution” test** – making images “available” on electronic network *may* be deemed distribution, but requires storage of actual images. *Hotaling v. Church of Jesus Christ of Latter-Day Saints.*
      - Not for GIS. *Perfect 10.*
  - **License sales** attempted to subvert by Adobe, etc. Not widely accepted but still done(?)
- **(D) 17 USC 106(4) -- in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly; 17 USC 106(5) -- in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and (E) 17 USC 106(6) -- in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.**
  - **[1] Perform** – For moving works.
    - **17 USC 101 - To “perform”** a work means to recite, render, play, dance, or act it, either directly or by means of any device or process or, in the case of a motion picture or other audiovisual work, to show its images in any sequence or to make the sounds accompanying it audible.
    - **Digital Performance Right in Sound Recordings Act** – Added sound recordings to be protected, under fear of abuse.
  - **[2] Display** – For non-moving works
    - **17 USC 101 - To “display” a work** means to show a copy of it, either directly or by means of a film, slide, television image, or any other device or process or, in the case of a motion picture or other audiovisual work, to show individual images nonsequentially.
    - **17 USC 109(c)** – [Allows display to “viewers present where copy is located” – rule of reason”
    - **Server Test** – No storing and serving = no liability, even if inevitably displayed (like with GIS).
  - **“Public”** – Generally not in ones house or the like. Does not require crowded room or the like – even a pay toilet counts. *Columbia Pictures v. Aveco.*
  - **All imply some degree of publicity.** Private parties OK, public display or videoboosts not.
  - **Public Interest Exception** – Excepts certain special categories of performances
    - **17 USC 110** -[Includes (1) Performance by instructors in face-to-face teaching activities of nonprofit educational institution, (2) Distance learning broadcasts, (3) Religious performances, (4) face to face performances for free or charitable performances, (7) record store playing for ads, etc].
    - **Akin Exception** – Exception for public use (Ex: radio in barbershop) with small ramifications
    - **LOTS OF RULES for public display in bars, etc.**
  - **Compulsory Licenses**
    - **Include:** Cable Retransmissions (**17 USC 111**), Satellite Retransmission (**17 USC 119**), Jukeboxes (**17 USC 116**), Public Broadcasting (**17 USC 118**), Webcasting (**17 USC 114(d)-(j)**).
    - **Audio Home Recording Act** – Required payment for manufacturers of DATs to subsidize piracy, etc.
- **INDIRECT INFRINGEMENT**
  - **Respondeat superior** – Common law application where superior generally benefits from servant’s actions – ex: having superior infringe for you.
  - **Vicarious Liability** – Dance halls, etc – apply “when the right and ability to supervise coalesce with an obvious and direct financial interest in the exploitation of copyrighted material”



- **Products enabling infringing use** *must* be capable of a noninfringing use. Cf patent law “suitable for noninfringing use”.
  - “A sale of an article which though adopted to an infringing use is also adopted to other and lawful uses, is not enough to make the seller a contributory infringer. Such a rule would block the wheels of commerce.” *Henry v. A.B. Dick Co.*
- **Contributory Liability** – “one who, with knowledge of the infringing activity, induces, causes, or materially contributes [to infringement] may be held liable as a contributory infringer” *Gershwin Publ'g Corp v. Columbia Artists Mgmt.*
  - **Substantial Noninfringing Uses** required for devices that enable piracy. *Sony v. Universal*
    - “[a] sale of an article which though adapted to an infringing use is also adapted to other and lawful uses, is not enough to make the seller a contributory infringer” *Henry v. A.B. Dick Co.*
    - **Advertising for specific use** probably obviates – creates inducement. *MGM v. Grokster.*
      - Also may count as **inducement**. *MGM v. Grokster.*
  - Requires some primary liability.
- (5) DEFENSES
  - (1) FAIR USE
    - **17 USC 107** – [...] [T]he 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. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include [NONLIMITED]—
      - (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
        - **“Superseding” use?** (*Folsom*) Includes subverting paying for extra copies, like in *Am. Geophysical Union v. Texaco*
        - **Transformative use?** If changes nature of work (even smaller version), more likely to be fair use. *Blanch v. Koons* (Jeff Koon’s use of ads), *Bill Graham Archives v. Dorling Kinserley* (thumbnails of grateful dead posters), *Sega v. Accolade* (R.E. for new games)
        - **Commercial v. Nonprofit, style, amount of copy, etc.**
        - **Unclean hands** may be relevant, but disputed.
        - **Parody vs. Satire**
          - **Parody** changes factors in favor of use, allows some degree of use. **Target must be of original work** – cannot use other copyrighted work to target third object. Ex: *Campbell v. Acuff-Rose* (“pretty woman” from 2 Live Crew).
          - **Satire** tends to question use of prior work
        - **Pluses:** Transformative use, News or factual material, noncommercial use, R.E. for new games (*Sega v. Accolade*), online directories and indexing
        - **Minuses:** Commercial use [that supersedes work], purloined work, etc.
        - **No bad faith requirement.** No punishment for initially asking for permission.
      - (2) the nature of the copyrighted work:
        - **FACTUAL v. CREATIVE.**
          - **All about copyright status.** Factual = less (or no?) protection, etc.
          - **Creative less important where use transformative.**
        - **UNPUBLISHED vs PUBLISHED, right of first publication v. Already published, etc.** *Harper & Row.*
        - **Purpose dimension.** Such as in the purpose of the posters in the *DK* case.
          - **Parody** may mean some *necessary* appropriation. *Campbell v. Acuff-Rose.*
        - **Pluses:** Factual work, “thick” copyright
        - **Minuses:** Unpublished work, “thin” copyright, computer programs/functional tools.
      - (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
        - **Heart of the work v. Insignificant portion/representation.**
          - **Smaller, lesser, poorly utilized versions = lesser issue.** *Bill Graham Archives v. Dorling Kinserley* (thumbnails of Grateful Dead posters)
        - “No plagiarist can excuse the wrong by showing how much of his work he did not pirate”. *Sheldon v. Metro-Goldwyn Pictures*
        - **Parody** justifies use up to a point. “enough to conjure likeness”. *Campbell.*
        - **Plus:** Thumbnails
        - **Minus:** Theft of the heart of the work, use of all of the work
      - (4) the effect of the use upon the potential market for or value of the copyrighted work.
        - **No presumption of unused market.** Rule of reason re: actual potential sales.
          - **Requires traditional, reasonable, or likely to be developed markets.** *Am. Geophysical Union v. Texaco.*
          - **No presumption unless verbatim copying exists.** Verbatim copying (as in *Sony*) tends to raise scrutiny due to superseding nature.
          - **Can’t “license a market”.**
          - **Parody = little/no/reverse harm?** *Campbell v. Acuff-Rose.*
        - **Plaintiff must generally prove.**
        - **Plus:** Attempting to add to market (even to original work, like in *Sega v. Accolade*)
        - **Minus:** Actual economic loss

- **[cont'd]** The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.
- **Examples**
  - **Videotaping** considered fair use within reason for personal reasons.
  - **Photocopying** probably disallowed if market for photocopying exists.
  - **Parody** allowed, even with wholesale theft, as nature of use special.
  - **Remixes** generally allowed if de minimis use, with some scrutiny.
  - **Reverse Engineering** allowable, generally.
    - **Lockout** considered not very persuasive/important in *Sega*
  - **Google Image search** allowed, with special emphasis on value of service. *Perfect 10*.
- **(2) ALTERNATIVE DEFENSES**
  - **Independent Creation**
  - **Consent/License.**
    - **17 USC 204** – Requires transfers of entire copyright to be executed in writing.
  - **Inequitable Conduct** in creation, etc of copyright
  - **Copyright Misuse** – Antitrust-esque scenario
  - **Statute of Limitations**
    - **17 USC 507** – 3 years “after the claim accrued”.
  - **Dead: First Amendment** – Not generally available. - **Immoral/Illegal/Obscene**
- **(6) REMEDIES**
  - **(A) INJUNCTIONS**
    - **17 USC 502(a)** – Court may issue “temporary” [preliminary] and permanent injunctions “on such terms as it may deem reasonable to prevent or restrain infringement of copyright”.
    - **17 USC 502(a)** – Court can impound goods during case.
    - **STANDARD: Four-Factor Test.** *eBay v. MercExchange*. **P must prove:**
      - (1) That it has suffered an irreparable injury,
      - (2) That remedies available at law, such as monetary damages, are inadequate to compensate for that injury,
      - (3) That, considering the balance of hardships between the P and D, a remedy in equity is warranted,
      - (4) That the public interest would not be disserved by a permanent injunction.
    - **Some hesitance to use.** May harm legitimate use, so balancing is important.
  - **(B) DAMAGES**
    - **(i) ACTUAL DAMAGES & PROFITS**
      - **17 USC 504(b) - Actual Damages and Profits.**— The copyright owner is entitled to recover the actual damages suffered by him or her as a result of the infringement, and any profits of the infringer that are attributable to the infringement and are not taken into account in computing the actual damages. In establishing the infringer’s profits, the copyright owner is required to present proof only of the infringer’s gross revenue, and the infringer is required to prove his or her deductible expenses and the elements of profit attributable to factors other than the copyrighted work.
      - **Amount of profits gained from use.** Not blanket amount of profits. *Sheldon v. Metro-Goldwyn Pictures*
      - **Actual, not possible gains.**
    - **(ii) STATUTORY DAMAGES**
      - **REGISTRATION REQUIRED FOR USE.**
      - **17 USC 504(c)** – [From \$750-\$30,000 per infringed work. If willfulness proven, can be up to \$150,000. If unaware, not less than \$200 per. Shield for librarians or educators, public broadcasters in limited circumstances].
        - **17 USC 504(c)(3)** – Rebuttable presumption of willfulness if false info to domain registrar.
      - **Always an option.**
  - **(C) ATTORNEY’S FEES**
    - **17 USC 505** – Can be granted to “prevailing parties”. *Either plaintiffs or defendants on equal basis.*
- **DIGITAL COPYRIGHT LAW**
  - **Distributors and Developers**
    - **Audio Home Recording Rights Act of 1992 – Royalties for DAT**, etc. First of its kind. [Now pointless, DATs dead]
    - **Digital Performance Right in Sound Recordings Act of 1995** – Provided three-tiered system of compulsory licensing for webcasts depending on whether or not they are subscription or not. AM/FM simulcasts still have to pay comp license. Webcasters included.
      - **Categories:** (1) “Exempt Transmissions”, including nonsubscription digital broadcast transmissions largely by traditional broadcasters, exempt to digital performance right, (2) Non-exempt transmissions, such as non-interactive subscription digital transmissions subject to specific criteria, which get compulsory licenses, and (3) non-exempt transmissions, including user-selected or interactive things.
    - **No Electronic Theft Act** – Strengthened criminal prosecution of those who distributed copyrighted works irrelevant of profit – closed P2P loophole.
    - **Artists Rights and Theft Prevention Act of 2005** – Criminalizes cam recordings in theaters, etc.
    - **Pro-IP Act of 2008** – Stiffer penalties for piracy and counterfeiting activities, harmonizes forfeiture procedures for IP offenses, makes it illegal to export counterfeit goods, and eliminates various enforcement loopholes.
    - **DMCA**

- **Anticircumvention Prevention** – Disallows circumvention of (A) Access and (B) Copying protection. See pp. 673.
  - **Subject to periodic rulemaking.** Exceptions for the iPhone, etc.
- **ISP Safe Harbors** provided pending ISPs keep their hands clean and meet knowledge reqs. P. 677.
  - **Red Flag Test** – Knowledge of red flags -> Knowledge -> Punishment
- **End Users**
  - **RIAA v. Verizon** – No 512(h) subpoena power to unmask file sharers per IP.
  - **Fair use** calculations tend to emphasize usefulness of certain tools (GIS, etc).
- **INTERNATIONAL COPYRIGHT LAW**
  - **Berne/GATT TRIPs Rules**
    - **Berne**
      - **(1) National Treatment.** Member nations must afford nationals of other Berne member nations the same protections as works of domestic authors.
      - **(2) Minimum Standards.** Copyright laws of member nations must meet certain standards.
        - **Works Covered.** “Every production in the literary, scientific, and artistic domain, whatever may be the mode or form of expression.”
        - **Formalities.** “The enjoyment and exercise of copyright shall not be subject to any formality ... other than in the country of origin of the work”
        - **Duration.** Life + 50 or 50 from publication of motion pictures, anonymous, or pseudonymous works.
        - **Exclusive Rights.** Make and authorize translation, reproduction, public performance, adaptation of works.
        - **Moral Rights.** (1) Object to distortion, mutilation, modification, or other derogatory action that would be prejudicial to his honor or reputation, (2) after death, be maintained, until expiration of economic rights, (3) redress safeguarding moral rights protected by country where protection is claimed.
    - **GATT TRIPs**—Expands. More civil and criminal enforcement, incorporates new WTO dispute-settlement process.
      - **Works Covered.** Computer programs as well.
      - **Exclusive Rights.** Right to authorize or prohibit rental of computer programs and films. Authorizes nations to allow copyright holders to prohibit or permit movie rental, can create permission right UNLESS rental has led to widespread copying.
      - **Exceptions.** Requires members “confine limitations or exceptions to exclusive rights to certain special cases” which do not conflict with normal exploitation of work or legitimate interests of holder.
  - **Rule of Shorter Term** – Foreign countries tend to apply shortest copyright term in determining expiration, *however*, the US does not follow this rule.
  - **US Court Special Rules**
    - **“Act” creates jurisdiction.** Even if copyright abuse occurs abroad, jurisdiction may exist.
    - **602/603** – Prohibit importation of infringing articles.
    - **Transitory action** – Theory that may allow suit in the US even if everything occurred abroad if *in personam* jurisdiction achievable.
    - **Profits abroad** may be recoverable in limited circumstances.
- **Ex:** Compilations of facts may be copyrighted and are original insofar as they are somehow unique, a compilation of facts with no original structure does not count. *Feist Publications v. Rural Telephone Service*. No originality in research of dead case re: burial alive, info was fact. *Miller v. Universal Studios*. Book-keeping system was not protected, even though it had charts and the like, though the expression explaining the concept was protected. *Baker v. Selden*. The input and macros for Lotus/Quattro were “method[s] of operation”, not copyrightable. *Lotus Development Corp v. Borland Int’l*. “Ribbon rack” not independently artistic, the design was its function itself, nonprotectable. *Brandir Int’l v. Cascade Pacific Lumber*. Piano rolls were not protected under copyright, dissent by Holmes argues that copyright extends to series of sounds. *White-Smith v. Apollo*. Gov’t may withdraw works from public domain. *Golan v. Holder*. | Where sculptor made statue without contract on demand, statute was not made for hire as an employee and did not fulfill (2), so it was likely in ownership of sculptor. *CCNV v. Reid*. Involvement of Jeffri Alamuhammed on Spike Lee’s Malcolm X movie did not make him a joint author, given intent, though quantum meruit. *Alamuhammed v. Lee*. | No proof of copying of songs with only a few alleged notes taken. *Arnstein*. Two plays not similar. *Nichols v. Universal Pictures*. No copyright in Rocky IV script made and provided to Stallone (orig copyright holder), as no right in blatant derivative work. *Anderson v. Stallone*. Video games sped up constituted derivative works. *Midway v. Arctic Int’l*. No vicarious liability or even indirect liability for VCR manufacturers where people would occasionally, but not demonstrably always or significantly, tape copyrighted material. *Sony v. Universal City Studios*. Use of nonpublished manuscript to “scoop” other news article re: work was not fair use, given theft, unclean hands, obvious attempt to subvert profitability, etc. *Harper & Row v. Nation Enterprises*. Copying of journals was not fair use where market for copies existed. *Texaco*. Parody of song allowed, even where use was blatantly knocking off riff, as parody necessitates some copying and is transformative. *Campbell v. Acuff-Rose Music*. Small copies of posters in DK book on the Greatful Dead allowed, not superseding. *Bill Graham Archives v. Dorling Kindersley*. Use of legs in art mocking materialism fair use. *Blanch v. Koons*. Reverse engineering allowed to find the functionality of Sega lockout on cartridges. *Sega v. Accolade*. R.E. allowed for creation of PS1 emulator. *SCEA v. Connectix*. RS-DVR system similar to VCR, so no punishment for vio. *Cartoon Network v. CSC Holdings*. Active advertising of ability to pirate music obviated safe harbor/*Sony*-esque protections. *MGM v. Grokster*. | GIS fair use because it only linked to images and stored thumbnails. *Perfect 10 v. Amazon*. | Damages for copied play should only be the amount the play added, not all that was added by virtue of skill. *Sheldon v. Metro-Goldwyn Pictures Corp*.

## PATENTS

- Gen
  - **Art. I. Sec. 8 Cl. 8** – Promote... useful arts... limited time ... inventors ... exclusive rights ... respective discoveries.
  - Classical protection of inventions of use for **20 years from filing** with possibility of extension
    - Formerly 17 years from issuance.
  - **Requires** (1) Patentable subject matters, (2) usefulness, (3) novelty, (4) non-obviousness, (5) sufficient disclosure
  - **Theory** – Generally all about economic incentives, with an emphasis on absolutism of the right.
  - **History**
    - **1800s-** Development of Patent & Trademark Office, formally handling what in 1700s was offloaded to Secretary of St.
    - **1940s-** High watermark for patentability, lax standards.
    - **1952 Patent Act** – Modern patent law outlined, even stronger in many respects
    - **1982** – Federal Courts Improvement Act makes Fed. Circuit *exclusive* handler of appeals re: patent cases
    - 2011 America Invents Act
      - (1) Shift to First-to-File.
      - (2) Killed Best mode. Still around, but no defense.
      - (3) **Prior commercial use** – 35 USC 273 – Allows defense if used one year before filing. Obviously requires some level of secrecy on part of prior user, so prob will only apply to process patents, etc.
      - (4) **Prior Grant Review Process** – Allows challenging patent validity without litigation.
      - **APPLICABLE DATES:** Sep 16 2011 – Prior user rights, best mode destruction; Sep 16 2012 – Post-grant review boards; Mar 16 2013 – First to File.
- (1) **REQUIREMENTS FOR PATENTABILITY**
  - (A) **PATENTABLE SUBJECT MATTER**
    - **35 USC 101** – “useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof?”
      - **Living things and products of nature VS. Human-made Inventions**
        - “Anything under the sun that is made by man” 1952 Act.
        - Also considered a line between *discovery* and *invention*.
    - (1) **PATENTABLE**
      - (i) **PROCESS CLAIMS**
        - Processes to do something. Generally no controversy.
        - **Factors including but not dispositive:** (1) A process being tied to a particular mechanism or apparatus OR (2) a process that transforms a particular article into a particular state or thing.
        - **Diehr Distinction:** Claims that “seek to pre-empt the use of?” a particular fundamental principle (unpatentable) and those that seek only to foreclose use of a “particular application” of the principle (patentable)
        - **“USELESS” process additions do not make an abstract idea a process.** *Flook*
        - **Usually clash with fundamental principles.** Distinction key.
      - (ii) **PRODUCT CLAIMS**
        - (1) **MACHINES.** Generally no controversy.
        - (2) **MANUFACTURE.**
          - “The production of articles for use from raw or prepared materials by giving to these materials new forms, qualities, properties, or combinations, whether by hand-labor or by machinery”. *American Fruit Growers*
        - (3) **COMPOSITIONS OF MATTER**
          - “All compositions of two or more substances and... all composite articles, whether they be the results of chemical union, or of mechanical mixture, or whether they be gases, fluids, powders, or solids” *Shell Dev Co.*
          - (-)
          - Do not count in analysis – patent analyzed without consideration of useless showery.
    - (2) **NOT PATENTABLE** (Per *Diamon v. Chakrabaty*)
      - (i) **LAWS[+ Processes?] OF NATURE/ (ii)PHYSICAL (“NATURAL”) PHENOMENA**
        - “A principle, in the abstract, is a fundamental truth; an original cause; a motive; these cannot be patented, as no one can claim in either of them an exclusive right” *Benson*.
        - *Discovery*, so not patentable.
          - But contested.
          - Judge Hand required that the patentee create something “for every practical purpose a new thing commercially and therapeutically”
        - **Patents occurring over genes disallowed.** *Myriad*.
          - **Parke-Davis refinement creates** “[in] every purpose a new product” – implies refinement is sufficient. *Cf Refined natural things unpatentable. GE* (refined tungsten).
          - **Blood “process” patents that exclude other uses disallowed.** *Prometheus*. Not an absolute bar – *applications of laws of nature* (i.e. highly distinct processes?) may be patentable.
        - Frankfurter in *Funk Brothers* seems to think everything contains Laws of Nature – thus, this may be an impossible category.
        - Mixture to create something vaguely new may be allowed, see e.g. *Diamon*.

- (iii) **ABSTRACT IDEAS**
  - Most business ideas nonpatentable (considered “Fundamental principles”) *Bilski*
- (B) **UTILITY/USEFULNESS**
  - **35 USC 101** - 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.
    - **“Useful”** – Also required in 112. Generally infers some sort of purpose beyond existence. Not a “hunting license”
    - **Justice Story’s (old) statement:** usefulness is that “which may be applied to a beneficial use in society, in contradistinction to an invention injurious to the morals, health, or good order of society, or frivolous and insignificant”
      - **“Moral utility” now dead.** Once used to prevent gambling machines, etc. *Juicy Whip v. Orange Bang*.
    - **“A patent is not a hunting license** [and is] related to the world of commerce rather than to the realm of philosophy”. *Brenner v. Manson*. **VERY LIMITED** – “high water mark” of utility.
      - **Prevents monopoly over easy crap.** Robber baron example.
  - **USPTO Guidelines**
    - (1) **“Specific Utility** – Ex: identifying a *specific* disease cured by a drug, etc.
    - (2) **“Credible” Utility** – No perpetual motion machines, etc
    - (3) **“Substantial” Utility** – Not “throw-away”, “insubstantial”, or “nonspecific”
    - (4) **Actual Utility** – Must actually do what is claimed.
  - **Methods of Proving** - Animal testing for pharmaceuticals.
- (C) **NOVELTY& PRIORITY**
  - **Gen:** Whole thing is “New compared to the prior art”
  - (1) **NOVELTY -35 USC 102** - A person shall be entitled to a patent unless–
    - (a) [(Non-)Novelty] 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[NEW: by filing] by the applicant for patent, or
      - **“Prior Art”**
        - *i.e. Not a secret - Does not need to be public per se. “Known or used by others” in nonsecret way.* As long as it has been available to the public in some sense, it becomes prior art. *Rosaire v. Nat’l Lead Co.* Even the use of a method to create stuff for public sale counts. *WL Gore & Assocs v. Garlock*.
          - **Abandoned experiments** count, if not secret. *Picard v. United Aircraft*.
          - **Even knowledge by hired workmen** counts. *Hall v. MacNeale*
          - **Accidental creation does not count.** *Tilghman v. Proctor*.
        - **MUST INDEPENDENTLY FULFILL 112.** Non-enablement = not count.
        - **Focus on open use in the ordinary course of business.** *Rosaire v. Nat’l Lead Co.*
        - **May nonetheless require high burden of proof.** Court may be skeptical of use by party seeking to invalidate. Ex: *Woodland Trust v. Flowertree Nursery*.
    - (b) [Statutory Bars] 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 United States, or
      - **Bar by inventor’s own work**, such as the publication of a research dissertation. *In re Hall*.
      - (i)**Publication**
        - **Factual analysis re: time of publication.** *In re Hall*.
        - **“Printed”** can include the internet, etc. Just **not unpublished manuscripts.** *In re Schlittler*.
        - **“Public” = one member of the general public.** Even a conference “poster session”. *In re Klopfenstein*.
      - (ii)**Public use**
        - “If an inventor, having made his device, gives or sells it to another, to be used by the donee or vendee, without limitation or restriction, or injunction of secrecy, and it is so used, such use is public, even though the use and knowledge may be confined to one person.” *Egbert v. Lippmann*. (corset steel case)
        - **Private enjoyment** does not count
        - **Commercial use** (even if secretive) counts.
          - **“On Sale”** = (1) Product must be the subject of a commercial offer for sale. (2) Invention must be ready for patenting [by proof of reduction to practice or by proof that prior to the critical date that the inventor had prepared drawings or other descriptions of the invention sufficiently specific for a skilled user to practice the invention]. *Pfaff v. Wells Elec*.
            - **Commercial testing probably doesn’t count.** But probably can do secret testing pending it’s not exactly commercial.
            - **UCC definition.**
          - **Even sale of to-be-finished product before manufacture counts.** *Pfaff v. Wells Elec*. BUT license where more processing before patentability = not sale. *In re Kollar*.



- **Even illegal sales count.** *Evans Cooling v. GM.*
- (iii) **Experimental Use Exception**
  - “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 public use]” *City of Elizabeth v. Pavement Co; Shaw v. Cooper.*
  - Must generally be “under the surveillance of the inventor, and for the purpose of enabling him to test the machine, and ascertain whether it will answer the purpose intended, and make such alterations and improvements as experience demonstrates to be necessary.” *City of Elizabeth.*
  - **AllensEng’g Corp Factors:** (1) necessity for public testing, (2) amount of control over the experiment retained by the inventor, (3) nature of the invention, (4) length of the test period, (5) whether payment was made, (6) whether there was a secrecy obligation, (7) whether records of the experiment were kept, (8) who conducted the experiment, (9) degree of commercial exploitation during testing, (10) whether the invention reasonably requires evaluation during actual conditions of use, (11) whether testing was systematically performed, (12) whether the inventor continually monitored the invention during testing, and (13) the nature of contacts made with potential customers.
    - **+ Customer awareness of testing status.** *Electromotive Div. Of GM v. Transp. Systems Div. Of Gen Elec.*
- (c) he has **abandoned** the invention, or (d) [patented more than a year before in a foreign country]
- (e) **[Secret Prior Art]** the invention was described in - (1) [an application for patent filed before other patent published under 122(b)] OR (2) [an issued patent, where time reaches back to filing date]
  - **Generally hinges on 122(b) mandatory publication.** Goes from *filing* of patent or *publication* per 122(b).
- (f) **[Derivation]** he did not himself invent the subject matter sought to be patented, or
- (g) **[Invented by someone else** (with numerous limitations)]
- **AIA MODIFICATION**
  - **ALL GIVE ONE YEAR GRACE PERIOD**
  - 102(a)(1) – Advance publication (Date of act), Patented (issue date), Described in printed publication (pub. Date), On sale (date offered for sale)
    - 102(b)(1) – Exception removing prior art if disclosed by inventor prior
  - 102(a)(2) – US Patent Publication that fulfills 122(b) (filing date), US Patent Issue (filing date)
    - 102(b)(2) – Exception removing prior art if disclosed or co-owned
- (2) **PRIORITY**
  - **General:** Priority goes to the first inventor to (1) reduce and invention to practice [including enabling patent application], without (2) abandoning the invention.
    - **CONCEPTION -> DILLIGENCE -> REDUCTION TO PRACTICE.**
    - **Reduce Invention ~ = Fulfill 122(b).**
    - **Exception:** First to conceive, last to reduce, *if* first conceiver was diligent in reducing to practice, with diligence being measured from a time just prior to 2<sup>nd</sup> conceiver’s conception date.
  - **35 USC 102** – “A person shall be entitled to a patent unless –
    - (g)(1) during the course of an **interference** conducted under section 135 or section 291, another inventor involved therein establishes, to the extent permitted in section 104, that before such person’s invention thereof the invention was made by such other inventor and not abandoned, suppressed, or concealed, or
      - **Interference proceedings** – Formal priority contest, usually initiated if PTO Gets multiple filings.
    - (2) before such person’s invention thereof, the invention was made in this country by another inventor who had not abandoned, suppressed, or concealed it.
    - **[Cont’d] [Diligence Exception]** In determining priority of invention under this subsection, there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.”
      - **Focus on “hardship”** – Most cases involve some sort of high hardship, not just some low level commercial development issues. *Griffith v. Kanamaru.*
- (D) **NON-OBVIOUSNESS**
  - **Gen:** *Combination itself* not so obvious as to be part of the prior art.
  - **35 USC 103 - (a)** A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, 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. Patentability shall not be negated by the manner in which the invention was made. (b) [Special Biotech rules] (c) [Allows patentability where subject art owned by another, usually under some joint research agreement]
    - **“Prior Art”**- Pretty much everything in the public knowledge that is not secret.
      - **PRIOR ART MUST FULFILL 112.** Thus, prior art that doesn’t enable, etc doesn’t count.
    - “Under 103, the scope and content of the prior art are to be determined, differences between the prior art and the claims at issue are to be ascertained, and the level of ordinary skill in the pertinent art resolved. Against this



background the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented.” *Graham v. John Deere*

- Also factors like demands known to design community or present in the marketplace, background of person with ordinary skill in the art, etc. *KSR*.
- **Old Approach:** Functional approach of *Hotchkiss*. Focus on level of skill in the art, with a focus on the “inventor”.
  - **Fed Ct. v. SCOTUS battle** – latter establishes control in *KSR*
- “Improvement is the work of the skillful mechanic, not that of the inventor.” *Hotchkiss v. Greenwood*.
- Techniques are obvious if person of ord. Skill in art would recognize improvement by technique towards device unless actual application is beyond his or her skill. *KSR Int'l Co v. Teleflex*.
- **COMBINING PRIOR ART**
  - **Gestalt approach.** Everything taken into account to determine reasoning why people would have known to combine prior art.
    - **KSR Rule:** Generally anything can motivate prior art combinations – *gestalt* approach.
      - “when there is a design need or market pressure to solve a problem and there are a finite number of identified, predictable solutions, a person of ordinary skill has good reason to pursue the known options within his or her technical grasp. If this leads to the anticipated success, it is likely the product not of innovation but of ordinary skill and common sense.” *KSR*
      - **Old Rule:** Teaching, Suggestion, or Motivation must be proven for prior art combining.
    - **Issue of predictability (“obvious to try”):** “The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results. *KSR*.
      - **Exceptions to “obvious to try”:** (1) where what would have been “obvious to try” would have been to vary all parameters or try numerous choices until one was successful, and (2) what was “obvious to try” was to explore some sort of promising field or technology aimlessly. *In re O'Farrell. / In re Kubin*
      - **“Element”** undefined(?).
  - “A patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art. Although common sense directs one to look with care at a patent application that claims as innovation the combination of two known devices according to their established functions, it can be important to identify a reason that would have prompted a person of ordinary skill in the relevant field to combine the elements in the way the claimed new invention does.” *KSR*.
  - **i.e. no divide-and-prove.**
- **(E)DISCLOSURE (“Written Description” + “Enablement” + “Best Mode”)**
  - **Process for Getting a Patent**
    - **Patent Application.** May begin with a “placeholder” application, but a full-blown app must be sent to PTO within a year. 35 USC 1111(b).
    - **Basics:** (1) Specification, including a summary of the invention and drawings, (2) One or more claims at the end of the specification, (3) oath declaring inventor actually invented, and (4) applicable filing fees.
    - **Examiner must state reasons for rejection**, 35 USC 132, and thus facilitates back-and-forth.
      - **Amendments always possible.** General trend to amend liberally.
      - **“Final rejection”** exists, but appeals allowed including amendments. 37 CFR 1.116.
    - **Any patents that will be subject to foreign applications are published 18 mos after filing.** American Inventors Protection Act of 199. No pub requirement for US-only patents. AIPA grants limited legal rights in certain circumstances.
    - **“Patent Re-examination”** – Power of any third party to demand re-examination of patent if sub. New basis for questioning patentability arises.
  - **35 USC 112**
    - **[1] [WRITTEN DESCRIPTION]** “The specification shall contain a written description of the invention, and of the manner and process of making and using it,” [...]
      - “The test for sufficiency is whether the disclosure of the application relied upon reasonably conveys to those skilled in the art that the inventor had possession of the claimed subject matter as of the filing date.” *Ariad v. Eli Lilly*.
        - **Proof of actual conception.**
        - **“Possession [as shown in the disclosure]”** – Requires “an objective inquiry into the four corners of the specification from the perspective of a person of ordinary skill in the art. Based on that inquiry, the specification must describe an invention understandable to that skilled artisan and show that the inventor actually invented the invention claimed ”*Ariad*.
        - **Relates to the state of the art at the time the patent enters the process.** *Ariad*.
        - **Other Principles in *Ariad***
        - **Does not demand examples or an actual reduction to practice** – a constructive reduction to practice is sufficient. *Ariad*.
        - **Specification must prove possession, not merely be obvious.** *Ariad*.
      - **Claims may be no broader than the supporting disclosure** – narrowness of a claim begets a narrow right. *The Gentry Gallery v. Berkline Corp.*

- **Focuses on what was contemplated.** Not necessarily what may accidentally be said.
          - **“Accidentally overbroad” claims** do not give that breadth – limited to intended scope.
          - Prevents *ex post* assertion of unthought patents.
        - **Claim may *sometimes* be broader than explicit text.** *In re Rasmussen*.
        - **CONTROVERSIAL.** Considered highly limiting, somewhat constraining.
        - **Split re: biotech.** In the past, required high specificity. *Ariad v. Eli Lilly*. Fed Cir now treading away in cases like *Capon v. Eschbar*, deferring somewhat to practitioners in the field for their method of description.
          - ***Eli Lilly*:** Requires disclosure of either a representative number of species falling within the genus or structural features common to members of the genus to allow those skilled in the art to “visualize or recognize” patented material. Generally requires description via methods like structure, formula, chemical name, physical properties, etc.
  - [2] [ENABLEMENT] “in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same” [...]
    - **Generally hinges on the knowledge and explanation to a person skilled in the art.**
      - **To make *and not to make* the product.** Thus, to some degree, the ability to understand what is *not* the invention.
    - **Cannot be so vague as to require “undue experimentation”.** *In re Wands*.
      - **“Wands Factors” of Undue Experimentation:** (1) the quantity of experimentation necessary, (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) the predictability or unpredictability of the art, and (8) the breadth of the claims.
      - Experimentation in general considered problematic, particularly where claim is overbroad without actual proof of workability. *Incandescent Lamp Patent*. Ex: cannot patent entire process to create mammalian proteins in plants with an isolated working example. *In re Goodman*.
      - **No “kitchen sink” requirement** – can presume some level of knowledge re: common processes.
    - **“Preferred enablement”** – Description of patenting party’s ideal manifestation. Does not limit claims.
    - Alt View: Merely a consideration in the written description test. Killed in *Eli Lilly*, considered too limiting and not truly Congressional intent.
  - [3] [BEST MODE] “and shall set forth the best mode contemplated by the inventor of carrying out his invention.”
    - **DEAD.** US PTO requirement only after the America Invents Act removes infringement power.
    - **Requires** (1) Factfinder determine if the inventor HAD a best mode of practicing claimed invention [if not, no violation, patent OK], and (2) if the “disclosure is adequate to enable one of the ordinary skill in the art to practice the best mode of the invention. This inquiry is objective and depends upon the scope of the claimed invention and the level of skill in the relevant art”. *Bayer AG*
  - [4] DEFINITIVENESS [Para. 2] – Cannot be unnecessarily vague.
    - **Ex:** Live micro-organisms can be patented where micro-organism was at least partially man-made by combination. *Diamond v. Chakrabarty*. Refined adrenaline was sufficiently patentable. *Parke-Davis & Co v. H.K. Mulford Co*. Business method patent for avoiding risk not patent-eligible, abstract idea. *In re Bilski*. Process relying on fundamental laws of nature cannot be patented, as additional process did not add anything. *Prometheus*. Company could not attempt to patent random analogues of certain DNA sequence without actually showing which ones did. *Amgen v. Chugai Pharm. Co*. Disclosure of a single working example did not create patent to entire method of producing mammalian proteins in the cells of plants. *In re Goodman*. Narrow claim for reclining chairs begat narrow rights to company where the inventor only contemplated a very limited subset of uses for the lever. *Gentry Gallery v. Berkline*. No patent for DNA sample without listing of DNA itself on patent app. *Fiers v. Revel*. Inadequate disclosure of inhibiting mechanisms for NF-KB, implying lack of actual working examples, meant invalid written description. *Ariad Pharm. V. Eli Lilly*. | Oil prospecting methods, while not “public” in the sense that the attempts were failures and relatively small, were public sufficient to become prior art. *Rosaire v. Nat’l Lead Co*. High burden of proof where family seeking to invalidate patent “remembered” use. *Woodland Trust v. Flovertree Nursery*. Provision of corset with special corset springs was “public use” even though use was by wife, etc. *Egbert v. Lippmann*. Use of pavement merely for experimentation not a use, subject to experimental use exception. *City of Elizabeth v. Pavement Co*. Cornell professor could not prove reasonable diligence, no proof of absolute need of outside funding or grad student – “hardship” not found. *Griffith v. Kanamaru*. | Very simple change in mechanism of plow was obvious given past work, no real invention. *Graham v. John Deere Co.* | Combination of electronic sensor and braking mechanism obvious, no proof of reason why collection was independently not known. *KSR v. Teleflex*. Isolation of DNA molecules was “obvious to try” where the mechanism was obvious and the result was essentially guaranteed. *In re Kubin*. | Patent not a hunting license, homologue to something that might be useful not in itself proven to be useful. *Brenner v. Manson*. Sequence tags of protein for maize, having been admitted to have no known functions beyond “use testing”, did not meet utility test. *In re Fisher*. Allegedly deceptive juice machine not “morally without utility”. *Juicy Whip*.
- [1.5] CLAIM INTERPRETATION
  - **35 USC 282** - Patent presumptively valid.
  - **35 USC 112** – [Sets out requirements for **claims**, including independent, dependent, etc]
    - **Validity tends to push away from rights.** Narrow = easier.
    - **Go from small to large.** Hedge against broad claim invalidity and penumbral infringement.
    - Define the boundaries of property right.
    - **Claim Types**

- *Independent Claim* – Do not refer to another claim.
  - *Dependent Claim* – Reference some other claim “A \_ according to Claim \_ that also...”
  - *Open Transition* – Cover devices that contain certain elements *plus* other ones. “Comprising of...”
  - *Closed Transition* – Limited to certain elements. “Consisting of...”
  - *Means Plus Function Method* – Describe the functions leading to the result. “An apparatus.... for the playing of record albums”
  - **Constraints on Claims**
    - (1) **PRIOR ART**. Past information, including other patents, that cannot be patented.
    - (2) **ACTUAL WORK**. Cannot patent beyond what inventor has actually invented.
  - **Role of Judge and Jury**
    - **Question of Law**. *Markman v. Westview Inst.*
      - **“Markman Hearing”** – Hearing where judge determines meaning(s) of claims.
    - **De Novo review** in Fed Circuit. *Cybor Corp v. FAS Tech*
    - **Modern trend of law-fact hybrid**. Maybe deference in future?
  - **STANDARDS OF CLAIM REVIEW**
    - **CLAIM THEORIES**
      - 1) Actually define invention.
      - 2) Legal scope of protection alone, invention typically more than claims.
    - **SOURCES**
      - **PHILLIPS HEIRARCHY**: Intrinsic Evidence (Claims > Specification) > Prosecution History > Extrinsic Evidence (Expert Testimony, Learned Treatises, Dictionaries, &c.)
        - Overrules *Texas Digital*, which was highly deferential to dictionaries.
      - **Include** “the words of the claims themselves, the remainder of the specification, the prosecution history, and extrinsic evidence concerning relevant scientific principles, the meaning of technical terms, and the state of the art.” *Innova*.
        - Specification “is always highly relevant to the claim constructive analysis. Usually, it is dispositive, it is the single best guide to the meaning of the disputed term” *Markman*
        - Prosecution history also important. *Markman*.
      - **General purpose dictionaries**, etc – “those sources available to the public that show what a person of skill in the art would have understood the disputed claim language to mean”. *Innova*.
        - **No presumption in favor any longer**. *Phillips*, ORing *Texas Digital*.
      - **Expert testimony** “for a variety of purposes, such as to provide background on the technology at issue, to explain how an invention works, to ensure that the court’s understanding of the technical aspects of the patent is consistent with that of a person with skill in the art, or to establish that a particular term in the patent or the prior art has a particular meaning in the pertinent field” *Phillips v. AWH Corp.*
  - **STANDARDS**
    - Claims “are generally given their **ordinary and customary meaning**” ... according to the person of ordinary skill in the art, who “read[s] the claim term not only in the context of the particular claim in which the disputed term appears, but in the context of the entire patent, including the specification. *Phillips v. AWH Corp.*
    - In the context of the **time when patent was filed**. *PC Connector Solutions v. SmartDisk Corp.*
    - **Means plus function** – Governed by 35 USC 112.
    - **Canons of Interpretation**
      - **(i) Ordinary v. Contextual/“Particular” Meaning** – General *presumption* the meaning of words in a claim is “ordinary”, i.e. non-contextual meaning. *Phillips v. AWH Corp.*
      - **(ii) Contextual Meanings** – Background of patent – including patent prosecution history, etc, can modify word and rebut presumption from (i).
      - **(iii) “Lexicographer” Rule** – Patentee may explicitly define term in any way they wish. Rarely explicit, so may blur with (ii).
      - **(iv) Disclaimer of Subject Matter** – Language may be construed to affirmatively *disclaim* certain methods – “claim scope disavowal”. May rely on adjectives in patent app, history of use, etc.
      - **(v) Claim Differentiation** – Non-redundancy principle, where two similar words generally presumed to mean two different things. *Nystrom v. Trex* (“board” vs “wooden board” where claim was “board” = “wooden board”)
      - **(vi) Purpsoe or Goal of Invention**. Goal of patent pushes interp. *3M v. Johnson & Johnson* (smooth cast precluded claim interpreting tackiness)
      - **(vii) Construing claims to preserve validity**. *Rhine v. Casio*. Somewhat disused, very much a last principle. *MBO Labs v. Becton, Dickinson & Co.*
      - **(viii) Narrow Construction Preferred**. “Notice function” of claims requires narrower prevail if all else fails. *Athletic Alternatives v. Prince Manufacturing*.
  - **Ex:** Claim re: thin but bulletproof wall baffle did not imply some sort of degree limitation. *Phillips v. AWH Corp.*
- **(2) INFRINGEMENT**
  - **35 USC 271** – Absolute right, even against indirect infringement and independent invention, with few exceptions.
  - **(i) DIRECT INFRINGEMENT**

- (A) LITERAL INFRINGEMENT
  - **Literal infringement of absolute words (all elements) of patent claim.**
  - **35 USC 271(a)**– [W]hoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States, or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.
    - **20 Years from filing.** Formerly 17 from issue.
    - **Adding elements** does nothing if the original claim is “open” (i.e. “comprising of”, not “closed” by “consisting of”). Some flexibility.
- (B) INFRINGEMENT BY (DOCTRINE OF) EQUIVALENTS
  - **Substantial equivalent of every single element of a claim.**
    - **Gen:** Resists “fraud on a patent” (*Graver v. Linde*) by extending patents to substantially similar patents to avoid other people getting by on stupid technicalities.
    - **LIMITED USE.** Less public notice.
  - (a) **ALL ELEMENTS RULE:** Equivalence may be found where [1] the accused product produces substantially the same function, [2] in substantially the same way, [3] to achieve substantially the same result of the device of the patent claim. (but this may mostly only apply to mechanical inventions] *Grover Tank*
    - **AKA FUNCTION – WAY - RESULT**
    - Focus on **individual elements** of a claim, where the invention “contain[s] elements identical or equivalent to each claimed element of the patented invention” *Warner-Jenkinson*.
      - **NEW MODIFICATION:** Applies to *each individual element*, not to the invention as a whole. Test applied to each individual element. *Hughes Aircraft v. US*.
      - **“Substantial Equivalent”** – “must not be such as would substantially change the way in which the function of the claimed invention is performed”. *Hughes Aircraft*.
      - **Equivalence measured at time of infringement, not at invention.** *Warner-Jenkinson*
    - **Requires proof that** “the accused product has the ‘substantial equivalent’ of every limitation or element of a patent claim.” *Larami v. Amron*
    - **FWT may be limited to mechanical inventions.** *Warner-Jenkinson*
  - (b) **PROSECUTION HISTORY ESTOPPEL**
    - Where patentee explicitly surrenders scope over some area used by the alleged infringer.
    - “When ... the patentee originally claimed the subject matter alleged to infringe but then narrowed the claim in response to a rejection, he may not argue that the surrendered territory comprised unforeseen subject matter that should be deemed equivalent to the literal claims of the issued patent.” *Festo*
      - Removal of claim and submission of accepted one is equivalent to a concession that the removed claim is not covered by the patent. *Festo*
    - **Generally limited to amendments made to narrow scope.** *Festo* Including “to avoid the prior art, or otherwise to address a specific concern – such as obviousness – that arguably would have rendered the claimed subject matter unpatentable.” *Warner-Lambert*.
      - ***Festo* “Foreseeable/[Flexible] Bar”** – Patentee barred from seeking DoE protection for any matter it should have known it was giving up by amending its claims.
      - **Burden on patentee to show amendment was not for patentability and did not surrender covered subject matter.** *Festo*
      - **Categories “absolute bar” is inappropriate:** (1) unforeseeable equivalents, (2) amendments made tangential to equivalent in question, and (3) “for some other reason” equivalent not described. *Festo Ex: Lockheed v. Space Systems* (computer tracking on satellite)
  - (c) **PRIOR ART RULE** (*Wilson Sporting Goods*)
  - (d) **PUBLIC DEDICATION RULE** (*Johnson & Johnson*)
  - **Ex:** No literal infringement where super soaker knockoff had detachable reservoir, same for doctrine of equivalents. *Larami v. Amron*. Absolute bar via prosecution history estoppel improper, better to be a flexible test. *Festo*.
- (ii) **INDIRECT INFRINGEMENT**
  - (C) CONTRIBUTORY INFRINGEMENT
    - **Inducing purchaser to modify or otherwise change in a way that infringes the patent.**
    - **35 USC 271(b)** - Whoever actively [knowingly?] induces infringement of a patent shall be liable as an infringer.
    - **35 USC 271(c)** -Whoever offers to sell or sells within the United States or imports into the United States a component of a patented machine, manufacture, combination, or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, **knowing** the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.
      - Sale of a “material part of the invention, knowing that the [product] is especially made or adapted for use in infringing the patent, and the [product] is not a staple article or commodity of commerce suitable for substantial noninfringing use”. *CR Bard v. Advanced Cardiovascular Systems*.
        - Like *Sony*, focus on having “no use except through practice of the patented method” *Dawson Chem. V. Rohm & Haas*
      - **Requires knowledge** re: existence of patent. *Water Tech Corp v. Calco*. “Knowing” requirement, but may be inferred by circumstances.
        - Frequent use of patent attorney opinions to determine appropriateness.





- **Test:** (1) Authorized Sale (2) Substantial Embodiment (*Univis*) = Exhaustion.
- **Even uncompleted articles which [substantially?] “embod[y] essential features of the patented device”** *Univis*.
- **Even process patents.** *Quanta*.
- **Probably requires a sale authorized by patent holder.** *Quanta*.
- Limits the patent rights that survive the initial authorized sale of a patented item.
- **Ex:** Microprocessor, even without additional hardware, embodies the invention by Intel sufficiently to invoke the patent exhaustion doctrine. *Quanta v. LG*.
- **(4) REMEDIES**
  - **(1) INJUNCTIONS**
    - **35 USC 261** – “patents shall have the attributes of personal property [...] subject to the provisions of this title”
      - **35 USC 283** – Injunctions “may” issue only “in accordance with principles of equity”
    - **Old:** Presumption that injunctions automatically added.
    - **STANDARD: Four-Factor Test.** *eBay v. MercExchange*. **P must prove:**
      - **(1)** That it has suffered an irreparable injury,
      - **(2)** That remedies available at law, such as monetary damages, are inadequate to compensate for that injury,
      - **(3)** That, considering the balance of hardships between the P and D, a remedy in equity is warranted,
      - **(4)** That the public interest would not be disserved by a permanent injunction.
    - **Help encourage licensing.** Threat of absolute ban enforce licensing. However, (1) lack of knowledge of value of tech, (2) transaction costs for negotiation significant, (3) strategic behavior inhibits economically valuable licensing.
  - **(2) DAMAGES**
    - **(A) LOST PROFITS**
      - **Panduit Factors:**
        - **[But-for infringement, what would customers have done?:]** (1) Demand for the patented product, (2) Absence of acceptable noninfringing substitutes,
        - **[What patentee would do?:]** (3) manufacturing and marketing capability to exploit demand, (4) amount of profit that he could have made.
          - **Maybe also unrelated products.** Economic effects by vaguely related, but not wholly related, products. *Polaroid*.
      - **Treble damages available.** Probably only for willful infringement, but may be given in other circumstances given vague language of law.
      - **Only available when there are “no adequate substitutes”.** *Panduit*. Most Fed Circuit cases seem to imply there are never adequate substitutes.
      - **Other Boundaries:**
        - **(1) Price Erosion** - harm by infringing competition harming patent-owning party’s price.
        - **(2) Market Share rule** - market share staying the same with or without competition,
        - **(3) Lost Sales of Unpatented Components or Products** – Infringer making related components less valuable – connected products, etc.
          - **Entire Market Value theory.** Pp. 389 – Concept of connection.
        - **(4) Post-expiration sales** – “head start via infringement” theory.
    - **(B) REASONABLE ROYALTIES**
      - **Floor to damages.**
        - **35 USC 284** – Plaintiff entitled to “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.”
      - **Georgia-Pacific Factors**
        - (1) The royalties received by the patentee for the licensing of the patent in suit, proving or tending to prove an established royalty.
        - (2) The rates paid by the licensee for the use of other patents comparable to the patent in suit.
        - (3) The nature and scope of the license, as exclusive or nonexclusive, or as restricted or nonrestricted in terms of territory or with respect to whom the manufactured product may be sold.
        - (4) The licensor’s established policy and marketing program to maintain a patent monopoly by not licensing others to use the invention or by granting licenses under special conditions designed to preserve that monopoly.
        - (5) The commercial relationship between the licensor and licensee, such as whether they are competitors in the same territory in the same line of business, or whether they are inventor and promoter.
        - (6) The effect of selling the patented specialty in promoting sales of other products of the licensee, the existing value of the invention to the licensor as a generator of sales of non-patented items, and the extent of such derivative or conveyed sales.
        - (7) The duration of the patent and the term of the license.
        - (8) The established profitability of the product made under the patent, its commercial success, and its current popularity.
        - (9) The utility and advantages of the patent property over the old modes or devices, if any, that had been used for working out similar results.
        - (10) The nature of the patented invention, the character of the commercial embodiment of it as owned and produced by the licensor, and the benefits to those who have used the invention.
        - (11) The extent to which the infringer has made use of the invention and any evidence probative of the value of that use.
        - (12) The portion of the profit or of the selling price that may be customary in the particular business or in comparable businesses to allow for the use of the invention or analogous inventions.



- (13) The portion of the realizable profit that should be credited to the invention as distinguished from non-patented elements, the manufacturing process, business risks, or significant features or improvements added by the infringer.
- (14) The opinion testimony of qualified experts.
- (15) [amt parties would have agreed to if they had actually tried]
- **Arguably unnecessary**, as industry and damages system trends towards overcompensation.
- **Ex:** Four factor test applies to injunctions regardless of preexisting rules. *eBay v. MercExchange*.

## RELATED STATE DOCTRINES

- (1) MISAPPROPRIATION
  - “Trespass” against competitor – quasi-property-esque theory. *INS v. AP*.
    - Probably hinges on specific markets. Such as news markets, etc.
    - Fairness analysis.
  - **Posner entirely against**, views as an end-run around other doctrines.
- (2) RIGHT TO PUBLICITY
  - **Statutory or Common Law**. The former is in Cali.
  - (1) **PRIVACY Method** – Theory protecting privacy. Would theoretically die with death and be waveable.
  - (2) **PROPERTY Method** – Theory protecting right to profit off own image. Possibly survives death like in Cali, but may also be transferrable via contract, etc.
  - **Disputed**. Some states recognize, others don’t.
  - **Limitations**
    - **Can cover beyond exact recordings/images**. *Midler v. Ford Motor Corp*.
    - **First Sale Doctrine** applies. *Alison v. Vintage Sports* (trading cards)
    - **Does not apply where other copyright exists**. Ex: No right to “publicity” where voice used in copyrighted sound recording that was later licensed out. *Sinatra v. Goodyear*.
  - **Cal Civ. Code 3344(a)** – Any person who knowingly uses another’s name, voice, signature, photograph, or likeness, in any manner, on or in products, merchandise, or goods, or for purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods or services, without such person’s prior consent, or, in the case of a minor, the prior consent of his parent or legal guardian, shall be liable for any damages sustained by the person or persons injured as a result thereof. [...] [Remainder 1021-1022]
  - **Ex:** Singing by “sound-alike” of Bette Midler sufficiently violated Cali law, sound-alike-ness sufficient regardless of the fact that Bette Midler was in fact not used. *Midler v. Ford Motor Corp*.
- (3) TRESPASS TO CHATTELS
  - Lies “where an intentional interference with the possession of personal property has proximately cause[d] injury”.
    - **To PC system:** (1) D intentionally and without authorization interfered with P’s possessory interest in the computer system; and (2) D’s unauthorized use proximately resulted in damage to plaintiff. *Thrifty-Tel*. Somewhat disputed.
    - **Requires diminution of value to the “condition, quality, or value of personal property”**. *CompuServe v. Cyber Promotions*
      - **Why not absolute liability rule?** Trespass alone may be sufficient.
    - **General presumption of Preliminary Injunction**. Damages may be difficult, but like most trespass cases, PI presumed. *eBay v. Bidder’s Edge*.
    - **Split**. Where websites open, some dispute as to how limited the website/database can be. Any access may be sufficient, as held in *Oyster Software v. Form Processing*. Where e-mail involved, trespass disputed, but harm must be proven. *Intel v. Hamadi*.
  - **Ex:** Bidder’s Edge constant robot use on eBay was sufficiently trespass to chattels, with a focus on the fact that over 1% of traffic was caused by BE. *eBay v. Bidder’s Edge*.

## PREEMPTION

- **Copyright** – 17 USC 301 – Explicitly preempts state law (conflict preemption)
- **Patent** – Explicitly preempts per Constitution, etc.
- **Trademark** – No preemption per se, but possible supremacy. ALLOWS dual system, generally.
- **Trade Secret** – State doctrine.