1. **Information as a Commodity**
   1. Generally
      1. Article I, Section 8: Power *to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.*
      2. Content of the law affects the incentive to disseminate the information
      3. Wider dissemination of the image means cheaper distribution
      4. Theories of IP protection
         1. Natural Rights (Locke)
            1. Labor toward the creation of a new idea deserves protection
            2. Creates incentives
            3. Courts have rejected this view, and require originality of expression
            4. Lockean view avoids problems of scarcity (“tragedy of the commons”)
         2. Personhood (Hegel)
            1. Property is the first embodiment of freedom and so is in itself a substantive end.
            2. Person gets a sense of identity by relating with personal property.
         3. Utilitarian perspective – information has the characteristics of a “public good”
            1. Encourage investment in invention and creation
            2. Encourage public disclosure of information to further additional research
            3. IP may be consumed by many people without depletion, and it is difficult to identify those who will not pay and prevent them from using the information
   2. IP Theories
      1. Theories of legal protection for *trade secrets*
         1. Utilitarian – protection against the theft of proprietary information encourages investment in such information
         2. Tort theory – deterrence of wrongful acts
         3. Property rights – treatment of trade secrets as property rights vested in the trade secret owner is consistent with a view of trade secrets law as providing an additional incentive to innovate, beyond those provided in patent law
      2. Theories of *patent law*
         1. Inventions are public goods that are costly to make and that are difficult to control once they are released into the world – need incentive to invest in the creation of inventions
         2. Natural rights and personhood theories play a less significant role
         3. Patent law is stronger than trade secret protection
      3. Theories of *copyright law*
         1. Utilitarian – designed primarily to enhance the public interest. Idea that the ultimate aim is to stimulate artistic creativity for the general public good.
         2. Natural right of the author to control the use of his work and to be rewarded for it.
   3. Federal Preemption and Antitrust –  *See discussion in State Protection.*
2. **Trade Secrets:** 
   1. **Information** of value that P takes
   2. **reasonable efforts to protect** and is
   3. **misappropriated.**

**-----------------------------------------------------------**

1. Generally:
   * 1. Generally, anything that is patentable is protectable by trade secret, as is much that is copyrightable.
     2. State law, therefore varies across jurisdictions – Uniform Trade Secrets Act (UTSA) adopted in all states *except* 4: MA, NY, NJ, TX.
     3. **Restatement of Torts §757 –** *trade secret is any secret information used in one’s business that gives its owner an opportunity to obtain an advantage over competitors who do not know or use it, and it was a secret.*
     4. **No novelty requirement.**
     5. **Patented software has TS protection** as long as state TS law allows reverse engineering.
     6. **Parties** – can sue anyone who used information they knew or should have known was misappropriated.
     7. **TS v. Patent**

|  |  |
| --- | --- |
| ***Trade Secret*** | ***Patent*** |
| Free | Expensive (>$60k) |
| No monopoly; only control of information flow. | Absolute monopoly |
| Can be reverse-engineered | Cannot be reverse-engineered |
| No novelty requirement | Must be novel |
| Must be kept secret (large continuing expense/inconvenience) | Must be disclosed |

1. **Information** that derives economic value
   * 1. **UTSA - Cannot be readily ascertainable.** The more work P put into it, the less readily ascertainable it is. Restatement states generally protect it as long as it is not generally known. (Fourtek)
     2. **Restatement factors:**
        1. extent to which the information is known outside claimant’s business
        2. extent to which it is known by employees and others involved in the business
        3. extent of measures taken by the claimant to guard the secrecy of information
        4. value of the information to the business and its competitors
        5. amount of effort or money expended by the business in developing the info
        6. ease or difficulty with which the information could be properly acquired
     3. **NY requires the information be in current use by P**, as this proves the value.
        1. get crazy Ps who would say it was valuable
        2. prevent harassment of competitors
        3. don’t want IP lawsuits for clogging up new companies.
2. **Reasonable Efforts** to Keep Secret
   * 1. Rockwell – Efforts to keep secret must be *reasonable* not merely *perfunctory*.
     2. **TS is killed by disclosure:**
        1. a trade secret owner may publish the secret
        2. a trade secret owner may disclose the secret by selling a commercial product that embodies the secret
        3. trade secrets may be publicly disclosed by someone other than the trade secret owner
        4. trade secrets may be disclosed inadvertently
        5. government agencies sometimes require the disclosure of trade secrets in order o serve some other social purpose (e.g. the FDA requires ingredients)
3. **Misappropriation**
   * 1. **Use**
        1. Dravo – D stole P’s shipping container plans during merger discussions. Court implied a promise of confidentiality from the nature of the disclosure
           1. **This form of liability is why no company takes submissions, and insulates the engineers from submissions by having an admin. assistant handle the replies.**
     2. **Disclosure**
        1. When an employee etc. that legitimately acquired information moves to another employer or otherwise improperly discloses the secret, they and the disclosee are liable.
           1. Often will have an **independent creation** defense.
           2. Original employer may argue **inevitable disclosure** to enjoin a departing employee from going to a new employer for a period of time.

Bar to do this must be rather high to avoid interference with right to work.

* + 1. **Acquisition**
       1. Dupont – P had fenced off construction of new secret process, and D misappropriated by taking aerial photographs.

1. **Patents**
   1. **Generally**
      1. **Rights Under Patent Law:**

* Right to make
* Right to use
* Right to sell
* Importation rights
* These rights extend for 20 years
  + 1. **Exhaustion Doctrine** (in patent law) – You have a right to restrict use to the first buyer of your product, BUT, upon resale, you lose the right to restrict use.
    2. **Repair/Replace dichotomy:** Normal use of product, that includes maintenance, is OK. But, eventually you’ll cross a line between repair and replace (replace being an infringement).
    3. **Ownership fragmentation.** If someone’s trying to build off your work, you might have to get licenses from thousands of different owners.
* We get around this chilling effect because academic researchers just ignore patents and no one enforces them.
  + Informal exemption for research. It’s illegal, but no one enforces them.
  1. **Patentable Subject Matter**
     1. **Products**
        1. *Much preferred by patent owners as it much more clearly carves out part of the market*
        2. **Products of Nature are NOT patentable unless they are sufficiently isolated and purified**
           1. Isolated and purified human adrenaline patentable (Parke-Davis)
           2. Combination of bacteria that does not attack itself *not* patentable (Funk Bros.)
           3. Human cell lines and genes, if sufficiently isolated, can be patented.
           4. Genetically modified organisms patentable (Chakrabarty)

*Humanoid organisms may not be patentable as potential violation of 13th Amendment prohibition on slavery/human ownership.*

* + 1. **Processes**
       1. **Abstract ideas NOT patentable**
       2. **Medical Process Patents**
          1. § 287(c) deprives patentees of all remedies, both monetary and injunctive, against medical practitioners engaged in infringing “medical activity.”
       3. **Software not generally patentable**
          1. **Cannot patent an algorithm** (equivalent to abstract idea; Gottschalk)
          2. **Can be patented if it forms a system whose result is useful, tangible, and concrete** (State Street)

Prohibition on patenting mathematical algorithms narrowly defined, as algorithms are, but definition, “processes”

**Has the mathematical concept been reduced to a practical application?**

* + - 1. **Business Methods patentable if useful, tangible and concrete** (State Street)
         1. *Method for minimizing mutual fund’s taxes is patentable after software implementation thereof.*
    1. **Improvements on Products/Processes**
  1. **Utility – Section 101 –** Invention must do something useful.

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.

* + 1. *Functionally, this doctrine is almost never applied outside of chemicals, where people try to use it to isolate a promising research track.*
    2. **Types of Utility:** (Must have all)
       1. **General Utility** - There is a requirement for real-world utility, not just utility because it is of research interest.
          1. **Cannot patent B because similar to A, which has utility** (Brenner)
       2. **Specific Utility** – Utility must be specific. Cannot claim a machine to be used as a paperweight.
          1. **Cannot patent a gene without a showing of specific utility**. (In re Fisher)
          2. *Unlike this case, would likely be able to get a fragment of BRCA1 (gene indicating disposition to breast cancer) sufficient to locate that gene as using that gene fragment we are able to locate the gene, thereby enabling us to alert people to increased cancer risk.*
       3. **Credible Utility** – PHOSITA believes it has commercial potential.
    3. **Balance between scope and showing of utility**
  1. **Novelty & Statutory Bars – Section 102**

A person shall be entitled to a patent unless -

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States

* + 1. **Novelty – 102(a) – Bars *before* invention**
       1. **An invention is *not* novel if it was known by other *in this country* prior to patentee’s invention.** (Rozaire)
          1. **Can be made non-novel by another’s publication** (see below)

**Publication can be foreign.** (See 102(a))

* + - 1. **See Suppression below, under Priority.**
    1. **Statutory Bars – 102(b) –Bars *before* filing**
       1. **Prior Publication / Grace Period –** Patent application must be filed within one year of public disclosure.
          1. **Virtually any disclosure counts**

Publication in thesis binder in foreign university library is nonetheless publication (In re Hall)

Giving product to one person as an undergarment without explicit prohibition on disclosure constitutes publication. (Egbert)

* + - * 1. **Disclosure can be written, pectoral, or through (offer of) sale of product.**
        2. **May be allowed if use in public for testing was a necessity** (Elisabeth; roadwork case)
        3. **Use the All Elements Test:** Does a single publication/disclosure encapsulate all elements of the claimed device/process?
        4. *Note that US is unique in having a grace period. Allows small inventors to raise capital, etc., and encourages academic advancement before patenting.*
  1. **Priority** **– Section 102(g)**
     1. **Suppression** 
        1. If inventor abandoned, suppressed, or concealed his invention, then he drops out of the priority discussion.
     2. **Events used to Evaluate Priority**
        1. **Actual reduction to practice**
           1. Constructing a working model of the invention
        2. **Constructive reduction to practice**
           1. Filing an application at PTO
        3. **Conception of invention** **+** **diligence**
           1. Mental act of invention + showing continuous and reasonable efforts to reduce an invention to practice (either actual or constructive)

Diligence is lost byacademic who, after invention, worked on other projects, waited for funding, and halted project waiting for new grad student. (Kanamaru)

* 1. **Claim Interpretation**
     1. **Vocabulary**
        1. **“Comprising”** – A transition that denotes limitations will follow (“open claim”)
        2. **“Consisting of”** – A transition that denotes “nothing more, nothing less” can be used in technology (“closed claim”).
     2. **Elements**
        1. **Primacy of claim language**
           1. Claims given ordinary meaning to PHOSITA at time of application
           2. Evidence intrinsic to the claim generally takes precedence
        2. **Specification and prosecution history**
           1. **If P narrows a claim during patent prosecution, P is estopped from challenging things no longer covered after the narrowing.**
           2. **Does not preclude use of doctrine of equivalents for the new, narrow claim.** (Festo)
        3. **Extrinsic evidence**
           1. Can never be used to contradict claim meaning that is unambiguous in light of the intrinsic evidence.
           2. Dictionaries are a good example.
           3. Experts don’t play much of a role, nor does industry jargon.
     3. **Terms not restricted solely to corresponding documentation** (Phillips; Baffles case)
        1. **Means Plus Function Language –** “plus a **means** for X, **which may** include Y, Z, etc.”
           1. Claims every possible way to X.
           2. **Triggers rule s.t. you then turn to the specification. Under DoE you are not looking only to the claims in interpreting the claim.**

**Does not apply if claim fully explains the means** (means for X **by**…)

* 1. **Non-Obviousness – Section 103**
     1. **KSR – This Controls**
        1. "A person of ordinary skill is also a person of ordinary creativity, not an automaton."
        2. **An invention is obvious when it encompasses a number of known components that lead to a predictable result.**
           1. “Inventions” that are merely updating something to use modern tech are suspect.
           2. **Something that is obvious to try is obvious.**
     2. **Graham v. John Deere Test**: **Would the difference between the invention and prior art have been obvious to a PHOSITA?**
        1. **Three Factors**
           1. **What is the scope and content of the prior art?**

What did people know at the time of invention?

* + - * 1. **What are the differences between the prior art and the claims at issue?**
        2. **What is the level of ordinary skill in the art?**

Question used to be essentially whether someone who knew everything but had very little inspiration would find this invention to be obvious.

After KSR, the SC raised the level of ordinary skill as being someone more average (e.g. BS in Mech. Eng. and 5 years professional experience).

* + 1. **Teaching Suggestion Motivation (TSM) Test** (In re Vaeck) – Possibly Invalidated by KSR
       1. **To be obvious, prior art must explicitly suggest the combination to a PHOSITA.**
          1. Does the prior art suggest (or teach or motivate) the combination?
          2. Does the prior art reveal a reasonable expectation of success?
          3. Innovation may not be in
       2. **Must be clear and demonstrable evidence of suggestive prior art to be obvious (**In re Dembiczak)
    2. **Hindsight Bias** can be reduced by **secondary considerations**
       1. Commercial success
       2. Long-felt unmet need
       3. Failure of others
       4. Copying
       5. Licensing
       6. Unexpected results.
  1. **Enablement – Section 112**
     1. § 112 – The specification shall contain a *written description* of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to *enable* any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the *best mode* contemplated by the inventor of carrying out his invention.
     2. **This is essentially a disclosure requirement**
     3. **Must not require PHOSITA to do undue experimentation** (Sawyer)
        1. Patent for “carbonized textile or fibrous material” as lightbult filament requires undue experimentation as a vast array of such materials do not work for that purpose.
        2. To support such a claim, must show that you have experimented broadly and found this set to work well.
     4. **Best mode requirement**
        1. If inventor thinks there is a “best” way to do it, they must say so. If not, may omit.
     5. **Written Description requirement** – Almost always satisfied.
        1. Adopted to keep people from extending their inventions to cover later (arguably) non-infringing uses.
        2. **Inventors must have envisioned the allegedly violating product/procedure at time of invention.** (Gentry Gallery)
           1. This is not a specific requirement, but it has to be in the realm of imagination.
  2. **Infringement**
     1. **Literal Infringement** uses **All Elements Rule**
        1. **To literally infringe, the accused product must embody all elements of the patented one.** (Larami)
     2. **Non-Literal Infringement**
        1. **Doctrine of Equivalents** – *Question of Fact – Use either test*
           1. **Triple Identity Test**

Same of equivalent function

Same or equivalent means

Same or equivalent result

* + - * 1. **Insubstantial Difference Test**

Deemed equivalent if there is only an "insubstantial change" between **each of the elements** of the accused device or process and each of the elements of the patent claim.

* + - * 1. **Prosecution History Estoppel**

**If P narrows a claim during patent prosecution, P is estopped from challenging things no longer covered after the narrowing under DOE.**

**Does not preclude use of doctrine of equivalents for the new, narrow claim.** (Festo)

* + - * 1. **Dedication to the Public**

**Doctrine of Equivalents does not encompass material disclosed but not claimed.** (Johnson & Johnson)

* + - 1. **Contributory Infringement –** Section 271(c)
         1. [1] Whoever … *sells* … a [2] *component* of a patented machine, manufacture, combination, **or** composition, or a material or *apparatus* for use in practicing a patented process, [3] constituting a *material part* of the invention, [4] *knowing* the same to be especially made or especially adapted for use in an infringement of such patent, and [5] *not a staple* article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.
         2. **Elements:**

Sale

Component or material for an apparatus

Constituting a material part of an invention

**Knowing** that it is made of adapted for infringing use

Not a staple or capable of non-infringing use.

* 1. **Defenses**
     1. **Prosecution History Estoppel –** See above
     2. **Dedication to the Public** **–** See above
     3. **Inequitable Conduct**
        1. **Penalizes patent applicants for :**
           1. **material failure to disclose; or**
           2. **false submission with intent to deceive**

**Intent does not encompass mere negligence**. Thus, accidentally including a previously rejected claim in revised application does not warrant unenforceability of whole patent. (Kingsdown)

* + - 1. **Result**: Whole Patent is still valid, but unenforceable.
    1. **Misuse**
       1. **Patent holder misuses patent after it is issued**
          1. *Usually related to licensing*
          2. *Effectively an antitrust claim for things outside of the rights meant to be conferring by patent.*
       2. **Exclusive right in a patent is only to the patented invention.** May not use licensing to dry up a secondary market s.a. for movies that work in a patented projector. (Motion Picture Patents Co.)
    2. **Experimental Use** *– LARGELY DEAD*
       1. **Can use a patented subject matter on the road to FDA testing.**
          1. *Implemented so that generics could hit market as soon as the brand-name’s patent expired*
          2. *Generics do not require all of the testing that the original did. Only requires a showing of chemical identity.*
       2. **Universities do not enjoy this defense as their business is academic, and their use is in furtherance of that business.** (Duke)
       3. **Approval of new drug is reasonably related to FDA regulations, and so may invoke this defense if using another’s patent in research toward a new (unrelated) drug.** (Merck)
    3. **Prior use** in case of business method patents
  1. **Remedies**
     1. **Damages** – Greater of (a) reasonable royalty or (b) lost profit
        1. **Willfulness** – Question of fact
           1. **Finding of willfulness results in treble damages and attorneys’ fees.**
           2. **No inference of willful infringement if you do not get an opinion letter** (Knorr)

*Prior to this case the assumption was you didn’t get an opinion letter because you knew you were infringing.*

* + - * 1. **Standard of proof is recklessness** (Seagate) – Two-part test: *(two chances to lose)*

Objectively high likelihood actions constituted infringement of valid patent (state of mind irrelevant)

Risk was known or so obvious it should have been known (disincentive to read patents).

*Only conduct before suit contribute to willfulness, as otherwise trial would be a defacto injunction.*

* + 1. **Injunction**
       1. **Can be granted if four factors are satisfied**: (eBay v. MerchExchange)
          1. **irreparable harm**
          2. **damages inadequate**
          3. **balance of hardships**
          4. **public interest**
       2. *In case of trolls, argument for injunction is stronger if they are smaller as it is likely they are looking to invent and then to license so someone else can commercialize.*

1. **Copyright**
   1. **Subject Matter**
      1. **Originality**
         1. See Ownership below
         2. Requires a **modicum of creativity**
            1. Not a very high bar.
            2. Selection and arrangement qualify (Roth Greeting Cards)
      2. **Fixation – Must be in a “fixed medium” s.a. writing, phonorecord, etc.**
         1. **Improvisation and live performance not inherently fixed.**
            1. **Fixation achieved by simultaneous recording**
            2. **Fixation must be authorized** (e.g. cannot bootleg a concert)
         2. **Files stored in RAM are fixed** (Netcom)
      3. **Abstract Ideas or Facts Not Copyrightable**
         1. **Telephone book uncopyrightable** (Feist)
            1. *Was made in response to state regulation*
            2. *Names are facts, and no creativity in sorting alphabetically .*
         2. **Copyright on book explaining a process only protects that author’s explanation, and not the process itself.** (Baker)
            1. **Process may be patentable.**
         3. **Forms are not generally copyrightable a not enough expressive choice.**
         4. **Merger – When few expressive options, idea merges w/ expression and thus uncopyrightable.** (Morrisey)
            1. *Otherwise, could run out of ways to express the idea.*
         5. **Scenes a Faire Doctrine** – Certain kinds of stock characters, settings or incidents, are really just things that define a genre.
            1. Fairy tales. No one should be in a position to strike-down your fairy tale because they also have a princess needing to be saved in a castle.
      4. **Characters are copyrightable only in 2 circuits (including the 9th)**
      5. **Copyright of Useful Articles**
         1. **If an object contains both functional and expressive elements, only the latter are subject to copyright.** (Mazer)
         2. **Seperability –** Only protect elements that can be separated from the item’s functionality
            1. **Physical Seperability –** If something is still functional after you remove element A, then A is non-functional.

*E.g. a hood ornament is expressive as the car works despite removing it.*

* + - * 1. **Conceptual Seperability**

**Denicola** **Test**– “A design feature is conceptually separable if design elements reflect artistic judgment unconstrained by functional considerations.”

*Look at the design, was it constrained by utilitarian principles? If so, not copyrightable.*

**Judge Newman** – To be conceptually separable, the object must conjure-up an aesthetic quality in the mind of its audience that is different from its functional features.

**Brandir Bike Test** – Did the artist who made the object pay more attention to aesthetic or functional qualities of the object while developing it?

***Other Tests****:*

Primary use – Whether utilitarian object or artistic work?

Marketable – Is the object marketable as art alone?

Primarily aesthetic – Are the aesthetic elements of the article primary?

* 1. **Ownership**
     1. **Rights belong to author unless it is a work made for hire**
     2. **Works for Hire**
        1. **Made within the scope of employment**
        2. **Factors** to determine whether person is an employee (Reid)
           1. Skill required
           2. Source of tools
           3. Location of the work
           4. Duration of relationship
           5. Level of control of employer over employee

Can hiring party assign additional work to the alleged employee

* + - * 1. Extent of worker’s discretion over when and how long to work
        2. Method of payment
        3. Assistants / subcontractors?
        4. Part of regular business of hiring party
        5. Employee benefits? Tax treatment?
    1. **Joint Works**
       1. **Joint work only if both parties intended for it to be an inseperable work**
       2. **Test:** (Alamuhammed)
          1. Intent

Objective manifestations of intent by both authors needed

* + - * 1. Did D superintend the work by exercising control, thereby showing lack of intent to be joint author?

This is the most important factor in most cases

* + - * 1. Whether the audience appeal of the work turns on both contributions and the share of each in its success cannot be appraised (quality and quantity of contributions)
      1. **Note:** *If P loses, may still have copyright over contributions to the work (e.g. scenes of a movie)*
  1. **Term of Rights**
     1. **Term**
        1. **Individual – Life of author + 70 years**
        2. **Works made for hire – 95 years from publication (or 120 years from creation)**
     2. Eldred v. Ashcroft
        1. Ps argued against retroactive copyright extension as:
           1. No rational basis. Retroactiveness applies only to works already created, so no incentive to create.
           2. 1st Amendment
        2. Ds (winners) argued that:
           1. Responding to increasingly long lives of Americans
           2. Deference to congress
  2. **Rights Granted**
     1. **Copying**
        1. **Owner has exclusive right to make copies** of the work.
        2. Can sue copiers for infringement if they copy the whole, or a substantial amount of the, work.
     2. **Derivative works**
        1. **Exclusive right to prepare derivative works**, based on the original but in different forms or otherwise altered.
        2. These derivative works are copyrightable.
     3. **Distribution**
        1. Right to distribute and sell the original and its copies.
        2. **First Sale Doctrine – Distribution right expires after first sale**
           1. Exception for software are it is licensed.
           2. **Cannot rent music or software.**
     4. **Performance and display**
        1. Owner has **right to control the public (but not private) performance and display** of her works, including both literary and performance-oriented works.
           1. **Publicly** means any place where a substantial number of persons outside of a normal circle of a family and its social acquaintances are gathered.

*Phone booth is public*

*One-person viewing booth is public*

*Hotel room is private*

* + - * 1. 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

Playing Scrabble is not a performance.

* + - 1. Owner generally does not have the right to prevent the display of a particular original or copy of a work of art in a public place.
    1. **Anticircumvention**
       1. DMCA prohibits the circumvention of technological protection measures (such as encryption) designed to safeguard digitally-encoded works.
    2. **Moral rights**
       1. **Owner has right to assert authorship** of work.
       2. **Owner can prevent intentional distortion, mutilation, or other modification** of their work.
  1. **Infringement – Must show both:**
     1. **Copying**
        1. Shown either directly or via circumstantial evidence (e.g. fake names in phone book)
        2. **Test: Similarity and Access** (sliding scale; Arnstein; copyrighted song case)
           1. If no access, no copying. This is why much software is “copied” using black box and corporations do not take submissions.
        3. **Test: Total Concept and Feel** (Roth Greeting Cards)
     2. **Unlawful Appropriation –** Must show both:
        1. **Was the copied material copyrighted?**
        2. **Would an ordinary observer find them to be *substantially similar*?**
        3. **Test: Abstraction** (for copyrighted plot; Nichols)
           1. Begin abstracting out the plot, and see how far you have to go before you have substantial similarity.
           2. *Highly subjective*
        4. **Test: Abstraction, Filtration, Comparison** – Use for software
           1. **Abstraction**

**Determine where on sliding scale between idea and expression the similarity lies.**

**Abstraction levels (from Gates Rubber):** (i) purpose of program, (ii) structure as represented by flowchart, (iii) modules for achieving, (iv) algorithms or data structures used in modules, (v) source code, (vi) object code.

* + - * 1. **Filtration**

Remove any non-copyrightable content (public domain, facts, standard code (e.g. quicksort)) from consideration.

Also remove issues of compatibility, e.g. software/hardware interfaces, design requirements, etc.

Processes, facts, public domain material, ideas, expressions merged with ideas (searching and sorting data -- code should be efficient), and standard or common expressions (scenes a faire doctrine)

Compatibility: interaction with other programs or hardware standards.

Design standards, functional requirements, or accepted programming practices might dictate certain expressions (coding)

* + - * 1. **Comparison**: Did D substantially appropriate the *protectable* part of the expression?
    1. **Derivative Works**
       1. Movie etc. characters are copyrightable
       2. **Any work utilizing another’s copyrighted work without permission is derivative and therefore uncopyrightable.** (Anderson)
    2. **Indirect Infringement**
       1. Consider **Contributory / Vicarious** Infringement dichotomy
       2. **One who, with knowledge of the infringing activity, induces, causes, or materially contributes to infringing conduct of another**
          1. Defendant must know or have reason to know of someone else’s directly infringing activity
          2. Defendant must actively participate by inducing, materially contributing to, or furthering the other person’s directly infringing acts
       3. **No infringement if product is capable of substantial non-infringing use** (Sony)
          1. **Good-faith requirement.** If you market
       4. **Online Service Provider exception** protects ISPs and search engines that don’t monitor the content
          1. *Interesting questions re: user generated content as to how much monitoring can be done without liability.*
  1. **DMCA**
     1. **Anti-circumvention** -1201 (a)(1)(A) cannot circumvent a technological measure that effectively controls access to a work protected under copyright.
        1. This includes things like decoding a DVD.
     2. Intent is irrelevant.
  2. **Software**
     1. **Uses Abstraction Filtration Comparison test**
     2. **Computer menu hierarchy is not copyrightable** as it is a method of operation. (Lotus)
  3. **Defenses**
     1. **Independent Creation**
     2. **Fair Use** –
        1. **Balance four nonexclusive factors** (Campbell) -
           1. **Purpose and character of use**

**Commercial v. Noncommercial**

**Transformative v. Superseding.** Am I changing the form so that I can use it in a different way, or **should I be buying another copy**?

The more “transformative” a use is, the more-likely to get a FU defense

Look at social value of D’s actions.

* + - * 1. **Nature of copyrighted work**

**Thick or thin protection?**

* + - * 1. **Amount taken**
        2. **Market effect on peers (proper derivative use/licensing)**

Do D’s actions harm the market for P’s original work?

**Does not apply to parody**

**If transaction costs are low, cuts against D**

* + - 1. **Parody is protected. Satire is not.**(2 Live Crew)
         1. **Conjure up test**: did they take more than they needed to conjure up the parody?
         2. **Parody comments on the work itself**.

*Use of Cat in the Hat to make fun of Bush is* ***not*** *parody as does not make fun of the cat.*

* + - * 1. **Satire is social commentary**.

*Weird Al is both parody and satire.*

* + - * 1. Lethal parody (kills demand for original) is still protected
      1. **Can use copyrighted material in a reasonable manner w/o permission** (Galoob)
      2. **Copyright allows for a competitor to duplicate functional elements of a program/device if it is the only way to achieve interoperability.** (Sega)
         1. Note DMCA issues
      3. **Cover license**
         1. **Compulsory license for people who cover another’s song.**

1. **Trademark**
   1. **Definition**
      1. Distinctive use of a mark in commerce.
      2. **15 U.S.C. 1127 (Lanham Act)** – includes any word, name, symbol, or device or any combination thereof; used by a person, or; which a person has a bona fide intention to use in commerce and applies to register on the principle register, 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.
      3. **Service marks** serve the same purposes as trademarks, but they are used to identify services rather than goods.
   2. **Source means the producer of the chattel, not the content *unless* the content is inherently distinctive.**
      1. *In Dastar, SCOTUS finds that although D took P’s videotape content, as the content was in the public domain P’s reverse passing off claim fails as source means source of chattel, not underlying content.*
      2. In Wal-Mart they rip of Samara’s clothes and sell as their own without issue.
   3. **Purposes**
      1. Prevent Consumer Confusion
      2. Protect/Encourage investment in mark(s)
      3. Protect mark’s established good will.
   4. **Distinctiveness**:
      1. Abercrombie test:
         1. **Generic** (e.g. Aspirin) – Describes a product category *rather than* a source.
            1. **Never acquires trademark protection**
         2. **Descriptive** – Characteristic or quality of the product. **NOT** **Inherently Distinctive.**
            1. **Requires secondary meaning for TM protection.**

Usually established via consumer survey(s).

Indirect evidence, usually of advertising/market saturation:

Continuous use

Length of use

Effectiveness of advertising, etc.

***Arguably unfair to small firms*** *as they do not have the market saturation or deep pockets.*

* + - 1. **Suggestive** (e.g. CopperTone) evokes a characteristic or quality of the product by exercise of consumers’ imaginations. **Inherently Distinctive.**
         1. **No requirement of secondary meaning**
      2. **Fanciful** (e.g. Xerox) **or** **Arbitrary** (e.g. Apple Computer) **Inherently Distinctive.**
    1. **Suggestive v. Descriptive** (Zatarains)
       1. dictionary definition – relevant indication of the ordinary meaning
       2. “imagination test” – if a term requires imagination, thought and perception to reach a conclusion as to the nature of goods, it is considered a suggestive term.
       3. whether competitor would be likely to need the terms used in the trademark in describing their products.
       4. extent to which the term actually has been used by others in marketing a similar service or product
    2. **Trade Dress** (overall appearance thereof)can be protected (Qualitex; color or dry cleaning pads)
       1. **Must be distinctive by either:**
          1. **Inherently distinctive** (Two Pesos)

**Product Design cannot be inherently distinctive** (Wal-Mart)

Must be packaging or method of selling

* + - * 1. **Established secondary meaning.**
      1. **Must be non-functional (*See Defenses*)**
      2. **D must have alternate designs available** (Merger)
      3. **Argument lessened if D took steps to warn public.**
  1. **Priority**
     1. Winner take all system.
     2. **Acquire first rights either by** 
        1. **Registration**
           1. *Leads to incontestability (see below)*.
           2. (ITU) application can be filed to establish priority.
           3. The applicant must begin actual use within 6 months (barring extensions)
           4. After beginning use the applicant must file an SOU (statement of use).
           5. The registration issues only after the SOU is filed.
        2. **being first commercial user**
           1. In Zazu sale to ‘distributor’ was nominal as w/o sale to consumers there can be no consumer confusion.
     3. What kind of use counts to establish a mark?
        1. Quantity: Commercial use of type common in industry
        2. Intention to use
        3. Use is continuous
        4. Bona Fide
        5. Distributors (if arms length)
        6. Good Faith (Zazu)
        7. Potential of presale activity (e.g. advertising)
     4. Zazu case study:
        1. **Majority** finds sale to distributor was merely token, and does not establish use in commerce for ZHD.
        2. **Dissent** agrees, but says that ZHD should have had priority in its area as it had a trade name for a salon, and hair products are within the foreseeable scope of expansion.
  2. **Immoral Marks**
     1. Section 1052(a) No trademark on “immoral, deceptive, or scandalous matter; or matter which may disparage…persons living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.”
     2. **Scandalous**:
        1. likely meaning;
        2. scandalous to a substantial portion of the general public
     3. **Disparaging:** 
        1. meaning of the mark taking account of use in market;
        2. disparaging to substantial portion of reference group
     4. Questions: (*mark is indefinitely at risk*)
        1. Term offensive presently (ongoing) or at time of registration?
        2. Context or intrinsic meaning
        3. Intent
        4. Survey
        5. Free speech
  3. **Incontestability**
     1. **Requirements:** 
        1. Five years of continuous use
        2. no ownership clouds
     2. **Benefit**: Presumed to have secondary meaning after 6 years (defensive use of incontestability).
     3. **Uses:**
        1. **Mark cannot be attacked as Descriptive**
           1. *Can be used defensively or offensively (Park N’ Fly)*
        2. *Can be attacked as functional*
  4. **Confusion**
     1. **Source Confusion**
        1. Standard passing off. B sells something as being made by A.
        2. May require use of the mark**\***
        3. **Factors:** (Sleekcraft)
           1. **Strength of the mark**

When mark is strong, likelihood of consumer source confusion high and thus likelihood of infringer trying to trade on good will of mark holder.

* + - * 1. **Proximity of the goods**

Are the goods similar? These are both boats and are used for waterskiing. On the other hand, one is for families and one is for racing.

* + - * 1. **Similarity of the marks**
        2. **Evidence of actual confusion**

Often through surveys of the public

* + - * 1. **Marketing channels used**
        2. **Type of goods and degree of care consumers exercise in purchase**

The more it costs, the more care people exercise in making the purchase, and thus the less confused they are.

* + - * 1. **Defendant’s Intent**

Bad faith?

* + - * 1. **Likelihood of expansion of product lines**
    1. **Reverse Source Confusion** (Big O v. Goodyear)
       1. A sells something and B later uses the same mark, making A’s customers confused as to its products’ source.
       2. *Note from Dastar that “source” means source of chattel, not underlying content. Thus P’s videotape in the public domain that is then distributed by D does not entitle P to suit.*
    2. **Sponsorship**
       1. Did McDonald’s really sponsor this football game?
    3. **Initial Interest Confusion**
       1. Sign on interstate advertising McDonalds, only there’s some other fast food place when you get off. You’re already off, so you go there anyway.
       2. May require use of the mark**\***
    4. **\*Potential requirement of use** (Source and Initial Interest Confusion only; **Jurisdictions are split**)
       1. Discussed in WhenU, casewhere there were popup ads.
       2. **Question here of whether use in a DB where consumer doesn’t see the mark qualifies.**
          1. **1-800 Contacts found no use as a company’s internal use of another’s mark that does not communicate it to the public is analogous to an individual’s private thoughts re: the mark.**
  1. **Dilution**
     1. **Definition:** *Lessening the capacity of a famous mark to identify goods or services, regardless of the presence of absence of competition or likelihood of confusion.*
     2. **Types:**
        1. **Blurring**
           1. Weakens a mark’s association with a particular source*.* (Goldfish)

*E.g. “Kodak Shoes” might weaken Kodak’s mark (which only relates to photography stuff)*.

* + - * 1. *McCarthy is concerned that blurring is swallowing up infringement.*
      1. **Tarnishment**
         1. This weakens a mark through unsavory or unflattering usage.
    1. **Elements**:
       1. Commercial use by D
       2. of P’s famous mark
       3. after the mark because famous, and
       4. causes or is likely to case blurring or tarnishment.
    2. **Remedy**:
       1. Injunction (no damages)
    3. **Notes**:
       1. **Can be applied to designs as well as marks** (Goldfish)
       2. **No distinctiveness requirement:** Goldfish court required the mark have distinctiveness, however Congress has rejected this.
       3. In Mosley SCOTUS required actual dilution, Congress rejected and allows injunction for *likely* dilution.
       4. *Seems to verge into things that are covered by patent or copyright.*
    4. **Anticybersquatting Consumer Protection Act (ACPA)**
       1. **Elements:**
          1. **P’s mark is distinctive or famous**
          2. **D acted in bad faith to profit from registration**

**Factors**

Any IP of **D** in the name

Domain involves D’s name or

Use in offering of goods/services

Fair use

Intent to divert P’s customers.

Offer to sell

False personal info in domain registration

Registration/acquisition of multiple similar domains

Extent of mark’s distinctiveness.

**D cannot reasonably think they have a right to register the domain.** (PETA)

*Note that in the case of united.com, neither United Airlines nor United Van Lines can sue the other under ACPA.*

* + - * 1. **Domain name and mark are identical or confusingly similar**

Typo-pirates’ domains are confusingly similar (Shields)

* + - 1. **Remedy**:
         1. **Injunction**; or
         2. **Statutory damages** of $1,000 to $100,000 per domain. (15 USC 1117(d))
    1. **False/Misleading Advertising**
       1. Significant part of audience holds false belief
       2. Injury is suffered by P
    2. **Allowable Uses:**
       1. ***See* Defenses section.**
       2. **Fair use in comparative advertising**
       3. **Noncommercial use** (*See* Elements above)
       4. **Reporting** (Free press. *See* First Amendment)
       5. **Parody, criticism**
          1. *This can be particularly interesting in criticism, where you have things like walmartsucks.com and the mark owner asserts tarnishment.*
  1. **Defenses**
     1. **Genericness**
        1. Term must identify source, not product category (Murphy Bed)
           1. *Often an expired patent leads to this as in Murphy.*
     2. **Functionality**
        1. **Inwood** - functional feature is essential to the use or purpose of the product, or affects cost/quality
           1. May not hold if the feature *raises* cost or *decreases* quality.
        2. **Qualitex***-* TM owner cannot gain a significant non-reputation-related advantage.
        3. **If the trade dress meets the Inwood or Qualitex test, it is non-protectable under TM.**
        4. *Consider TrafFix – do people actually associate the design with the seller?*
        5. *Consider* ***Aesthetic Functionality*** *– e.g. do people want Valentine’s candy in a heart shaped box (or does the box identify the source)?*
     3. **Abandonment**
        1. **Lack of use -** Dodgers case
           1. **Stopped Use**
           2. **No Intent to Resume**
        2. **Lack of appropriate use** – Dawn Donut – if you franchise, etc., you must control quality otherwise mark loses its meaning
     4. **Fair Use**
        1. Use is descriptive (Describes a product; see Zatarains)
        2. Use is in good faith
           1. Not done to poach good-will of TM holder.
        3. *Includes* ***comparative advertising.***
     5. **Nominative Use**
        1. Product cannot be identified without using the mark.
        2. D can use the mark to the extent required to identify the product
        3. Cannot imply sponsorship or endorsement.

1. **State Protection**
   1. **Publicity Rights** – *Often CA based. Many states have no publicity rights.*
      1. Protects one’s marketable image.
         1. Serving as property, they reward people who invest in their own celebrity.
         2. Serve to protect privacy.
      2. **Tested based on 1st and 4th factors of copyright fair use test**: (Saderup)
         1. **Originality** - Is it transformative enough to warrant a 1st Amendment defense?
            1. *Does the work add sufficient creative elements to be transformed into more than a mere celebrity likeness or imitation?*
            2. **Use in a commercial setting makes use of likeness much harder.**

Sadderup liable for Three Stooges T-Shirts

Warhol not liable for prints of Monroe using strange colors

* + - 1. **Market Effect**
    1. **Includes one’s vocal likeness** – Bette Midler got an injunction to have an ad w/ someone singing a song she made famous in a voice similar to hers.
    2. **Does not require use of the person’s likeness** – Merely referring to the person by name invokes publicity right (Vanna White)
    3. **Defenses**
       1. **Fair Use - Imitative or expressive?**
       2. **1st Amendment - Does not propose a commercial transaction**
  1. **Idea Submission**
     1. **Premised on either:**
        1. **Property**
           1. Absolute novelty
           2. Implied promise to pay
        2. **Contract**
           1. **Disclosure conditioned on payment**
           2. **Condition accepted before disclosure**

**Offeree assents if:**

Offeror makes terms available.

Offeree must click on something to indicate assent.

**Terms must be conspicuous in case of browse-wrap license** (Specht)

**Shrink-wrap licenses enforceable as long as not burdensome or outrageous** (Pro-CD)

*It does not require much vigor to accept a K; it requires minimal activity by the buyer.*

* + - * 1. **Novelty to buyer.** (Nadel)
        2. *Widely known information (s.a. facts of a man’s life) can be protected by express contract (for screenplay)* (Desny)
  1. **Federal Preemption**
     1. *A state cannot under some other law, such as that forbidding unfair competition, give protection of a kind that clashes with the objectives of federal IP laws.*
     2. Kewanee Oil v. Bicron Corp. (1974) Some inventions can be protected by both patents and trade secret, and the two have co-existed in this country for over 100 years. Until Congress takes affirmative action to the contrary, states should be free to grant protection to trade secrets.
     3. **Patent**
        1. **State law may not prohibit reverse-engineering or duplication allowed under Federal IP law.**
           1. May avoid harming chances to imitate by requiring labeling (Stiffel)
           2. Must respect balance between access and disclosure set forth in patent law (Bonito)
     4. **Copyright** 
        1. **State law invalid if:**
           1. ***Scope* – state law equivalent to a federal copyright right**
           2. ***Subject Matter* – something that is either copyrighted, or otherwise belongs in public domain** (e.g. white pages)
           3. **Pro-CD**

Consumer use restriction is *not* in copyright statute.

May not matter.

Thing objectionable to P was a posting of data online. No extra element.

Easterbrook says extra element is that here there are no rights against strangers.

This is not an attempt to assert copyright rights

It is an attempt to assert contract rights.

Requirement of assent that comes from K law is an extra element

* + - * 1. **Bowers – Shrink wrap prohibition on reverse engineering**

Extra element – Negotiated contract

No preemption following Pro-CD analysis, as there is an extra element. (fed. cir.)

This was a negotiated contract, so no issues with assent.

**5th cir. Holds prohibition on reverse engineering to be unenforceable.**

State contract law cannot undo federal copyright, which allows reverse engineering.

Look at Sega v Accolade – Copyright makes reverse engineering fair use. This contract is trying to get consumers to give up a fair use right. Thus, enforcement interferes w/ operation of the fair use doctrine.

There is a question of whether fair use copyright rights are mandatory terms (v. default terms), and thus cannot be negotiated away.

* + - * 1. **2d Cir has a “hot news” element**

1. **International Intellectual Property Law**
   1. **Cyberlaw 1.0** – The Old Worldview
      1. **Borderless Internet, bordered law**
         1. US law applies only in the US.
         2. Sometimes US law applies in other countries, for instance when criminal action taken by US citizen.
      2. Software itself can regulate people’s behavior
         1. Very flexible, however, so regulation is minimal.
      3. Government ineffectual, so ICANN for self-regulation
   2. **Cyberlaw 2.0** – The New Worldview
      1. **IP has extraterritorial reach -** *Affront to other countries’ sovereignty.*
      2. **ACPA**
         1. In rem jurisdiction over domain names – Can sue foreign domain owners.
         2. *Alternatives would include a global body that handles dispute resolution.*
      3. **DMCA applies to persons who committed the actions legally elsewhere** (assuming US personal jurisdiction)
         1. *Imagine Russian computer scientist who creates software that violates DMCA.*
         2. *Activities occurred in Russia & consistent w/ Russian law*
         3. *Guy comes to US and is arrested at conference.*
         4. Consider RIM being sued for blackberry
            1. NTP had patent on wireless email.
            2. Claims interpreted broadly s.t. they covered the blackberry.

Method claims for distribution

System claims for devices that use the relevant method(s).

* + - * 1. Almost escaped liability

Fed cir. Said for method or process claim to be infringed, every step of the process *must take place in the US*. As some steps took place in Canada, no 271(a) infringement of the process claim.

Regarding the device, GET NOTES

* + 1. **For Direct Infringement in the case of** (RIM)
       1. **processes, all elements must be infringed in the US**
       2. **systems, all elements must be infringed (location irrelevant)**
          1. **D must have beneficial use and control situated in the US**
    2. **Section 271(f)(1) (contributory infringement)**
       1. P has patent on shrimp deveining machine. D infringes, but manufactured it in England. SCOTUS said no infringement in US, and therefore did not apply. **Congress extended patent to include devices made in US and then sent elsewhere, making that manufacturer indirectly liable.**
       2. **Machine-readable software is a component**. (Eolas)
    3. **Business method patents may not exist in other countries.**
       1. *E.g. there is disagreement in Europe as to whether these are patentable.*
    4. *When you favor liberal extraterritorial application of patent law, you are interfering w/ other countries sovereignty by effectively making them apply your patent law.*
  1. **Grey Markets**
     1. Good meant for sale elsewhere imported (back) into US
     2. **In Copyright, first sale doctrine trumps importation right**. (Quality King; *rather fact-specific*)
     3. **In TM, first sale doctrine generally trumps importation right**. (K-Mart)
        1. Stronger argument for P as distribution channels are part of a mark.