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Course **7065-1 Intell Prop Survey -Rinehart**

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Count(s)	Word(s)	Char(s)	Char(s) (WS)
Section 1	414	2176	2605
Section 2	429	2321	2766
Section 3	428	2252	2692
Section 4	537	2816	3372
Section 5	485	2473	2973
Section 6	1772	9082	10913
Section 7	23	118	136
Total	4088	21238	25457

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+ 2

155

Short Answer-to-Question- 2

It is unlikely that T.O.'s company took reasonable steps to protect their trade secrets. In *Incase v. Timex* the court ruled that a holder of a trade secret must take reasonable steps to protect their secrets. In that case, Incase showed multiple watch packages to Timex purchased one set of packages for their watches, however Timex also looked at the designs from one of Incase's other packages and had a manufacturer in China reproduce the stolen watch package. Incase argued that they only showed the watch to Timex, which in the industry means that there is confidentiality for the item between the two companies. The court in that case disagreed and held that the two companies were sophisticated entities and that there should be more to protect the secrets. The court also noted that there doesn't need to be overprotection of the secret just reasonable protection.

In T.O.'s case, T.O is likely a sophisticated entity and will likely have to do more to protect his trade secrets. T.O is likely a sophisticated entity because T.O is more than a mere average joe pedelling his garage invention. Instead T.O is a sophisticated sports player who has mulitple attorneys, and advisers, who can help protect T.O.'s inventions. A court will probably apply some common sense and determine that T.O. should have utilitized his sources to better protect his trade secrets.

Additionally, T.O. is only providing enough security to protect his invention from outsiders (i.e. preventing access to the manufacturing process and preventing access to consumer lists), outside of these protections, T.O.'s company does nothing else to protect the trade secrets. T.O. could easily have employees sign non-disclosure agreements as a part of the hiring process. Moroever, T.O. could easily tell employees not to distribute any informaton discussed at the company, or to tell employees which items are secret or confidential because there are only 5 employees in the business. However, a court would not likely require T.O.'s company to conduct exit interviews because there is little history of economic espionage in this type of manufacturing business.

Because T.O. is a sophisticated entity, who more than likely has several legal and business advisors, a court would likely require T.O. to do more than he is currently doing to protect his trade secrets.

Moreover, because T.O.'s business only has 5 employees, and T.O. is not implementing very easy trade secret protection measures, a court would probably not find that T.O. made reasonable efforts to protect his secrets.

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Short Answer-to-Question- 3

IPS's system is eligible subject matter for a patent. Under Patent Statute §101, any persons who invents or discovers any new process, machine, manufacture, or any composition of matter, or any usefull improvement thereof can benefit from patent law. However, §101 does not allow patents for laws of nature, abstract ideas, or physical phenomena. In this case, the IPS's patent is not an abstract idea but a refinement of a process, that hasn't been used before in the industry. In *Bilski*, an inventor tried to get a patent for creating a flowchart that incorporated market principles for hedging risks in the market. The Federal looked at the machine transformation test which focused on the processes that are a part of of a machine or transform the item to a different state or thing and that will determine whether the item should be patentable. In that case, the court said that using a machine or a transformative process can guide courts for determing if the patent is eligible subject matter. However, the court did not issue a patent for the invention because the application tried to patent material that flowchart was just an amalgamation of rules reduced to a flowchart form.

IPS's case is different from *Bilski* because IPS's package distribution system has not been implemented by others, uses machines and other processes to redirect packages, and is more than an amalgamation of rules for distributing packages. First, unlike *Bilski* IPS is not formalizing a process that other in the market already use, instead this IPS is creating a new process for package delivery and distribution. Second, unlike *Bilski*'s market flowchart, IPS's system will require various machines (sorters, distributors, label readers, and sorting facilities) to manifest the ideas in the patent. Because IPS system uses machines it is highly indicative that the new process encompasses eligible pmaterial. Finally, IPS's new process is more than amalgamation of prior industry sorting standards. Instead, IPS's new process will require IPS to determine the best location for central distribution of costumer packages whcih will require IPS to reconfigure its current package distribution system. This reconfiguration is important because it forces IPS (and any followers of the patent idea) to follow new distribution principles for streamlining various transportation methods (such as air transport and ground transport) and planning locations for central distribution.

Because IPS's package distribution process is a manmade item that is more than an abstract idea, or an amalgamation of prior industry methods, IPS's process case is disimilar from the flowcharts in *Bilski* and IPS's process is likely eligible material for patent.

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OK

*Can you argue otherwise -
that there is something about
this method that makes it
not a good candidate for
patent eligibility?*

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Short Answer-to-Question- 4

Doug's maps have a sufficient level of creativity to establish copyright protection because Doug's maps organize people based on team affiliation, not on something basic such as area code.

Since *Burrow Giles* (arrangement of items in photograph indicated creativity) and *Bleistein v. Donaldson Lithographing* (circus poster depicting no actual circus event and not relying on fine art standards), the federal courts have ruled that judges are not at liberty to define what art is useful, even if the art appeals to the masses. Furthermore, in *Feist Publications v. Rural Telephone Service*, the court ruled that the level of creativity is extremely low and that the only creativity needed is something more than de minimis creativity. In that case, *Feist* was sued by rural because Feist took phone listings, that were gathered by *Rural* and republished that information. The court held that a compilation of data must pass a three part test: 1) the collection must have an assembly of pre-existing material, facts, or data; 2) the materials must be selected, coordinated, or arranged; and 3) the creation by virtue of the particular selection, coordination, or arrangement of those materials would create authorship. In that case, the court held that *Rurals* publication did not display minimal creativity because the publication of the phonebook was not arranged in any creative way because the people were listed by their geographic location, just like any other phonebook. The court went so far as to say that the arrangement of data is so basic that it is practically inevitable. Due to this inevitability, the court held that the phonebooks was just a collection of facts, did not display creativity, and was not protectable under copyright.

Feist is instructive in this case because, like *Feist*, Doug is creating a map that sorts people based on factual information they supply through Doug's website. In Doug's case, Doug created a website with multiple colors and then allowed fans of certain teams to supply information so that others on the website could see where other fans were located. This is more creative organization than *Feist*. In *Feist*, the organization was generic and based on people's area code, which was inevitable for a phone book. In contrast, Doug's website sorts people based on fan affiliation, which is more creativity than *Rural's* phonebook from *Feist*. Because courts do not interpret what art is, and the standard of creativity for

protection under copyright is low, a court would likely find that Doug's website is protectable because the website displays more creativity than the Rural's phonebook from *Feist Publications*.

What about Doug's maps & presentation as derived from the census maps? Can Doug get protection for his derivative work?

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Short Answer-to-Question- 6

The Little Choclatiers cannot trademark the cool and grainy elements of the Snowbird Chocolate nor the dark chocolate, the nougat center, or the shapes of the different birds used for the Snowbird chocolate.

Trademarks can exist for anything you can see, smell, hear, touch, or say so long as the thing indicates the source, quality, or nature of the product and not the product itself. The Little Choclatiers chocolate must first be distinct. Distinctness defines whether the mark indicates the source of the good, in this case the soft and cool feeling of the chocolate is not distinct because it is a generic mark. In *Horizon Mills* the court said that the following factors were indicators of genericness: 1) proof of widespread use by competitors that has not been contested by the seller; 2) generic use by the seller himself; 3) dictionary definitions; 4) media usage; 5) consumer surveys.

In this case, the Snowbirds are generic because the snowbirds contain a nougat center with a dark chocolate outside, which are elements of chocolates that other competitors use for their chocolates. For example, the baby ruth candy bar has a nougat center with a milk chocolate covering, and the Lindt chocolates have dark chocolate exteriors with a nougat centers. In separte, multiple competitors have dark chocolate candies, and nougat based candies and competitors like Lindt have a chocolate that is the

same composition as the Snowbird. because competitors generally use nougat or dark chocolate (and some competitors combine both in one candy) it evidence that these elements of the Snowbird chocolate are generic.

What about the unique taste?

Moreover, even though the liitle chocolatiers spent a lot of time in creating their concotion, trademark law does not reward effort placed into a trademark.

Finally, the only item of the snowbird that could be potentially protected by trademark is the shape of the chocolates. Problematically, the snowbird's shapes are an indicator of geographic location. The birds all come from Utah, therefore the items potentially are a geographic indicator rather than an indicator of source. In *In RE JT Tobacconists*, the court held ruled that items that: 1) have primary significance of the mark in a geographic place; 2) that the public would associate with the place with those goods; and 3) when the goods come from that place, the item is geographically descriptive and is not protected by trademark law. This case is different from *In Re JT* because even though birds for the snowbird chocolate indicate primary geographic location in Utah, and the goods come from Utah, the public will probably not associate the chocolates with Utah, because it is unlikely that the general public has their state birds memorized. MOreover, the birds have secondary meaning in that the items relate back to the source, the little chocolatiers. Because people would not associate the birds with Utah (again people probably don' have their state birds memorized) they would likely associate those birds with the creators, i.e. the Little Chocolatiers. Because the Snowbird chocolates are designed in the shape of Utah birds, but the birds are not geographically descriptive, and the birds have secondary meaning indicating that the Little Chocolatiers are the creators, the snow bird chocolates can be protected for their shape.

good

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Short Answer-to-Question- 7

Kenny will likely prevail in the priority dispute regarding the Mysterion trademark because Kenny used the mark before Peterman, and Peterman's only documented commercial use of the Mysterion hangtag is on September 10, 9 days after Kenny's use of the trademark.

The US Supreme Court states that a priority contest will be held when there are two claimants trying to use a mark. In *Allard Enterprises*, the phrase APR was abandoned by a parent company, two partners in that company then try to use the mark. The Plaintiff (Allard Ent.) applied for registration in 1995. Defendant (Advanced Programming Resources) claimed that he used the mark since 1989. The court held that Advanced Programming Resources (APR) used the mark before Allard because APR was trying to retrieve the mark by placing clients with different firms under the mark, and there was pre-marketing with APR on defendant's documents indicating APR was trying to get the mark into commerce.

In Kenny's case, Kenny introduced the Mysterion mark on his shoes ^{use in commerce} in September 1, 2010. This was an introduction of the mark into the market because the item with the mark was available for purchase and marketing surrounded the mark for shoes with the Mysterion mark. Kenny will have priority because Peterman cannot show that he introduced the mark into commerce before Kenny. Peterman's first indicator is a 2009 invoice with no indication of a mark. Because there is no indicator of the mark, it is not proof that Peterman was using the mark in commerce. Peterman's second piece of evidence is also unpersuasive because the two photos of the catalogue are undated, and there is no Mysterion mark only a description that the mark is favored by Mysterions. Even though sporadic pre-marketing can be an indicator for priority, for the second piece of evidence, there is no attachment of the Mysterion label to the shoe, nor is there an attachment of the Mysterion label to the source, just some text that indicates

mysterions would prefer the shoe; which, is not use of the mark in commerce. Finally, Peterman's last piece of evidence is not persuasive because it is dated September 10, 2010. This is Peterman's only indicator of the mark being used in commerce and it comes after Kenny's September 1, 2010 use.

Because Kenny's use of hte mark is 9 days earlier than Peterman's use of the Mysterion mark, Kenny will likely win the priority fight. Also, Peterman's first piece of evidence does not use the mark, therefore the mark wasn't entered into commerce. Finally the Peterman's second piece of evidence does not establish priority because the mysterion label is not associated with the shoe for advertising materials, instead the shoe merely says that mysterions would favor the shoe. Because Kenny's use of the mark comes before Peterman's, and Peterman's evidence is not instructive for resolving the priority dispute, Kenny will likely winn the priority dispute.

25 good!

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Answer-to-Question Long Question A

George, and Vandalay Industries, have multiple intellectual properties stemming from their Meltex Idea. First, the melting process for creating Meltex can be protected by patent and Trade Secret laws. Second, The Meltex name, design, and slogan can all be protected by Trademark. THird, the video advertisement that was leaked to youtube can be copyrighted.

For the trade secret, George can protect the meltex invention with very little cost. In *Learning Curve Toys*, the court said that an item is protectable so long as it is kept secret. The court in that case looked at

the extent which the item was known outside of the business; how many people were in the business and knew the item; efforts made to ensure that the item remains a secret; whether there is value to the information being kept secret; how much time, effort, and money was put into developing the secret; and the ease with which the item could be reverse engineered, or that the secret could be found out. In this case, there are few people who know about George's melting latex process because only George, Jerry, and Elaine know about the product. Secondly, It seems as if only George knows about the product within the business. Third, George could protect his secret by asking Elaine and Jerry to sign non-disclosure agreement, or keep the process secreted away so that others like Kruger don't stumble upon the invention. Fourth, there is value to the secret because it can prevent microbial diseases in hospitals. With regard to the Fifth factor for trade secret protection, we do not know how much time and money has gone into the item. Finally, the process for creating meltex seems as if it would be difficult to reverse engineer, because there are specific surface preparation steps, there are heating requirements, and cooling and drying times for material to adhere to non-porous materials in a hospital. Because George's Meltex invention satisfies most of the elements for trade secret protection, it is likely that George could protect the meltex process through trade secret.

Secondly, George could receive several trademarks for the meltex invention. First, George could get a trademark for the Meltex logo. The logo is distinct because it is melted blobs that form the words MELTEX. This phrase doesn't contain descriptive words, geographic words, or serve functional purposes. Moreover, the term Meltex seems fanciful or arbitrary because it is an arbitrary label describing the process of melting latex. Because the item is fanciful or arbitrary, the item term Meltex would likely receive protection under trademark. Problematically, the mark seems very similar to the term Meltec which could cause direct confusion in the market or dilution in the market for Meltec. These considerations will be discussed when making determinations for deciding which Intellectual Property rights to invest in.

Thirdly, George can receive a trademark for the phrase, "METLEX means never having to say you're sorry for spreading life-threatening disease." The phrase is an indicator of source or quality indicating that MELTEX prevents bacterial disease. This phrase is also arbitrary or fanciful and falls under the broad trademark guidelines which protect anything you can see, smell, hear, touch, or say.

Fourthly, George can receive a copyright for the video he made for the meltex advertisement. Under the 1976 Copyright act § 102(a) an item can be protected by the law if the author files for protection, the item is an original work of authorship, and the item is fixed in a tangible medium. Furthermore, the courts noted in *Feist* that the originality hurdle is incredibly easy to pass, so long as the expression denotes more than de minimis creativity. Here, George's video could receive copyright protection because the item video is a fixed expression on to film of an advertisement. Because George's video satisfies the basic entry hurdle for copyright protection, George would likely receive protection for his advertisement under copyright law.

Finally, George could receive a patent for the Meltex manufacturing process. First, George must show that the item is eligible under § 101 of patent law. Here, that section allows patent protection for any process that is made by man. Here, the process is clearly made by George and is not a natural occurring phenomena or abstract idea.

George will also have to make sure that he discloses the process of making MELTEX as per § 112 of patent law. The court said in *Ariad v. Eli Lilly* that disclosure is satisfied when a person with ordinary skill in the art understood that the inventor had claimed possession in the matter as of the original patentee's filing date. Here, George does not yet know the status of the prior art for the patent, therefore, George would have to find this information out before applying for a patent.

For the patent, George will also have to enable the patent, show commensurability, prove that the patent is

novel, and non-obvious. Each of these things will be discussed when I make recommendations for George to follow.

-Recommendations for George's Expenditures for IP protection-

the following recommendations are ranked in the order in which George should pursue his protection for his intellectual properties.

George should immediately try to protect his invention under the trade secret doctrine. As discussed above, George's invention satisfies most of the trade secret criteria set out in *Learning Curve toys*. Moreover, George needs to merely have Jerry, Elaine, and any employees working on the project sign non-disclosure agreements and conduct, some sort of exit interview in order to prevent the process from being displayed to the world. This is a very cheap method of protecting the secret, however, this does not protect George's invention if someone stumbles upon the exact method creating Meltex.

Secondly, George should invest in protection for the Meltex phrase, "MELTEX means never having to say you're sorry for spreading life-threatening disease." The phrase is fanciful and abstract.

Thirdly, George should apply for Trademark protection of the Meltex logo. The only cost of registering the mark is minimal and the sign satisfies the requirements for trademark protection. However, I would inform George that there could be significant legal disputes over George's Meltex mark and Meltec's mark due to confusion and dilution.

Meltec could sue under a confusion claim by stating the Meltex sign is too similar to the Meltec sign. In *LLever Bros v. American Bakeries*, the court looked at 8 factors for determining if there was confusion: 1) strength of the mark; 2) degree of similarity; 3) proximity of products; 4) quality of defendant's products; 5) sophistication of buyers; 6) bridging the gap; 7) actual confusion; 8) good faith. Here, we don't have information about strength of the marks, degree of similarity, quality of products, or evidence of actual confusion. However, George will have to pay in order to find these things out in case Meltec mounts a

legal battle against the Meltex mark. However, George could win the battle because the proximity of products is remote; one is in melting latex whereas Meltec is in the business of door locks. Moreover, the sophistication of the buyer who purchases Meltex is high because hospitals buy the product and will know that Meltex is specifically for hospital use. Finally, George could succeed on the legal claim because the products are very dissimilar.

good

Fourth, George could invest in his video copyright however, George would have to prove that the item was not used based on Fair use when Kruger stole the video, or when YouTube displayed the video. which is very expensive.

maybe -
could explain
more

Finally, George can argue for protection of his melting process through patent, however this process is incredibly expensive and should be discouraged unless George has more money. This process is expensive because George has to find an attorney to research the prior art for melting latex for eligibility of the patent.

Secondly, this process is expensive because George has to enable the patent. This requires George to show that the process creates actual Meltex without the person in the ordinary skill in the art experimenting on to get the item to work. *See National Recovery Tech v. Magnetic Separation*. George would also need a lawyer to research whether his idea is novel which requires research into past patents to determine if others have used the process before. Moreover, a person could always claim that they were creating the product before George and create a priority dispute. Then George would have to show that his invention was discovered at least a day before the objector, and that the item was worked on until the patent application filing was completed.

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May want to assess whether something about the strength of the trade secret weighs for or against spending the money on patenting

Answer to section B.

trademark infringement

George pursue Kruger for taking the Meltex slogan and changing it to "Krugex means never having to apologize for spreading disease that might kill you." George would have to argue a direct confusion claim and show that Krugex confuses purchasers as the source of this melting latex. In *Lever Bros v. American Bakeries* the court looked at 1) strength of the mark; 2) degree of similarity; 3) proximity of products; 4) quality of defendant's products; 5) sophistication of buyers; 6) bridging the gap; 7) actual confusion; 8) good faith to determine confusion. Here, George is very likely to be successful because the degree of similarity in the product is high, the proximity of the two products is high and identical, George might be able to show actual confusion, and George could argue that Kruger acted in bad faith by almost directly copying from George.

George could claim that his copy right was violated in the video he made. However, Krugex would likely argue that their video was a derivative work because even though it referenced George's video, it made enough changes to the actors, the phrasing of the words in the video, and even identifies different source of the disease (the microbes instead of Meltex's germs). This difference is likely to overcome the distinction made in *Gracen v. Bradford Exchange*, and create its own copyright for protection.

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*but not lawfully derived -
could be violation of §106(2)*

Answer to section C

Without intellectual property rights, a small start up company like vandelay probably would not have any incentive to share its inventions or ideas with the public. The purpose of Trademark is to protect consumers with regard to source identifying marks, without that protection there is no reason for George to create ingenious marks for his products. Copyright and patent both focus on exchanging exclusivity rights in exchange for display of your creations, processes, or expression in the public.

Without this exchange it is unlikely that small startup companies would have release their products to the market.

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Answer-to-Question-Extra Credit

Blue care is descriptive +1 *(could be suggestive)*

Vintage Pink is fanciful
*descriptive or
Manufacture suggestive, jewelry could be vintage + pink, may suggest
jewelry of the sort it
labels*

Fair and Balanced is descriptive +1

Citibank is arbitrary *What if it's a bank in a city?*

Spex is also fanciful or arbitrary *suggestive of eye glasses
maybe even descriptive*

(+2)