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§ 1 Very Short Overview

1.1 Patent

1. **Elements of patentability:** subject matter, utility, written description/enablement, novelty, nonobviousness.
2. **Infringement:** claim interpretation, literal infringement, doctrine of equivalents, prosecution history estoppel.
3. **Defenses:** inequitable conduct, exhaustion.
4. **Remedies:** injunctions, damages; willful infringement.

1.2 Copyright

1. **Requirements:** originality, fixation, formalities (notice, publication, registration, deposit).
2. **Subject matter:** idea/expression, merger doctrine, useful article doctrine, government works; nine enumerated types.
3. **Ownership and duration:** works for hire, joint works, collective works; duration, division, transfer, renewal, termination of transfer.
4. **Rights of owners:** reproduction, derivative works, distribution, public performance, display.
5. **Indirect liability:** indirect, vicarious; substantial noninfringing uses.
6. **Fair use:** purpose and character, nature of work, amount, effect on market; parodies, remixes, reverse engineering.
7. **Digital copyright law:** anticircumvention (access control, copy control), safe harbors, fair use, webcasting/compulsory licenses.
8. **International copyright law:** Berne, TRIPS.
9. **Damages:** injunctions (four *eBay* factors), damages (restitution and statutory), attorney fees.

1.3 Trademark

1. **Subject matter:** trademark, service mark, trade name, slogan, certification mark, collective mark, trade dress, product configuration, color/fragrance/sound.
2. **Establishment of rights:** distinctiveness (distinctive, non-distinctive, generic, cancellation, functionality), priority, USPTO procedures, incontestability.

3. **Infringement:** use in commerce, likelihood of confusion, dilution (blurring, tarnishment; parodies), cybersquatting (ACPA, UDRP).
4. **Defenses:** abandonment, lack of supervision, nominative use, noncommercial use exception.
5. **Remedies:** injunctions, damages, corrective advertising.

1.4 Trade Secret

1. **Structure of a claim:** subject matter (value, secrecy), reasonable precautions, misappropriation.
2. **Subject matter:** value, reasonable precautions; multiple avenues of disclosure.
3. **Misappropriation:** reasonable precautions, confidential relationships, reverse engineering, IP assignment clauses, trailer clauses, noncompete agreements, inevitable disclosure.
4. **Agreements to keep secrets:** the validity of the agreement is contested when the secret is no longer a secret.
5. **Remedies:** injunctions (including head-start injunctions), damages, attorney's fees; criminal penalties.

1.5 State Law and Federal Preemption

1. **Misappropriation:** quasi-property.
2. **Protection by contract:** shrinkwrap agreements, statement of agreement.
3. **Idea submissions:** novelty (to the buyer vs. to the public), contract before disclosure.
4. **Right of publicity:** privacy vs. property, imitation, transformative use test.
5. **Copyright preemption:** Supremacy Clause, § 301, two-part test (subject matter and equivalence), limited enforcement.
6. **Patent preemption:** no preemption of trade secrets, boat hulls.

§ 2 Overview

2.1 Patent

1. Elements of patentability.

(a) **Subject matter** (35 U.S.C. § 101).

- i. Patentable: process, machine, manufacture, composition of matter. *Chakrabarty*.
- ii. Not patentable: laws of nature, physical phenomena, abstract ideas. Some business methods are patentable if they aren't too abstract. *Bilski*.

(b) **Utility** (35 U.S.C. § 101).

- i. Not patentable: compounds without known uses. Courts don't want to grant "hunting licenses." *Brenner*.
- ii. Patentable: promising clinical results in mice. *Branan*.
- iii. Deceptive inventions are patentable. *Juicy Whip*. But malicious inventions may not be.

(c) **Written description and enablement** (35 U.S.C. § 112).

- i. Must contain a **written description** that can "**enable any person skilled in the art**" to make it.
- ii. You can't claim more than you enable. *Incandescent Lamp*.
- iii. Claims are limited to their written descriptions. *Gentry Gallery*. Applicants must disclose actual structures and actual working examples. *Ariad*.

(d) **Novelty** (35 U.S.C. § 102).

- i. Novelty: inventor vs. prior art. Is it new?
- ii. Priority: inventor vs. inventor. Who invented it first?
- iii. 1952 Act: **first to invent**.
 - A. ". . . **priority** generally goes to the first inventor to (1) reduce an invention to practice, without (2) abandoning the invention."¹
 - B. You don't get priority if you unreasonably delayed reduction to practice. *Griffith*.
- iv. AIA (for patents filed on or after March 16, 2013): **first to file**.
 - A. Removed the priority requirement.
 - B. "Prior user rights" are granted to non-patentees who were using the invention before someone else patented it, with some limitations (e.g., non-transferability).
- v. Novelty: newness. § 102(a).

¹Casebook p. 248.

- vi. Statutory bars: timeliness. § 102(b).
 - vii. Earlier use, even if not published, establishes prior art. “Public” means “not explicitly private.” *Rosaire*.
 - viii. Publication of a single copy in a foreign university library can satisfy the publication requirement. *Hall*.
 - ix. Hidden use (i.e., “non-informing public use”) can still be public use. *Egbert*.
 - x. Experimental use is not public use. *City of Elizabeth*.
- (e) **Nonobviousness** (35 U.S.C. § 103).
- i. “Primary gatekeeper of the patent system.”
 - ii. No patent if the differences from prior art would have been obvious to a PHOSITA.
 - iii. § 103 requires an “inventive leap.” Minor obvious improvements don’t qualify. *Graham*.
 - iv. The Federal Circuit’s “teaching, suggestion, or motivation” (TSM) test is too restrictive. The standard for nonobviousness is flexible. Courts can use common sense. *KSR*.
 - v. AIA: obviousness is determined at the *filing date*, not the invention date.

2. PTO administrative procedures.

3. Infringement.

- (a) **Claim interpretation:** courts can look to extrinsic sources, like dictionaries, to discern the meaning of claim terms. Patent construction is a matter of law, not fact (i.e., for judges, not juries). *Phillips*.
- (b) **Literal infringement:** patent owner must “show the presence of every element” of the claim. *Larami*.
- (c) **Doctrine of equivalents:** patent owner must show the “substantial equivalent” of every element of the claim. *Larami*.
- (d) Test for infringement: “Does the accused product or process contain elements **identical or equivalent** to each claimed element of the patented invention?” The test focuses on individual elements, so it’s known as the “**all elements rule.**” *Warner-Jenkinson*.
- (e) **Prosecution history estoppel:** prevents patent holders from claiming subject matter that they surrendered during prosecution. It’s a bar to an infringement claim, but the patentee can rebut it (1) by showing that the infringing equivalent was unforeseeable at the time of application, (2) the rationale for the amendment during prosecution bears only a tangential relationship to the infringing equivalent, or (3) some other reason. *Festo*.

4. Defenses (35 U.S.C. § 282).

2.2 Copyright

1. Requirements.

- (a) **Originality:** must have a modicum of creativity. Facts are not copyrightable, but the “selection, coordination, and arrangement” of facts can be. *Feist*.
- (b) **Fixation** in a tangible medium.
- (c) **Formalities:**
 - i. *Notice:* encouraged, but not required.
 - ii. *Publication:* not required, but still relevant—see p. 457.
 - iii. (See “Analyzing Publication and Notice Problems” below.)
 - iv. *Registration:* has always been voluntary. Required to bring an infringement suit.
 - v. *Deposit:* mandatory as part of registration, but failure results only in a fine, not invalidity.

2. Subject matter.

- (a) **Idea/expression dichotomy:** no protection for “any idea, procedure, process, system” A useful idea cannot be copyrighted, but an explanation of how to use it can be. *Baker v. Selden*.
- (b) Computer menus are “methods of operation” (under 17 U.S.C. § 102(b)) and therefore not copyrightable. *Lotus v. Borland*.
- (c) **Merger doctrine:** no protection for an expression if it’s the only feasible way to express an idea—e.g., mathematical formulae.
- (d) **Useful article doctrine:** spectrum from purely functional design (e.g., industrial design—*unprotectable*) to pure expression (e.g., applied art, like a lamp sculpture—*protectable*). The only protected parts of a “picture, graphic, or sculpture” work are the “features that can be **identified separately** from, and are capable of existing independently of, the utilitarian aspects of the article.” § 101. No protection if form and function are inextricable. *Brandir*.
- (e) **Government works:** generally not protected.
- (f) **Types of protected works** (“illustrative, not limitative”—§ 101):
 - i. Literary. Includes software.
 - ii. Pictorial, graphic, sculptural. See *Brandir* and the useful article doctrine above.
 - iii. Architectural. Applies to the overall design, not specific features.
 - iv. Musical works and sound recordings. Musical works (sheet music, lyrics, arrangements): fully protected. Sound recordings: no traditional performance rights (although they now have digital performance rights). For radio broadcasts, the owner of the

copyright of the *composition* gets a royalty, but the *performer* does not.²

- v. Dramatic, pantomime, choreographic.
- vi. Motion pictures and audiovisual works. Includes soundtracks.
- vii. Semiconductors and vessel hulls: *sui generis*.
- viii. Derivative works: owner of the original controls. Compilations: must involve some degree of creativity.

3. Ownership and duration.

(a) Initial ownership rights:

- i. Vests at the moment of creation.
- ii. **Works for hire:** employer owns. § 201(b). A commissioned work is a work for hire if it falls into one of nine enumerated categories (“work made for hire,” § 101). Courts apply the common law agency rule. See *CCNV v. Reid* and p. 512 top.
- iii. **Joint work:** requires (1) a copyrightable work, (2) two or more authors, and (3) intent to merge contributions into an inseparable or interdependent unitary whole. *Aalmuhammed v. Lee*.
- iv. **Collective works:** copyright in a contribution is distinct from copyright in the entire collection. § 201(c).
- v. (See “Analyzing IP Ownership Problems.”)

(b) Duration and renewal:

- i. **Duration:** life of the author plus 70 years.
- ii. To determine duration for works published earlier, see the chart on pp. 527–29.
- iii. Renewal was required under the 1909 Act, but is **no longer required**.
- iv. Copyright law **restricts the alienability of copyrights** in various ways.³
- v. **Division and transfer:**
 - A. 1909 Act: copyright holders could not divide their right. They could assign the whole thing, but any lesser transfer was considered a license.
 - B. 1976 Act: Eliminated restrictions on indivisibility. Allows for exclusive licenses. Any holder of an exclusive license can bring an infringement suit.⁴
- vi. **Renewal and termination of transfer:**
 - A. 1909 Act: upon renewal, copyright holders could reclaim copyright interests that they had licensed. (But most licensees insisted on advance assignment.)

²Casebook p. 502.

³Casebook p. 532.

⁴Casebook p. 533.

B. 1976 Act: eliminated the renewal requirement. Copyright holders could terminate transfers of copyright between the thirty-fifth and fortieth year from the execution of the transfer. Congress wanted to give stronger rights to authors and their families. This violates freedom of contract, but it compensates for publishers' "unequal bargaining power."⁵

4. Rights of owners.

- (a) **Reproduction:** proving infringement requires (1) copying (proof of access, striking similarity) and (2) improper appropriation. *Arnstein v. Porter*.
- i. Circuits are split on whether you must show access. Second: no need to prove access if there is enough similarity. Seventh: you *must* show evidence of access.
 - ii. **Levels of abstraction:** infringement is not limited to the literal text. But there is a level of abstraction where a work is no longer protected [because at that level it's an idea, not an expression]. *Nichols v. Universal*.
 - iii. Software: "those elements of a computer program that are necessarily incidental to its function are . . . unprotectable." *Computer Associates v. Altai*. Apply the **abstraction, filtration, and comparison** test:
 - A. **Abstract** the program into its structural parts.
 - B. **Filter** out the merged ideas and public domain parts.
 - C. **Compare** the remaining protected pieces with the structural parts of the allegedly infringing program.
- (b) **Derivative works:** owner has the exclusive right. § 106(2). Stock scenes and characters are not copyrightable, but specific characters are. *Anderson v. Stallone*.
- (c) **Distribution:** owner has exclusive right—but the right extends only to the **first sale**. *Kirtsaeng v. Wiley*.
- (d) **Public performance and display:**
- i. 1972: no public performance rights for *analog* sound recordings. But there are performance rights for *digital* sound recordings (1995).
 - ii. **Public interest exemption** (§ 110): generally applies to educational, free, or charitable performances and displays.⁶ Fairness in Music Licensing Act (1998) broadened exemptions for homes, small business, restaurants, and certain larger establishments.
 - iii. **Compulsory licenses**—five areas: cable, satellite, jukeboxes, public broadcasting, webcasting.⁷

⁵Casebook p. 533.

⁶Casebook p. 592.

⁷Casebook p. 593–92.

- iv. **Moral rights:** applies only to visual works. Resulted from Berne, 1990.

5. Indirect liability.

- (a) **Indirect liability:** applies to those who **contribute to, induce, or profit from** infringement, or those who **sell products** that others can use to infringe.⁸
- (b) **Vicarious liability:** applies when someone exercises direct control over another.
- (c) **Substantial noninfringing uses** can insulate a manufacturer from contributory liability. *Sony v. Universal*.

6. Fair use.

- (a) Four factors (§ 107):
 - i. **Purpose and character** (e.g., commercial/nonprofit).
 - ii. **Nature of the copyrighted work.**
 - iii. **Amount** and substantiality of the portion used.
 - iv. **Effect of the use upon the potential market** or value of the original.
 - v. (Detailed analysis of the four factors: see *American Geophysical Union v. Texaco*.)
- (b) Overcoming fair use requires the copyright holder to show a likelihood of harm. *Sony v. Universal*.
- (c) Critiques of *Sony*'s "substantial noninfringing use" standard:
 - i. If 85% of uses are infringing and 15% are infringing, there is no liability. This is inefficient and costly.
 - ii. Menell and Nimmer: apply a "reasonable alternative design" standard (from products liability in tort law). A different product design could significantly reduce infringement at very little cost.
 - iii. Lanier: machines are shaping society instead of the other way around.
- (d) Commercial uses are presumptively *not* fair uses. The effect on the market is a key factor. *Harper & Row v. Nation*.
- (e) Wendy Gordon, fair use as market failure: fair use makes sense when there are no opportunities for private agreements—unfavorable reviews of a book.
- (f) **Parodies** are fair use because they are transformative, although courts should consider the effects on derivative markets. *Campbell v. Acuff-Rose*.

⁸Casebook p. 598.