

FINAL EXAM

INTELLECTUAL PROPERTY LAW SURVEY

GOLDEN GATE UNIVERSITY SCHOOL OF LAW – FALL 2007

THIS IS AN OPEN BOOK, OPEN MATERIALS EXAM. You may use any notes, books or other materials to assist you in responding to the questions.

There are three (3) essay questions on this exam. The first two questions are worth thirty-three points, and the third question is worth thirty-four points. The third question pertains to patent law. This question will be graded by Adjunct Professor Morrill. **YOU MUST ANSWER THE THIRD (PATENT) QUESTION IN A SEPARATE BLUE BOOK, LABELED “PATENT QUESTION”.** If you need more than one blue book to answer this third question, each blue book you use must be labeled “Patent Question”. The remainder of the exam will be graded by Prof. Greenberg. Answer each question as fully as you can, citing any appropriate cases, industry standards, and statutes that are relevant. Students often fail to allocate enough time for the Patent question, so we recommend that you work on that question first.

DO NOT WRITE ON BOTH SIDES OF THE PAGE. WRITE LEGIBLY OR PRINT IF YOUR HANDWRITING IS DIFFICULT TO READ. If I cannot read your response to a question, your grade will be adversely affected.

You have three hours to complete this exam. You are not required to spend the entire time working on the exam - the average time for completion is between two and three hours. **It is strongly recommended that you outline your response to each question, before writing the response.** I recommend that you spend one third of the time on each question creating your outline, and the remainder of your time writing your answer. For example, if you spend 1.0 hour per question, devote 20 minutes to the outline, and 40 minutes writing the answer.

QUESTION NO. 1 (33 Points)

A. You are counsel for Ramses Films, a film production company. Ramses wants to produce a feature science fiction and action movie starring Denzel Washington and Eva Longoria, about a vampire hunter in the year 2525. The film, entitled *Tor, The Vampire Killer*, is going to be based on a book written by famous writer Neil Gaiman, who has also written the script. Music for the film will include a soundtrack or original music written by Randy Newman and featuring current popular songs by such bands and artists as the Black Eyed Peas, Gwen Stefani, and Pink. The production company also wants to include some film clips from the well-known 1960's era television *Star Trek*.

Ramses wants to acquire the rights to the book, script, soundtrack music, popular songs, and film clips. What intellectual property rights are involved in these items, and what kind of agreement should Ramses seek to acquire those rights?

B. Assume that *Tor, The Vampire Killer*, is produced and the film has been released to great success. The Rip and Tear Company has made and is distributing online, unauthorized copies of the film. They have made two separate print runs of the film, consisting of 10,000 copies in each run. Both Ramses and Rip and Tear are based in Los Angeles, California. Ramses asks you what can be done to stop Rip and Tear from continuing to copy and distribute these unauthorized copies, and how Ramses can recover the money it has lost from the sale of those copies. What is your advice?

QUESTION NO. 2 (33 Points)

A. Satisfied with your assistance on the *Tor, The Vampire Killer* film, Ramses Films contacts you for assistance on obtaining protection for their company name and logo, which is a line drawing of the Egyptian ruler, or Pharaoh, named Ramses. Ramses does business throughout the United States and Europe, and it has used this name and logo in those parts of the world for the past five years. What kind of intellectual property rights are involved in protecting such a name, and what is your advice to Ramses about how they should go about obtaining that protection?

B. Three years after you have taken whatever steps you deemed appropriate to protect the Ramses name and logo for Ramses Films, the company contacts you again and informs you that a New York television production company has just commenced doing business in New York and London, under the name Raammssis Films. Ramses Films believes that this use of a similar sounding name violates its rights in its name. An informal contact between the two companies for the purpose of trying to resolve this issue produced a response from Raammssis Films that they would not change their name because the Ramses name is a historical name and cannot be exclusively used by your client. Ramses Films is now asking you to take action to protect their name based on your prior work for them, and asks you what claims they have, and what defenses Raammssis Films may raise, and who is likely to prevail in this matter. What is your response?

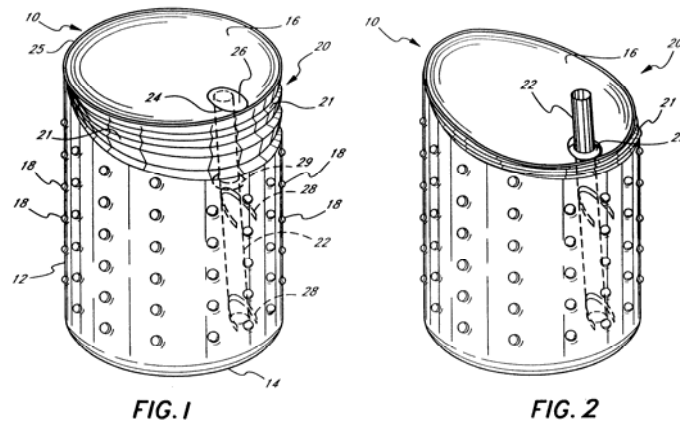
QUESTION NO. 3 (34 points)

Facts

Nini Policapelli invented a new soft drink can in July, 1990 and applied for a patent on November 13, 1990. On December 29, 1992 Nini received U.S. Patent No. 5,174,469 on a "Partially collapsible can with drinking straw."

Nini's patent describes a beverage can which can be partially collapsed in order to expose a drinking straw contained within the can. In its non-collapsed state, the straw is hidden within the can; however, upon pushing down on the collapsible part of the can, the inside of the top of the can comes into contact with the upper part of the straw, causing the straw to push through a weakened opening of the surface of the can, exposing the straw for use.

The hidden and exposed straw are pictured below:



Claim 1 of Nini's '469 patent reads as follows:

1. A beverage can, comprising:

a top surface having an opening formed therein;

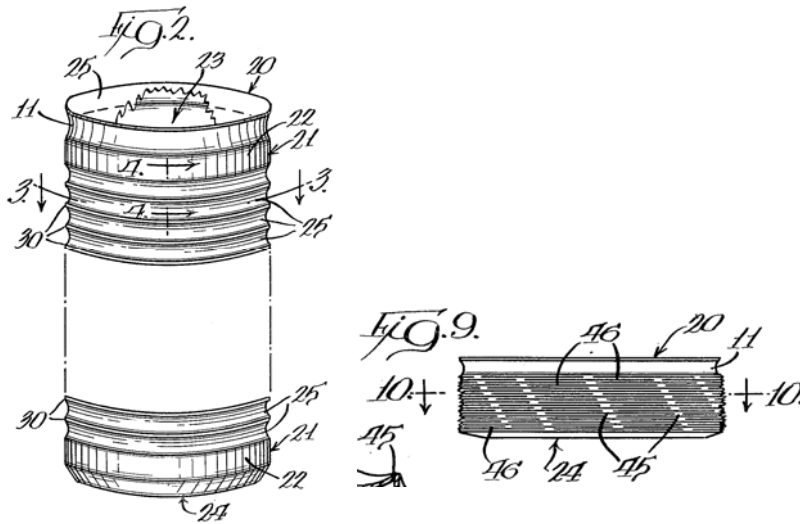
a removable cover sealing said opening;

a collapsible portion of said can adapted to collapse upon being pushed down; and

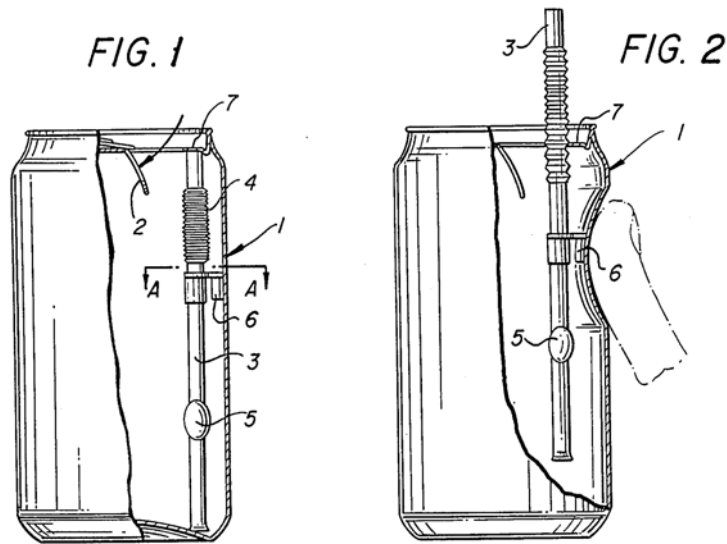
a straw located within said can adapted to engage said cover, penetrate said opening and displace said cover from said opening upon collapsing of said collapsible portion, thereby exposing a portion of said straw to permit the contents of said can to be enjoyed.

Nini has started a company to make and sell his patented can and has made substantial sales. He has also licensed his patent to several soft drink companies.

Nini has brought suit against Snapple, which introduced a line of drinks within a can similar to the can described in his '469 patent. Snapple has found two pieces of prior art which it contends make the '469 patent invalid. The first is the Belokin '340 patent, which discloses a beverage can which can be collapsed to a smaller size when empty, by pushing down on the can, causing it to fold along ridges as shown in Fig. 2 and Fig. 9 below. The Belokin '340 patent, applied for on February 25, 1987 and issued on April 13, 1989, is intended to encourage recycling of aluminum cans by making empty cans easier to store.



The second piece of prior art found by Snapple is the Larson '148 patent, which discloses a straw inside a beverage can having a conventional push or pull tab on its top surface, as shown below. When the can is opened using the tab, the straw remains in the can, attached to bracket 6, but when the can is pushed in from the side, as shown in Fig. 2 below, the straw is forced loose of bracket 6, and is designed so it then floats to the surface and pokes through the open hole. The '148 patent was applied for on May 17, 1990, and issued on January 31, 1993.



Part A. (17 points)

Does the Belokin '340 patent and/or the Larson '148 patent make Nini's patent obvious under 35 U.S.C. § 103? Please analyze the obviousness issue, giving both Nini and Snapple's arguments.

Further Facts

Nini's company sells his patented can to beverage makers for 4 cents each. The cans cost Nini one cent each to make. His only competition (besides conventional cans, which sell for one half cent each) is from cans made according to the Larson '148 patent, which sell for two cents each. Market research has shown that consumers have no preference between Nini's can and the Larson can, but prefer both cans to conventional soft drink cans.

Nini has also licensed his patent to five beverage companies at a license rate of 3% of the gross sales price of beverages sold in cans covered by his patent. The five licenses provide that the companies can only use cans for their own drinks, and cannot sell the cans to other beverage companies. Nini has refused to license any more beverage companies, saying that he would only license the "early birds" and that all other companies who want to use his patented can will have to buy it from him. The average selling price of sodas in these fancy cans is 40 cents. Snapple has sold 500,000,000 beverages in cans similar to Nini's patented can.

Part B. (8 points)

If Nini's '207 patent is found to be valid and infringed by Snapple after a trial, what money damages should Nini argue for? What money damages would Snapple argue for? Please discuss. (You need not discuss increased damages for willful infringement or attorney's fees.)

Part C. (8 points)

If Nini's patent is found to be valid and infringed by Snapple after a trial, will Nini be entitled to a permanent injunction? Please discuss, giving the arguments for and against a permanent injunction.

**SELECTED PORTIONS OF
TITLE 35 – UNITED STATES CODE**

**INTELLECTUAL PROPERTY LAW SURVEY
GOLDEN GATE UNIVERSITY SCHOOL OF LAW
Robert B. Morrill**

CHAPTER 10 – PATENTABILITY OF INVENTIONS

§ 102. Conditions for patentability; novelty and loss of right to patent.

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, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented, or was the subject of an inventor's certificate, by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application for patent or inventor's certificate filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent . . .

(f) he did not himself invent the subject matter sought to be patented, or

(g) . . . before such person's invention thereof, the invention was made in this country by another inventor who had not abandoned, suppressed, or concealed it. In determining priority of invention under this subsection, there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

§ 103. Conditions for patentability; non-obvious subject matter.

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

* * * * *

(c) Subject matter developed by another person, which qualifies as prior art only under one or more of subsections (e), (f), and (g) of section 102 of this title, shall not preclude patentability under this section where the subject matter and the claimed invention were, at the time the invention was made, owned by the same person or subject to an obligation of assignment to the same person.

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**CHAPTER 29 – REMEDIES FOR INFRINGEMENT OF
PATENT, AND OTHER ACTIONS**

§ 281. Remedy for infringement of patent.

A patentee shall have remedy by civil action for infringement of his patent.

§ 283. Injunction.

The several courts having jurisdiction of cases under this title may grant injunctions in accordance with the principles of equity to prevent the violation of any right secured by patent, on such terms as the court deems reasonable.

§ 284. Damages.

Upon finding for the claimant the court shall award the claimant damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs as fixed by the court.

When the damages are not found by a jury, the court shall assess them. In either event the court may increase the damages up to three times the amount found or assessed. Increased damages under this paragraph shall not apply to provisional rights under section 154(d) of this title.

The court may receive expert testimony as an aid to the determination of damages or of what royalty would be reasonable under the circumstances.