

Final Examination
Intellectual Property Law Survey
Spring 2007
Greenberg/Morrill

1. You have **three (3) hours** to complete this exam.
2. 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.
3. There are **three (3)** essay questions on this exam. The first two questions are each worth thirty-three (33) points, and the third question is worth thirty-four (34) 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.
4. 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.
5. Please write your response in the blue books provided. Please write clearly. Write on every other line and every other page to permit instructor comments.
6. Write your exam number on your exam envelope. Put your correct class section and student exam # at the top of this page, each page of questions, and each blue book. **Do not** use your name, student ID number or Social Security Number on any exam materials.
7. At the conclusion of the exam, return all test materials, including blue books, scratch paper, and this exam packet to the envelope and submit it to the proctor. **DO NOT** seal the envelope. Students who do not return all exam materials at the end of the exam may not be graded.

GOOD LUCK!

Essay Questions 1 & 2: 66 Total Points

1. You are counsel for the newly-opened Westfield Shopping Center in San Francisco – a large indoor mall with over 70 shops, including Bloomindales and many other stores. One store, the Harvest Market, is selling bottled water with the trademarked name, Oakland Pure. The water, however, doesn't come from Oakland, only the plastic bottle is from Oakland. The water is from the Los Angeles reservoir.

A competing water bottling company, whose trademarked product is called Oakland Clear, has filed suit against Oakland Pure, and your client, the Westfield Shopping Center. The claim against Oakland Pure is for damages arising from primary liability for trademark infringement, and unfair competition. The claim against Westfield is for secondary liability trademark infringement. What are the elements necessary for plaintiff to prevail on these claims? What defenses are available for each party? What evidence will each party need to prove their claims or defenses? Who is likely to prevail and why?

2. Your client, Stephen Strange, requests your help with the following situation: Twenty-five years ago, Strange's uncle Marc wrote a 200-page book about superheroes and their adventures, entitled, *Black Lightning and the Spiders of Venus*. Uncle Marc created two entirely new superheroes, Black Lightning – a male character who could shoot lightning bolts from his fingertips, and Susan Thunder, a super-strong woman whose hands could be transformed into razor-sharp swords. Each character was described in great detail, from their unique costumes to a set of amusing personal habits and history.

The book was a huge success, selling 10 million copies. The publisher of *Black Lightning*, Columbia Books, had most of the leverage in the negotiation with Uncle Marc, who was forced by his limited bargaining power, to transfer all of his rights in the copyright to the book to Columbia in exchange for a right to royalties. The transfer took place twenty-five years ago, right after the book was written.

Uncle Marc recently died. Strange was at his bedside, together with a doctor and nurse, at the moment of Uncle Marc's death. At his dying moment, Uncle Marc beckoned to Strange to come closer. In a soft, but clear and audible voice, Uncle Marc said to Strange: "I leave all of my rights to *Black Lightning* to you". Then Uncle Marc died.

Two months after Uncle Marc's death, Deadwood Books publishes *A Tribute to Uncle Marc*, in which it includes a 70-page excerpt of *Black Lightning*, most of which is the initial three chapters of the book, where the characters are first introduced. However, the last five pages of the excerpt reprint the key battle scene in the book between Susan Thunder and the Venus Spider King. Strange wants to sue Deadwood for copyright infringement – but Columbia refuses. Strange asks you whether he has any rights in this situation, and if so, who can he sue, and what defenses are available to the defendants, and of course, Strange also asks, who is likely to prevail and why? What is your response?

Essay Question #3: 34 Total Points

Facts

Paul Patentee manufactures and sells a “bite valve” which is covered by his issued ‘207 patent. A “bite valve” is used to deliver liquid refreshment to the mouth of a hiker or cyclist through a tube connected to a liquid reservoir carried on the back. By biting on and flattening the valve, the hiker/cyclist opens the valve along slits and releases liquid from the reservoir into his mouth. When the hiker/cyclist stops biting, the valve resumes its original shape and the slits close. Prior to Paul’s invention, most valves for hiker/cyclist hydration systems did not shut off properly and dribbled, which is a significant problem when the contents of the system are some sugary liquid, since flies will be attracted to the hiker/cyclist. Paul’s valves do not dribble and thus Paul has been very successful, and has sold millions of his valves.

Below are figures from the ‘207 patent showing a cyclist with the refreshment system, and a view of the bite valve portion in its closed and open states. One feature of Paul Patentee’s bite valve disclosed in the specification is that there should be two or more parallel slits, in order to obtain adequate flow when the valve is bitten. Each claim in Paul Patentee’s patent calls for a fluid reservoir worn on the back, tubing to connect the reservoir to the bite valve, and a bite valve with “more than one slit.”

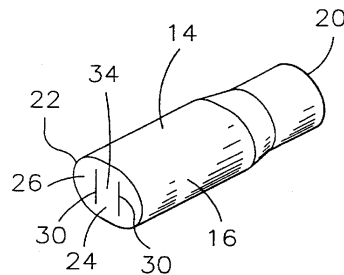
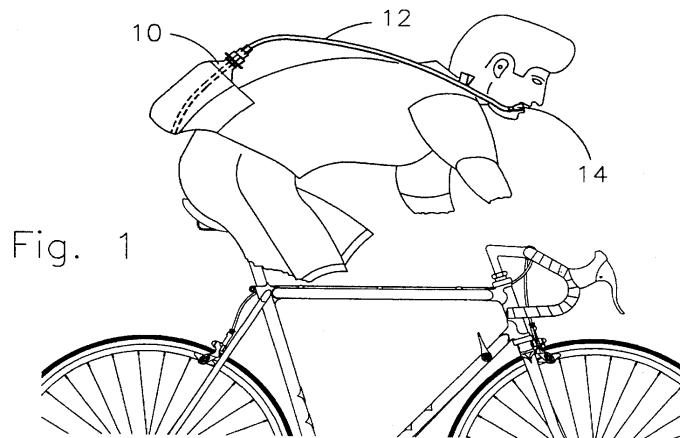


Fig. 2A
**Closed Bite Valve With
Multiple Slits (30)**

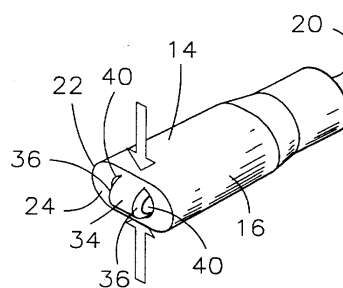


Fig. 2B
**Bite Valve Opened Along Slits (40)
By Being Bitten**

Carl Copier recently entered the market by copying Paul Patentee's bite valve and selling the copied valve in competition with Paul Patentee and others. Carl Copier has found two patents which qualify as prior art under 35 U.S.C. § 102. First is the "Camelback" '349 patent. The Camelback patent discloses a liquid nourishment system similar to that of Paul Patentee, as shown below:

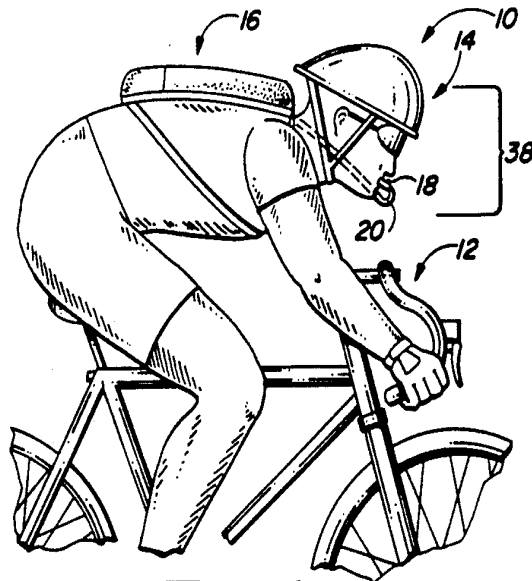
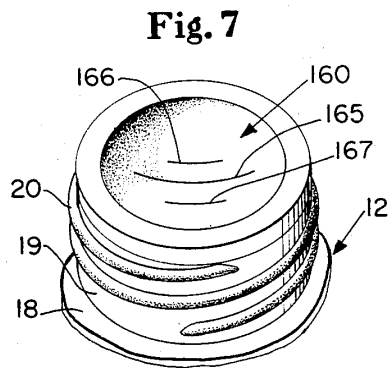


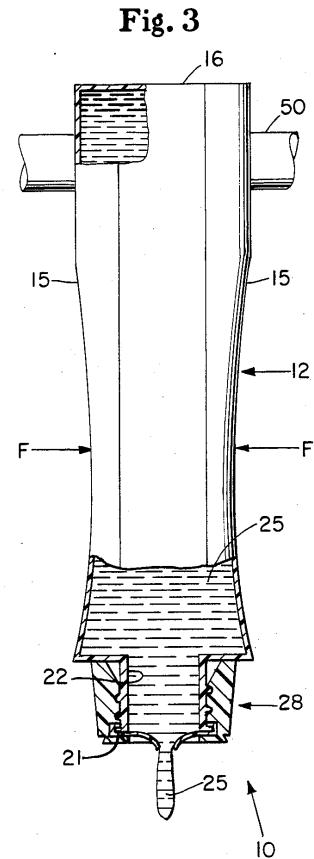
FIG. 1

The bite valve of the Camelback patent is in all significant respects identical to that shown in Paul Patentee's '207 patent, except that the bite valve of the Camelback patent has only one slit, not two. The Camelback patent does not mention the use of more than one slit. Hikers and cyclists who used Camelback bite valves often criticized the valve as not delivering enough liquid.

The second piece of prior art found by Carl Copier is the "Catsup Bottle" '006 patent. The Catsup Bottle patent discloses a cap with one or more slits for use with a squeezable bottle for dispensing catsup or other liquids. When the bottle is turned upside down and squeezed, the resulting pressure causes the slits to open to allow the liquid or semi-liquid contents of the bottle to be squeezed out. When pressure is removed, the bottle returns to its original shape and the slits close to form a tight seal. Figures from the Catsup Bottle patent are below:



Catsup Bottle Cap With Multiple Slits (165, 166, 167)



Catsup Bottle While Being Squeezed and Releasing Catsup (25)

The Catsup Bottle patent states that the cap has “one or more slits” and that “multiple slits may be used to increase the flow of liquid from the bottle.”

Part 1A. (3 points)

Does the Camelback patent and/or the Catsup Bottle patent anticipate Paul Patentee’s ‘207 patent under 35 U.S.C. § 102? Briefly state why or why not.

Part 1B. (12 points)

Does the Camelback patent and/or the Catsup Bottle patent make Paul Patentee’s ‘207 patent obvious under 35 U.S.C. § 103? Please analyze the obviousness issue.

Further Facts

There are four manufacturers of bite valves who sell their valves to manufacturers of backpacks, cyclist’s hydration systems, etc.: Paul Patentee, Carl Copier, XL and SOS. The bite valves of XL and SOS do not infringe Paul Patentee’s ‘207 patent and can be used in place of Paul’s bite valves without any loss of functionality. Each of the four sell 1,000,000 bite valves

per year. The average sales price of Copier, XL and SOS is \$1.00 per valve. Paul Patentee was selling his valves at \$1.50 each until Carl Copier entered the market, when Paul had to reduce his price to \$1.00 to meet Carl Copier's competition, because the valves of the two look so much alike.

Part 1C. (13 points)

If Paul Patentee's '207 patent is found to be valid and infringed by Carl Copier after a trial, what money damages should Paul Patentee seek? Please discuss. What further fact(s) would you like to know regarding money damages?

Part 1D. (5 points)

If Paul Patentee's '207 patent is found to be valid and infringed by Carl Copier after a trial, will Paul Patentee be entitled to enhanced (trebled) damages? Please discuss. What further fact(s) would you like to know regarding enhanced damages?

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

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.

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CHAPTER 28 – INFRINGEMENT OF PATENTS

§ 271. Infringement of patent.

(a) Except as otherwise provided in this title, whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefore, infringes the patent.

(b) Whoever actively induces infringement of a patent shall be liable as an infringer.

(c) Whoever offers to sell or sells within the United States or imports into the United States a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.

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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.

§ 282. Presumption of validity; defenses.

A patent shall be presumed valid. Each claim of a patent (whether in independent, dependent, or multiple dependent form) shall be presumed valid independently of the validity of other claims; dependent or multiple dependent claims shall be presumed valid even though dependent upon an invalid claim. . . . The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity.

The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded:

- (1) Noninfringement, absence of liability for infringement or unenforceability,
- (2) Invalidity of the patent or any claim in suit on any ground specified in part II of this title as a condition for patentability,
- (3) Invalidity of the patent or any claim in suit for failure to comply with any requirement of sections 112 or 251 of this title,
- (4) Any other fact or act made a defense by this title. . . .

§ 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.

§ 285. Attorney fees.

The court in exceptional cases may award reasonable attorney fees to the prevailing party.

§ 286. Time limitation on damages.

Except as otherwise provided by law, no recovery shall be had for any infringement committed more than six years prior to the filing of the complaint or counterclaim for infringement in the action. . . .

§ 287. Limitation on damages and other remedies; marking and notice.

(a) Patentees, and persons making, offering for sale, or selling within the United States any patented article for or under them, or importing any patented article into the United States, may give notice to the public that the same is patented. either by fixing thereon the word "patent" or the abbreviation "pat.", together with the number of the patent, or when, from the character of the article, this can not be done, by fixing to it, or to the package wherein one or more of them is contained, a label containing a like notice. In the event of failure so to mark, no damages shall be recovered by the patentee in any action for infringement, except on proof that the infringer was notified of the infringement and continued to infringe thereafter, in which event damages may be recovered only for infringement occurring after such notice. Filing of an action for infringement shall constitute such notice.