Legal Environment

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CLASS 13

Final Review
Final Exam Info

- Final Exam format
  - 50 multiple choice questions
  - 2 points per question
  - All answers to be completed in Excel document provided on website
  - Use capital letters for your answer

Final Exam Info

- Grading
  - I will not acknowledge receipt of your graded exam immediately.
  - However, I will respond within 24 hours of receipt of your exam with your final grade
  - I will not advise you of which questions you scored correctly or incorrectly on the final exam, nor do I send an answer key
  - However, if you did not receive the grade you expected to receive, I am willing to go over the questions with you that you missed.

Final Exam Info

- Thus, you have an incentive to turn in the final exam early so that you can get your grade early and address any issues before your final exam grade is entered.
- I reserve my right to enter final grades for all students at 12:01 p.m. the day the exam is due.
- DO NOT BE LATE IN TURNING IN THE EXAM OR, AMONG OTHER THINGS, YOUR GRADE IN THE COURSE COULD BE DELAYED
- Any further questions about the final exam?

Final Review

- What did we learn this semester?
- Let's review…

Branches of U.S. Government (3)

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Federal Court Structure

- US Supreme Court (1)
- US Court of Appeals (13)
  - 8th Circuit
  - Federal Circuit
- US District Courts (144); at least 1 per state
  - Missouri - 2 Federal District Courts
    - Eastern District - St. Louis
    - Western District - Kansas City
  - + Federal Bankruptcy Court
Types of Intellectual Property

- Unfair Competition
- Right of Publicity
- Trademarks
- Trade Secrets
- Patent
- Copyright

Note: Lay people often erroneously term one type of intellectual property by another name, such as copyrighting a name, patenting a music CD, trademarking an invention, etc.

Creation of Agency

- Principle authorizes another to act on the principal's behalf subject to the principal's control
- Fiduciary Duty:
  - An obligation to act in another's best interest when one person acts on behalf of another person in a particular matter.

Independent Contractor

- A person who works independently to accomplish a specific goal or set of goals on behalf of a principal. The independent contractor cannot be controlled in the day-to-day execution of the task by the person who hires him or her.

Determining Employee Status

Government uses three tests for independent contractor or employee determination

1. Control over job
2. Financial factors
3. Relationship itself

Agent's Duties to the Principal

- Performance
- Notification
- Loyalty
- Obedience
- Accounting

Principal's Duties to the Agent

- Compensation
- Reimbursement and indemnification
- Cooperation
- Safe working conditions
Where to Set up the Business

• Situs - the legal and operating jurisdiction of a business.
• Home state, Delaware, or other place

Limited Liability

• C-Corp – Yes, unless thin capitalization or alter ego
• LLC – Yes, all members
• GP – No, all partners jointly and severally liable
• LP – Yes for limited partners

Advantages of the Sole Proprietorship

• Owner owns business
• Owner receives all profits
• More flexibility
• SP only pays personal income taxes and reports income as personal income

Corporate Basics

• Corporation is recognized as a person
• Board of directors
  – responsible for overall management
  – elected by shareholders
• Shares of stock
  – Shareholder
  – Owner of the corporation

Double Taxation

• What is double taxation?
  – Company pays taxes on its profits
  – Profits passed on the shareholders
  – Shareholders pay income tax on them

Duty of Care

• Duty to make informed decisions
  – Informed on corporate matters and to conduct a reasonable investigation before making a decision
• Duty to exercise reasonable supervision
  – When work is delegated
S Corps
• A close corporation that meets Subchapter S qualifying requirements
• Avoids the imposition of income taxes at the corporate level while retaining many of the advantages of a corporation, particularly limited liability

Rights of Directors
• Right to participation
  – Directors are entitled to participate in all board of directors’ meetings and have a right to be notified of these meetings.
• Right of inspection
  – Each director can access the corporation’s books and records, facilities, and premises.
• Right to indemnification
  – Reimbursement for the legal costs, fees, and damages associated with the director’s position or actions

Piercing the Corporate Veil
• The corporation must look and act like a corporation in order to keep corporate benefits such as limited liability
• Must maintain separate assets and corporate records; officers must act as management
• When veil is pierced, liability goes to personal assets of officers, directors, and shareholders

Taxation
• LLC does not directly pay taxes; income and losses are passed through to members
• Unincorporated taxed as partnership unless indicated otherwise on tax form

Agency v. Partnership
• Partnership – profits and losses will be shared
• Agent – usually no ownership interest and not obligated to bear a portion of ordinary business losses

Essential Elements of Partnership
1. A sharing of profits or losses.
2. A joint ownership of the business.
3. An equal right to participate in the management of the business.
Fiduciary Duties

- **Duty of care** – refraining from grossly negligent or reckless conduct, intentional misconduct, or a knowing violation of law
- **Duty of loyalty** – requires a partner to account to the partnership for “any property, profit, or benefit” device in conducting partnership business or from use of its property

What is a Trademark?

- A trademark is any word, name, symbol, or device, or any combination thereof used to identify and distinguish his or her goods from those manufactured or sold by others and to indicate the source of the goods.
- See 15 U.S.C. §1127

Symbols

- ® - Federally registered
- Circle T - State registered
- TM - trademark at common law
- SM – service mark at common law

Use Required

To qualify for trademark rights, the person must:
(1) be using the trademark in commerce, or
(2) have a bona fide intention to use the trademark in commerce and apply to register on the principal register established by this Act.

"The term 'use in commerce' means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark."

Distinctiveness

- Classifications of trademarks are based upon the inherent distinctiveness of the mark
- Classifications include
  1) generic;
  2) descriptive;
  3) suggestive; and
  4) arbitrary or fanciful.
- Fanciful or arbitrary marks are eligible for protection without proof of secondary meaning and with ease of establishing infringement.

Infringement under the Lanham Act

- To show infringement, Plaintiffs must show that they (1) registered a trademark; (2) which Defendants used in commerce without Plaintiffs’ consent; and (3) which created a likelihood of confusion as a result.
What are the Factors for Trademark Infringement?
• In analyzing whether Defendants have infringed a trademark such as “Blockbuster Video,” the Sixth Circuit looks to eight factors under the Lanham Act: (1) the strength of the plaintiff’s mark; (2) the relatedness of the goods; (3) the similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) the likely degree of purchaser care; (7) the defendants’ intent on selecting the its mark; and (8) the likelihood of expansion of the product lines. Frisch’s Restaurants, Inc. v. Elby’s Big Boy of Steubenville, Inc., 670 F.2d 642 (6th Cir.), cert. denied, 459 U.S. 916, 103 S.Ct. 231, 74 L.Ed.2d 182 (1982).

Sight, Sound and Meaning
• The court examines the degree of similarity between the marks on three levels: sight, sound, and meaning. King of the Mountain Sports, 185 F.3d at 1090. These factors must be evaluated “in the context of the marks as a whole as they are encountered by consumers in the marketplace.” Id. at 1090 (quotation omitted). The court does not engage in a side-by-side comparison of the two marks, but rather must determine whether the allegedly infringing mark is confusing to the public when singly presented. Id. Similarities of the marks are given more weight than differences. Id.

Tiffany v. eBay
• Nominative Fair Use
• To fall within the protection, … : “First, the product or service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.”

Naked Licensing
• Trademark owners must maintain adequate quality control over the use of its trademarks or all trademark rights can be lost

Ingrid & Isabel v. Baby Be Mine
• “The Court finds that the ‘look and feel’ of a web site can constitute a trade dress protected by the Lanham Act. Accordingly, to succeed in its claim Plaintiff must thus show ‘(1) that its trade dress is inherently distinctive or has acquired secondary meaning; (2) that its trade dress is nonfunctional; and (3) that defendant’s product creates a likelihood of consumer confusion.”

Ingrid & Isabel v. Baby Be Mine
• Distinctiveness
• “A mark or dress is distinctive when it identifies the particular source of the product or distinguishes it from other products. . . . Correspondingly, a product’s trademark or trade dress acquires a secondary meaning when the purchasing public associates the mark or dress with a single producer or source rather than with the product itself.”
Introduction to Metatags

- **Metatags** – text used in the header of an HTML webpage used by search engines to determine or describe the content of the particular webpage
- **Content** – a list of words that indicates the type of content on a particular webpage
- **Description** – a human readable sentence intended to be displayed by a search engine when a particular page of a website is presented in search engine results.

Playboy Enterprises v. Terri Welles

Conclusions:
- Headlines and banner advertisements → nominative
- Use of the terms in the metatags for Welles’ website → nominative
- Use in the wallpaper of the website. not nominative (and remand for a determination of whether it infringes on a PEI trademark).
Let’s look at the decision to determine how the court came to this decision.

Promatek Industries, Ltd. v. Equitrac Corp.

- **What is initial interest confusion?**
  - Initial interest confusion, which is actionable under the Lanham Act, occurs when a customer is lured to a product by the similarity of the mark, even if the customer realizes the true source of the goods before the sale is consummated. *Dorr-Oliver, Inc. v. Fluid-Quip, Inc.*, 94 F.3d 376, 382 (7th Cir. 1996).

- **What if the consumers that viewed the website knew right away that the website was not associated with the trademark owner?**

Promatek Industries, Ltd. v. Equitrac Corp.

- "The Ninth Circuit has dealt with initial interest confusion for websites and metatags and held that placing a competitor's trademark in a metatag creates a likelihood of confusion. … Equitrac's placing the term Copitrack in its metatag, consumers are diverted to its website and Equitrac reaps the goodwill Promatek developed in the Copitrak mark. Id. That consumers who are misled to Equitrac's website are only briefly confused is of little or no consequence. In fact, "that confusion as to the source of a product or service is eventually dispelled does not eliminate the trademark infringement which has already occurred." *Forum Corp. of N. Am. v. Forum, Ltd.*, 903 F.2d 434, 442 n.2 (7th Cir. 1990)."

Playboy v. Netscape

- **Initial Interest Confusion theory**
  - "Because banner advertisements appear immediately after users type in PEI's marks, PEI asserts that users are likely to be confused regarding the sponsorship of unlabeled banner advertisements. n16 In addition, many of the advertisements instruct users to 'click here.' Because of their confusion, users may follow the instruction, believing they will be connected to a PEI cite. Even if they realize 'immediately upon accessing' the competitor's site that they have reached a site 'wholly unrelated' to PEI's, the damage has been done: Through initial consumer confusion, the competitor will still have gained a customer by appropriating the goodwill that PEI has developed in its [] mark."

1-800 Contacts v. Lens.com

- "[T]he Ninth Circuit considered ‘the labeling and appearance of the advertisements and the surrounding context on the screen displaying the results page’ to be a critical factor in finding no likelihood of confusion in a case in which the alleged infringer used a competitor’s mark as a keyword."
Why Own a Patent?

• Ownership of a patent gives the patent owner the right to exclude others from making, using, offering for sale, selling, or importing into the United States the invention claimed in the patent.
• 35 U.S.C. 154(a)(1), MPEP 301

General Requirements - Patent Eligibility/Utility

Requirement – Patent Eligibility/Utility

• Patent Eligibility - Must be eligible subject matter
• Utility - The invention must have utility.
• 35 USC §101 - “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”

Patent Eligibility

• Is a particular invention of a kind that the patent laws intended to protect?
• Subject matter open to patenting
  – Are there subject matters that are not open to patenting?
  • Natural Laws
  • Phenomena of Nature
  • Abstract Principles
• Technology = useful arts

Lowell v. Lewis

• “All that the law requires is, that the invention should not be frivolous or injurious to the well-being, good policy, or sound morals of society.”
• The patent system is not looking for something better, but rather is just looking for something different.

Anticipation

• “If the claimed invention can be found within the ambit of a single prior art reference, then the invention has been anticipated. References may not be combined during this inquiry, nor may elements that are analogous to the disclosure of a reference be considered.”
General Requirements for Patentability

Requirement – Statutory Bar

• 1 year public disclosure bar
• 35 USC §102(b)(pre-AIA) – "A person shall be entitled to a patent unless … 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"

Experimental Use

• As a general rule, an experimental use only negates a statutory bar when the inventor was testing claimed features of the invention.
• Courts view the totality of the circumstances when determining whether an invention was on sale or in public use
• The experimental use exception does not include market testing.

On Sale Test

• "On Sale" Test
  1) The product must be the subject of a commercial offer for sale
  2) The invention must be ready for patenting
     • Proof of reduction to practice before the critical date; or
     • Proof that prior to the critical date the inventor had prepared drawings or other descriptions of the invention that were sufficiently specific to enable a person skilled in the art to practice the invention

In re Hall

• "Public accessibility" has been called the touchstone in determining whether a reference constitutes a "printed publication" bar under 35 U.S.C. §102(b) … The proponent of the publication bar must show that prior to the critical date the reference was sufficiently accessible … so that such a one by examining the reference could make the claimed invention without further research or experimentation.

Nonobviousness

"A[n invention must also sufficiently advance the useful arts in order to warrant the award of an exclusive right. … In terms of obviousness, the new combination does not warrant a patent if, from the vantage point of one of ordinary skill in the art at the time of the invention, this new combination would have been obvious."

KSR v. Teleflex – Supreme Court

• Supreme Ct
  – Rejects rigid approach; expansive and flexible approach
  – "The Court has held that a ‘patent for a combination which only unites old elements with no change in their respective functions . . . obviously withdraws what is already known into the field of its monopoly and diminishes the resources available to skillful men.’ . . . ”
  – "The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results."
Analogous Arts

- "Two criteria have evolved for determining whether prior art is analogous:
- (1) whether the art is from the same field of endeavor, regardless of the problem addressed, and
- (2) if the reference is not within the field of the inventor’s endeavor, whether the reference is still reasonable pertinent to the particular problem with which the inventor is involved."

In re Clay

Patent Specification Requirements

35 U.S.C. §112 requires that the Specification of a patent application must contain:

(A) A written description of the invention;
(B) The manner and process of making and using the invention (the enablement requirement); and
(C) The best mode contemplated by the inventor of carrying out the invention.

M.P.E.P. 2161

Enablement Requirement

- The specification must teach someone of skill in the art (1) how to make and (2) how to use the invention without undue experimentation.
- MPEP 2164

Written Description Violations

- Broad Claims
  - Claims cannot cover inventions never contemplated or disclosed by the inventor
- Narrow Claims
  - Each limitation must be supported by written description
- Addition of New Matter
  - To obtain benefit of earlier-filed application, claims of a continuation (or CIP) must be supported by original specification

Claims

- Claims define “the invention” described in a patent or patent application
- Example:
  A method of electronically distributing a class via distance education comprising:
  initiating a class session for a plurality of students on a server;
  receiving a plurality of sign-in requests for the class session, a particular sign-in request of the plurality of sign-in requests associated with a particular student of the plurality of students and received from a particular computing device associated with the particular user; and
  broadcasting video for the class session from the server to a plurality of computing devices, the plurality of computing devices including the particular computing device.

Elemental Claim Structure

Three basic parts of a claim:
1) A preamble
2) A transition phrase
3) A body
Catalina Marketing International v. CoolSavings.com, Inc.

"In general, a preamble limits the invention if it recites essential structure or steps, or if it is 'necessary to give life, meaning, and vitality' to the claim. Conversely, a preamble is not limiting 'where a patentee defines a structurally complete invention in the claim body and uses the preamble only to state a purpose or intended use for the invention.'"

The Open Transition

"The Open Transition ('comprising'): The use of the term 'comprising' captures technologies with all the elements described in the body of the claim; whether the technology has additional elements is irrelevant. Thus, if a claim recites elements 'A' and 'B', a device with 'A', 'B' and others is an infringement."

The Body

Relation of Elements

• "The body of the claim provides the elements of the invention, as well as how these elements cooperate either structurally or functionally."
• "The drafter should also indicate how [each] element interacts with the [other elements] to form an operative technology ..."

Element Introduction

• "Elements of an invention are ordinarily introduced with indefinite article, such as 'a' or 'an,' as well as terms such as 'one,' 'some,' or 'a plurality of.' When that element is noted later in the claim, claims drafters ordinarily employ the definite article 'the' or the term 'said.'"
• "If an element appearing for the first time is accompanied by 'the' or 'said,' then it will ordinarily be rejected by an examiner as lacking so-called 'antecedent basis.'"

Dependent Claims

• "Section 112, paragraphs 3-5 allow the use of so-called 'dependent' patent claims. The statute mandates that dependent claims recite an earlier claim and provide additional limitations."
• "a patentee is free to be his or her own lexicographer..."

What is Prosecution?

• Negotiation by inventors or their representatives as by patent counsel or patent agent with a patent examiner & other PTO officials administratively in procedures involving the patent application, examination, amendment, continuing procedures and patent grant.
Examiner considers whether claims of application--
- Define patentable inventions (35 USC 101)
- Define inventions that are novel (35 USC 102) over prior art (P/A)
- Define inventions that are unobvious (35 USC 103) over P/A
- Examiner then writes a summary of the examination called an "Official Action" or "Office action" (OA)
- Provides OA to applicant or representative.

Statutory Basis for Design Patents
- "Whoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefor, subject to the conditions and requirements of this title.
- "The provisions of this title relating to patents for inventions shall apply to patents for designs, except as otherwise provided."
35 U.S.C. 171

Office Action date & response
Has a date of mailing and from that date sets a date for response by applicant:
- Typically 3 mo. for substantive rejections or
- Shorter (e.g., 1 mo.) for informal requirements such as requiring applicant to elect between different species of claimed inventions regarded by examiner as independent (e.g., method and apparatus)

Provisional versus Nonprovisional

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<td>Smaller Filing fee</td>
<td>Larger Filing fee</td>
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<tr>
<td>Less preparation time</td>
<td>More preparation time</td>
</tr>
<tr>
<td>Can not amend</td>
<td>Amendments are possible</td>
</tr>
<tr>
<td>No claims required</td>
<td>Must have at least 1 claim</td>
</tr>
<tr>
<td>Not examined</td>
<td>Examined</td>
</tr>
<tr>
<td>Informal</td>
<td>More formal</td>
</tr>
<tr>
<td>Valid for only 1 year; must timely file nonprovisional claiming priority</td>
<td>Application valid until abandoned or patent issued</td>
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Term of patent
- Patent will issue to be in effect 20 years from:
  - Date of first filing of this or parent application
  - Or as limited by delays of applicant during prosecution
  - E.g., extensions of time required by applicant
  - Or as limited by the lapse of a parent application
  - Or where terminal disclaimer was submitted to overcome a double patenting rejection
- Patent is subject to maintenance fees payable 3.5, 7.5 & 11.5 years after issuance.

Continuation Possibilities
- Continuation – might claim other aspects disclosed but not claimed, or claimed in the same way as rejected claims
- Request for Continuing Examination (RCE) – removes finality of the office action (e.g., pay to play)
Publication of patent applications
- 18 months after filing unless applicant requests otherwise upon filing & certifies has not & won't be subject of an application filed in a foreign country.
- Provisional rights available to patentees to obtain reasonable royalties if others make, use, sell, or import inv. In the period between publication and grant.
- Applicant can consider if foreign counterparts will be sought after all, after non-publ. request (NPR).
- If applicant then files for foreign patent, must notify PTO in US application within 60 days & withdraw NPR. Application then is published ASAP.
- PRIOR ART effect for published apps — Sec. 102(e).

Inventorship
- Applications must be filed in the name of the true inventors.
- Inventors must sign a declaration or an oath stating that they believe they are the first inventors.
- Joint inventorship of an invention is possible.

Current Method of Disclosure
- Applicants submit one or more information disclosure statements (IDS) during prosecution to make the USPTO aware of any prior art.

Therasense, Inc. v. Becton, Dickinson & Co.
- “To prevail on a claim of inequitable conduct, the accused infringer must prove that the patentee acted with the specific intent to deceive the PTO. … A finding that the misrepresentation or omission amounts to gross negligence or negligence under a ‘should have known’ standard does not satisfy this intent requirement.”

Infringement Inquiries
- First Inquiry - Does a device or method literally infringe one or more claims of a patent?
- Second Inquiry - Does a device or method infringe one or more claims of a patent under the doctrine of equivalents (DOE)?

Markman v. Westview Instruments, Inc.
- “An infringement analysis entails two steps. The first step is determining the meaning and scope of the patent claims asserted to be infringed. The second step is comparing the properly constructed claims to the device accused of infringing.”
- “… [I]n a case tried to a jury, the court has the power and obligation to construe as a matter of law the meaning of language used in the patent claim.”
Teva Pharmaceuticals USA v. Sandoz

- Claim construction with intrinsic evidence only – de novo review on appeal
- Claim construction with evidentiary underpinnings - subsidiary fact-finding must be reviewed for clear error on appeal

Prioritized Examination

- Track 1
  - $4,800 Examination fee (50% reduction for small entity)
  - Final disposition on average within 12 months from examination request grant
  - Must be filed by EFS-WEB
  - Max of 4 indep. and 30 total claims
- What if you want to expedite an already filed patent application?

Post-Grant Review

- 9-month window for reviewing patentability
- Threshold – “more likely than not” that at least one of the challenged claims is unpatentable
- Generally limited to first-to-file patents

First-to-File

- Focus is on a patent applicant’s “effective filing date” and whether prior art existed before that date
- Eliminates current Section 102(g), interferences, and questions of conception, diligence, reduction to practice, abandonment, suppression, and concealment.

Types of Design Patent Protection Available

1) Configuration of an article of manufacturer
   - Design of a scissors, a computer speaker, a bottle
2) Surface ornamentation for an article of manufacturer
   - Design included on surface of bottle
3) Configuration and surface ornamentation

Lines

- Limiting elements are shown in solid lines
- Non-limiting elements that are used to provide context for the design are shown in broken lines
- You can specify the effect of the broken lines in the description
Ordinary Observer Infringement Test
• "[I]f, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other." Gorham Co. v. White, 81 U.S. 511 (1871).

Guards of Night

Protection of GUI
• GUs may be protected as design patents so long as properly presented and claimed.
• Icons must be shown as part of a three-dimensional article of manufacture (e.g., a computer display)
• The structure of form of the article of manufacture (i.e., a computer) does not have to be claimed, but must be disclosed
• Thus, the claim should be directed to a computer screen, monitor, display plan, or a portion thereof to comply with 35 U.S.C. 171

Transitional Computer Generated Icons
• Design patent protection is not limited to protecting an icon in a static state
• Images that change in appearance during viewing may be the subject of a design claim

Hague Agreement
• International Design Applications (IDAs)
• New cost effective way to obtain design patent protection in many countries around the world
• Alternative way to proceed than the Paris route
• Registration treaty
• Amendments to US law became effective on December 18, 2013

National Basketball Assoc. v. Motorola, Inc.
How news elements [from INS]
(i) the plaintiff generates or collects information at some cost or expense
(ii) the value of the information is highly time-sensitive,
(iii) the defendant's use of the information constitutes free-riding on the plaintiff's costly efforts to generate or collect it
(iv) the defendant's use of the information is in direct competition with a product or service offered by the plaintiff
(v) the ability of other parties to free-ride on the efforts of the plaintiff would so reduce the incentive to produce the product or service that its existence or quality would be substantially threatened

Copyright Requirements
• For an author to have a valid copyright in a particular work, the work must
(i) be original,
(ii) remain fixed in a tangible medium of expression, and
(iii) have involved a minimum degree of creativity.
Protection of Fictional Characters

• "It is clear that when cartoons or movies are copyrighted, a component of that copyright protection extends to the characters themselves, to the extent that such characters are sufficiently distinctive."
• See Warner Bros. Entertainment, Inc. v. X One X Productions (8th Cir. 2011)

Registration and Deposit

- Registration: [§ 408]
  - Work can be registered at any time [§ 408(a)]
  - Not a prerequisite to copyright protection [§ 408]
  - U.S. authors must register before bringing infringement suit [§ 411(a)]
  - Creates prima facie presumption of validity [§ 410(c)]
- Deposit: [§ 407]
  - 2 complete copies of best edition must be deposited in Library of Congress within 3 months of first publication
  - Not a prerequisite to copyright protection [§ 407(a)]
- Penalty: $250 + retail price of undeposited work
- Sega's certificates of registration establish a prima facie valid copyright in its video game programs. 17 U.S.C. § 410(c); Apple Computer, Inc. v. Formula Int'l Inc., 725 F.2d 521, 523 (9th Cir.1984); Sega Enterprises Ltd. v. MAPHIA, 857 F.Supp. 679, (N.D.Cal. 1994)

Term

- What is the term of a copyright registration?
  - Life of the Author + 70 years
  - For anonymous works, pseudonymous works, and works made for hire - 95 years from publication or 120 years from creation, whichever expires first

Current Notice Requirements

- Copyright notice no longer required...
- Proper copyright notice:
  - (i) the symbol © (the letter C in a circle), or the word "Copyright", or the abbreviation "Copr.",
  - (ii) the year of first publication of the work, and
  - (iii) the name of the owner of the copyright in the work.
- Why still include the notice?

Ownership

- General Rule – Copyright ownership vests with the author(s) of the work
  - Copyright ownership of a work can be assigned to another
  - Important exception – work made for hire

Work Made For Hire

Employees

- Within the Scope of Employment
  - the work is deemed authored by the employer and the employer will have all exclusive rights associated with the work.
- Outside the Scope of Employment
  - the work is deemed authored by the employee and the employer will simply have a license to use the particular embodiment of the work without the exclusive rights associated with the work
Work Made For Hire

Non-Employees

• The work must be:
  1. specially ordered or commissioned,
  2. for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, and
  3. in a written instrument signed by the parties that states the work shall be considered a work made for hire.

Types of Works

• Derivative Work
• Joint Work
• Composite Work
• Compilation

EXCLUSIVE RIGHTS

§ 106. Exclusive rights in copyrighted works

• Subject to sections 107 through 121, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:
  1. to reproduce the copyrighted work in copies or phonorecords;
  2. to prepare derivative works based upon the copyrighted work;
  3. to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;
  4. in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly;
  5. in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and
  6. in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.

Public Performance

Performing a Work Publicly

• to perform or display it at a place open to the public or at any place where a substantial number of persons outside of a normal circle of a family and its social acquaintances are gathered, or
• to transmit or otherwise communicate a performance or display of the work to a place previously specified or to the public, by means of any device or process, regardless of the place and time received by the public.

Distribution

• General Rule - Copyright owners are provided with the exclusive right to distribute copies or phonorecords of their works
• Exception - limited to the first transfer of ownership

First Sale Doctrine

• “The whole point of the first sale doctrine is that once the copyright owner places a copyrighted item in the stream of commerce by selling it, he has exhausted his exclusive statutory right to control its distribution.”
Kirtsaeng v. John Wiley & Sons

• "We hold that the 'first sale' doctrine applies to copies of a copyrighted work lawfully made abroad."  

Test for Infringement

• A plaintiff bringing a claim for copyright infringement must demonstrate (1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original.
• Absent evidence of direct copying, proof of infringement involves fact-based showings that the defendant had access to the plaintiff’s work and that the two works are substantially similar.

Damages

• § 504. Remedies for infringement: Damages and profits
• (a) In General. - Except as otherwise provided by this title, an infringer of copyright is liable for either -
  (1) the copyright owner's actual damages and any additional profits of the infringer, as provided by subsection (b); or
  (2) statutory damages, as provided by subsection (c).

Fair Use

• § 107. Limitations on exclusive rights: Fair use
• Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include —
  – (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
  – (2) the nature of the copyrighted work;
  – (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
  – (4) the effect of the use upon the potential market for or value of the copyrighted work.
• The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.

Campbell v. Acuff-Rose Music

• “The threshold question when fair use is raised in defense of parody is whether a parodic character may reasonably be perceived. Whether, going beyond that, parody is in good taste or bad does not and should not matter to fair use.”

Leibovitz v. Paramount Pictures

• “The focus of this inquiry, the Court explained, should be on whether the copying work 'merely 'supersede[s] the objects' of the original . . . , or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message, ...."
Appropriation of Name or Likeness

- One who appropriates to his own use or benefit the name or likeness of another is subject to liability to the other for invasion of his privacy.

Right of Publicity v. Appropriation of Likeness

- **Appropriation** – private people whose interests being protected are in terms of emotional distress
- **Right of Publicity** – protects exclusive right to exploit commercial value that attaches to their identities by virtue of their celebrity

Laws v. Sony Music Ent.

- Case Analysis
- Present case involves use of copyrighted material with permission, and not vocal imitation.
- "Although California law recognizes an assertable interest in the publicity associated with one's voice, we think it is clear that federal copyright law preempts a claim alleging misappropriation of one's voice when the entirety of the allegedly misappropriated vocal performance is contained within a copyrighted medium."

Jordan v. Jewel Food Stores, Inc.

- 7th Circuit reverses
- Logo
- Marketing slogan
- “[T]he ad is properly classified as a form of image advertising aimed at promoting the Jewel-Osco brand. The ad is commercial speech and thus is subject to the laws Jordan invokes here.”

DOMAIN NAMES

- A domain name is a string of characters acting as an Internet identifier that simplifies the Internet location of an entity’s web site, such as MyWebsite.com.
- http://www.yahoo.com is a uniform resource locator (URL) that includes a domain name, a server accessed at the domain name, and the protocol being used to access the domain name.

ESSENTIAL DEFINITIONS

- **Registrar** – a company that sells available domain names to end consumers pursuant to its relationship with one or more domain name registries
- **Registry** – an entity responsible for allocating unique domain names within a particular country code or top level domain
- **WHOIS record** – a record that provides detailed information for a particular domain name, which typically includes a registrant and an administrative contact
**OBTAINING A WHOIS RECORD**
- The WHOIS records for some domain name extensions (e.g., .com and .net) are decentralized.
- To obtain the WHOIS records for decentralized extensions, you may need to visit the registry to first identify the registrar associated with the domain name and then visit the registrar to obtain the WHOIS record.
- To obtain the WHOIS records for centralized extensions (.us, .info, and .biz), visit the registry.
- Several sites such as the WHOIS available at Network Solutions and ALLWhois.com contain a number of WHOIS records from a variety of registries and registrars.

**REVERSE WHOIS SEARCH**
- A reverse WHOIS search on a term of interest (e.g., a trademark) may identify entities that have adopted the term as part of their entity name. Typically, a reverse WHOIS search is used to identify the domain names associated with a particular registrant.
- However, there are some limitations on the ability to conduct reverse WHOIS searches. First, there are no free tools to perform reverse WHOIS searches. In addition, the searches may be performed on some out-of-date and incomplete records.

**DOMAIN NAME INVESTIGATIONS**
- Determine ownership of the domain name
- Retain copies of the WHOIS record and content
- Determine whether the entity is associated with additional domain names
- View prior versions of the domain name content
- Check metatags and keywords
- Perform a trademark search
- Check for prior UDRP and court decisions

**The Anticybersquatting Consumer Protection Act**
- The ACPA provides a civil action in the U.S. court system against anyone who, with bad faith intent to profit, registers, traffics in or uses a domain name that is:
  - identical or confusingly similar to a mark that was distinctive when the domain name was registered;
  - identical, confusingly similar or dilutive of a mark that was famous when the domain name was registered; or
  - infringes marks and names protected by statute.
- Results from Successful Action: Entities proceeding under the ACPA can gain ownership or force deletion of the disputed domain name, costs (attorney's fees, filing fees, etc.), damages and injunction.

**Ford Motor Co. v. Catalanotte**
- "Registration, trafficking, and use of a domain name are separate acts upon which liability may be based. Although damages may not be awarded for pre-enactment registration, trafficking, or use, the fact that a domain name was registered before the Act's passage does not absolve the registrant from liability for post-enactment trafficking or use."

**The Uniform Domain Name Dispute Resolution Policy**
- The UDRP provides a mandatory administrative proceeding against a domain name registrant where the domain name is:
  - identical or confusingly similar to a mark in which the complainant has rights;
  - domain name registrant has no rights or legitimate interests in respect of domain name; and
  - the domain name has been registered and is being used in bad faith.
- Results from Successful Action: Entities proceeding under the UDRP can only gain ownership or force deletion of the domain name.
New Extensions

- New Extensions are coming
- Must meet certain requirements
- Companies paid 185K to evaluate per extension
- List of applied for domain names to date is available online

Trademark Clearinghouse

- Register trademarks with clearing house
- Allow for sunrise registration into new extensions
- Warnings about nearly exact domain name registrations in all of new extensions for limited period

Donuts Blocking

- Availability for extensions associated with Donuts
- Must have a registered trademark
- Blocks exact domain name registrations
- Allows company to later register associated domain names as desired

Trade Secrets

- What is a Trade Secret?
  - Generally speaking, a trade secret is any information that has not been published and that could give a company a competitive advantage
- Is Trade Secret Law Protected by State or Federal Law?
  - Trade Secret law is protected by state law and varies from state to state
- How about some good news?!
  - Trade secrets are cheap (sort of); no filing fee but…
  - Duration – perpetual unless it is no longer a trade secret…

Protection of Trade Secrets

- Enter into non-disclosure agreements with third parties before disclosing confidential information
- Cover at least key employees with non-compete, confidentiality, and intellectual property agreements
- Secure access to physical files containing confidential information
- Implement network and other electronic security measures to limit internal and external access to files
- Monitor employee communications


- “Matters of public knowledge or information that is generally known within a given industry cannot be appropriated as a trade secret.”

• Was the customer list a trade secret?
• “Customer lists are protectable as trade secrets only when they represent ‘a selective accumulation of information based on past selling experience, or when considerable time and effort have gone into compiling it.’” However, “[i]f to be protected, a customer list must be more than a listing of firms or individuals which could be compiled from directories or other generally available sources.”

AvidAir Helicopter Supply v. Rolls-Royce Corp.

• “Reasonable efforts to maintain secrecy need not be overly extravagant, and absolute secrecy is not required.”
• “The use of proprietary legends on documents or the existence of confidentiality agreements are frequently-considered factors in establishing or denying a trade secret claim.”

Prefiling Investigation

• How extensive must the prefiling investigation be?
• What are rule 11(b) sanctions?

Motion for Summary Judgment

• Judgment without a trial
• No facts are in dispute
• Question is how the law applies to the facts
• Evidence is viewed in light most favorable to other party

Discovery

• Allowed for any matter that is relevant to a claim or defense of a party
• Information that is relevant or likely to lead to relevant information is discoverable
• Electronic discovery discussion

Objections at Trial

• Argumentative Questions
• Lack of Foundation
• Assuming Facts Not in Evidence
• Questions Calling for Narrative
• Non-Responsive Answer
• Repetition
Torts

- An action arises under torts when one party’s allegedly wrongful conduct causes injury to another
- **Intentional** – from intentional acts
- **Unintentional** – often as a result of carelessness

Intentional Tort

- Must intend to commit an act, the consequences of which interfere with the personal or business interests of another in a way not permitted by law.
- Actor intended the consequences of his or her act or knew with substantial certainty that specific consequences would result from the act.

Assault and Battery

- **Assault** – any intentional, unexcused act the creates in another person a reasonable apprehension of immediate harmful or offensive contact
- **Battery** – an unexcused and harmful or offensive physical contact intentionally performed

Defamation

- Defamation occurs when one’s words reflect negatively upon another person’s integrity, character, good name and standing in the community and those words tend to expose the other person to public hatred, contempt or disgrace. … Defamation includes both libel and slander.
- **Libel** – writing or other permanent form
- **Slander** – orally
- See Missouri Bar’s News Reports Handbook.

Public Figures

- Public figures are “fair game” and false and defamatory statements about them that are published in the press will not constitute defamation unless the statements are made with actual malice
- **Actual malice** – with either knowledge of its falsity or a reckless disregard of the truth

Communications Decency Act

- Immunizes online service providers from postings, e-mails, and other Internet contributions made by others
- Section 230 of CDA “No provider … of interactive computer services shall be treated as the publisher or speaker of any information provided by another information content provider”
Invasion of Privacy

- **Appropriation of identity** — using a person’s name, picture or other likeness for commercial purposes without permission
- **Invasion into an individual’s affairs** — eavesdropping by wiretap, unauthorized scanning of a bank account, compulsory blood testing, and window peeping
- **False light** — publication of information that places a person in false light
- **Public disclosure of private facts** — publicly discloses private facts about an individual that an ordinary person would find objectionable or embarrassing

Intentional Torts against Property

- Trespass to Land
- Trespass to Personal Property
- Conversion
- Disparagement of Property

**eBay v. Bidder’s Edge**

- Trespass to chattels "lies where an intentional interference with the possession of personal property has proximately cause injury." ... In order to prevail on a claim for trespass based on accessing a computer system, the plaintiff must establish:
  1. defendant intentionally and without authorization interfered with plaintiff's possessory interest in the computer system; and
  2. defendant's unauthorized use proximately resulted in damage to plaintiff ...
- Here, eBay has presented evidence sufficient to establish a strong likelihood of proving both prongs and ultimately prevailing on the merits of its trespass claim.

Negligence

- Acts that depart from a reasonable standard of care and create an unreasonable risk of harm to others
- Factors
  1. That the defendant owed a duty of care to the plaintiff
  2. That the defendant breached that duty
  3. That the plaintiff suffered a legally recognizable injury
  4. That the defendant's breach caused the plaintiff's injury

Defenses to Negligence

1. Assumption of Risk
2. Superseding cause
3. Contributory and comparative negligence
Or Plaintiff failed to prove the existence of one or more of the required factors for negligence

Requirements of a Valid Contract

- Four Requirements
  1. Agreement
  2. Consideration
  3. Contractual Capacity
  4. Legality
<table>
<thead>
<tr>
<th>Contract Formation</th>
<th>Plain Meaning Rule</th>
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</thead>
</table>
| • Bilateral or Unilateral  
• Formal or Informal  
• Express or Implied-in-Fact | • When a contract's writing is clear and unequivocal, a court will enforce it according to its obvious terms.  
• Terms – determined from the face of the instrument  
• No extrinsic evidence if words are clear |

<table>
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<tr>
<th>Elements of an Offer</th>
<th>Termination by Action of Parties</th>
</tr>
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</table>
| 1. The offeror must have a serious intention to become bound by the offer.  
2. The terms of the offer must be reasonably certain, or definite, so that the parties and the court can ascertain the terms of the contract.  
3. The offer must be communicated to the offeree. | • Revocation  
• Rejection  
• Counteroffer |

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<tr>
<th>Detrimental Reliance and Promissory Estoppel</th>
<th>Felonies</th>
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| • When the offeree justifiably relies on an offer to her or his detriment, the court may hold that this detrimental reliance makes the offer irrevocable.  
• Promissory estoppel means that the offeror is barred from revoking the offer because the offeree has already changed actions in reliance on the offer. | • Serious crimes punishable by death or by imprisonment in a federal or state penitentiary for one year or longer  
• Four Degrees of Felony (from Model Penal Code)  
  – Capital offenses—death penalty  
  – First degree felonies—life in prison (max)  
  – Second degree felonies—10 years (max)  
  – Third degree felonies—5 years (max) |
Property Crime

- Crimes in which the goal of the offender is some form of economic gain or the damage of property
- General categories
  - Burglary
  - Larceny
  - Arson
  - Receiving stolen goods
  - Forgery
  - Obtaining goods by false pretenses

Constitutional Amendments

- The 4th Amendment protection from unreasonable searches and seizures.
- The 4th Amendment requirement that no warrant for a search or an arrest be issued without probable cause.
- The 5th Amendment requirement that no one be deprived of ‘life, liberty, or property without due process of law.’
- The 5th Amendment prohibition against double jeopardy (trying someone twice for the same criminal offense.”

Computer Fraud and Abuse Act (CFAA)

- Crimes under the CFAA:
  - Knowingly commit espionage by accessing information without authorization or exceeding authorized access;
  - Access other information without authorization or exceeding authorized access;
  - Access any nonpublic government computer;
  - Access any computer with an intent to commit fraud;
  - Knowingly or intentionally damage a computer;
  - Threaten to cause damage to a computer with the intent to extort money or other things of value

CFAA Penalties

- Obtaining National Security Information Section (a)(1) → 10 years
- Accessing a Computer and Obtaining Information Section (a)(2) → 1 or 5 years
- Trespassing in a Government Computer Section (a)(3) → 1 year
- Accessing a Computer to Defraud & Obtain Value Section (a)(4) → 5 years
- Intentionally Damaging by Knowing Transmission Section (a)(5)(A) → 1 or 10 years
- Recklessly Damaging by Intentional Access Section (a)(5)(B) → 1 or 5 years
- Negligently Causing Damage & Loss by Intentional Access Section (a)(5)(C) → 1 year
- Trafficking in Passwords Section (a)(6) → 1 year
- Extortion Involving Computers Section (a)(7) → 5 years

Protected Computer

- Section 1030(e)(2) defines **protected computer** as:
  a computer—
  (A) exclusively for the use of a financial institution or the United States Government, or, in the case of a computer not exclusively for such use, used by or for a financial institution or the United States Government and the conduct constituting the offense affects that use by or for the financial institution or the Government; or
  (B) which is used in or affecting interstate or foreign commerce or communication . . . .
Insiders v. Outsiders

- Insiders – exceed authorized access
- Outsiders – without authorization

Any Questions?

- Presentations are coming soon...

Program Completed