Santa Clara
University

Intellectual Property (Law 388) Final Exam
Eric Goldman • Fall 2012

This exam consists of 2 questions (the first question has three subparts). Q1 is worth 70% of your exam score and has a word-count cap of 1,750 words. Q2 is worth 30% of your exam score and has a word-count cap of 750 words. This exam consists of 6 pages total.

This is an "open book" exam. You may use any written materials you want, but during the exam, you may not communicate about the exam or your answer with anyone (orally, electronically or otherwise), other than law school staff regarding exam administration. You don't need to do outside research, and such research is unlikely to affect your grade.

Type your answer. Unless you use SofTest's word-processing feature, include page numbers and your 4 digit blind grade ID number (not your Access card number) on every page of your answer, but do not otherwise include any information that would identify yourself in the answer. At the beginning of your answer, tell me the number of words in your answer. I DO NOT INTEND TO GRADE AN ANSWER THAT EXCEEDS THE WORD LIMIT BY EVEN ONE WORD. OMITTING OR INACCURATELY REPORTING YOUR WORD COUNT MAY LEAD TO SIGNIFICANT PENALTIES. I'll ignore any material you submit other than your word-counted answers.

This is a take-home exam. You can electronically download the exam from www.examsoft.com/sculaw and upload your answer (in one of the ExamSoft-supported formats) there as well. ExamSoft will time-stamp your exam download and answer upload. Those time-stamps may not be more than 32 hours apart. You may only electronically submit your answer once, so don't upload it until you are completely finished. The earliest time you may download the exam is November 26, 2012 at 8:30 am Pacific. The latest time you may upload your answer (provided it's less than 32 hours after your exam download time-stamp) is December 7, 2012 at 4:30 pm Pacific.

If you prefer, you can use SofTest's native word-processing functionality. However, if you do, you can't exit the program before you've finished your answer (you cannot change your answer after you exit the program), though you can "suspend" the program.

Note: if you are taking both of my courses this semester, you can only electronically download one exam at a time.

If you run into any ExamSoft/SofTest problems, contact Lisa Willett by phone between 6 am and 12 am at (408) 569-1109.

Instead of downloading the exam electronically, you can check out a hard copy of the exam from the Faculty Support Office (Bergin 214) during its office hours, in which case your answer will be due in the FSO no later than *the earlier of* (a) the FSO closing time the next business day, or (b) 32 hours from your checkout time. If the FSO is unexpectedly closed during its normal

office hours, follow the instructions on the FSO door; better yet, check with the FSO about its upcoming office hours when you check out the exam. The earliest time you may obtain a hard copy of the exam is November 26, 2012 at 8:30 am Pacific. The latest time you may return a hard copy of your answer (provided it's less than 32 hours from your checkout time-stamp) is December 7, 2012 at 4:30 pm Pacific. If you check out a hard copy of the exam on November 30 or December 7, it is due back the same day no later than 4:30 pm Pacific. You may not check out the exam on December 1 or 2.

IF THE TIME STAMPS BETWEEN YOUR EXAM DOWNLOAD/CHECKOUT AND YOUR ANSWER UPLOAD/RETURN ARE MORE THAN 32 HOURS APART, EVEN BY ONE MINUTE, YOU WILL FAIL THE COURSE. **THERE IS NO EXTRA GRACE PERIOD.** NO EXCUSES! If you wait until the last minute to upload or return your answer, your neighbor may be downloading massive amounts of pornography, or there may be an accident on the 101, or something else may go unexpectedly wrong—so *don't wait until the last minute*. Consider the law of diminishing marginal returns in allocating your time.

If you download the exam electronically and return a hard copy answer, or vice-versa, we will try to coordinate your time-stamps, but ALL INFERENCES WILL BE MADE AGAINST YOU.

Some additional thoughts for you:

- All relevant parties are, and all relevant actions take place, in California. Do not discuss any statutes of limitation.
- Prioritize your discussion!
- Read the question very carefully. Answer the questions actually asked. Do not answer questions I didn't ask.
- It's fine to use bullet points, short citation forms and unambiguous abbreviations. Please quote statutes or cases only as necessary to make your point. It's fine to use IRAC/CRAC, but it's also fine to use any methodology that effectively communicates your points.
- If any additional information would help your analysis, indicate what information you'd like and why it would help, and then state your assumptions and proceed with your analysis.
- While generally your answer should be based on legal principles, you are welcome to address other perspectives and concerns.
- The word count cap is a maximum, not a target!

GOOD LUCK ON THE EXAM AND HAVE A GREAT WINTER BREAK!

Question 1 (1,750 words; 70% of exam score)

The dilemma: how to do a pub crawl[1] while continuing to drink alcohol *en route between* bars? The solution: a group-pedaled party bike with room for coolers and a keg, steered by a driver employed by the tour operator. Let's call it a "beerbike." Here's a photo (showing the red-and-white color scheme discussed below):

Peter came up with the beerbike idea on his own but lacked the engineering expertise to design or build it. At a bar (naturally), he met David, who operated a manufacturing business. Peter and David never entered into any written contracts.

While enjoying some beers together, Peter and David sketched out the beerbike's schematics on bar napkins (of course). Using the designs, David manufactured a beerbike and delivered it to Peter. In the interim, Peter developed a list of 50 event planners at various local businesses, with their names, phone numbers, email addresses and general preferences. Peter shared the list with David.

Peter called the business "Traveling Tap" and developed a red-and-white color scheme for the beerbike. Peter launched the business, contacted his list of prospective customers, did some local advertising and ran several public tours. He also developed plans to franchise the business in other metro areas throughout the country and had preliminary conversations with prospective franchise operators.

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[1] Wikipedia defines "pub crawl" as "the act of one or more people drinking in multiple pubs or bars in a single night, normally walking or busing to each one between drinking." https://en.wikipedia.org/wiki/Pub_crawl.

Initially, David wanted to help run the Traveling Tap business. However, the parties had a falling out and David decided to enter the beerbike tour marketplace himself. He built a second bike using the same designs as the Traveling Tap bike, but he added some minor functionality, such as halogen headlights, a more ergonomic keg tap, and built-in misting sprayers to cool off sweaty bike riders. His bike used a blue-and-white color scheme, as depicted below:

Question 1A: Peter is contemplating suing David for trade dress infringement and trade secret misappropriation. Discuss the merits of his claims.

Question 1B: Discuss Peter's ability to obtain patents for some or all of the beerbike. Assume the prior art contains bicycles powered by multiple peddlers (i.e., "party bikes") and "party buses" (i.e., buses that drive partiers from bar to bar while supplying alcohol en route). To the extent you would like to know more about what's in the prior art, please don't do outside research. Instead, tell me what you're looking for and how you might research it. Also, to the extent that event dates matter, explain why, but don't make any assumptions about specific dates.

Question 1C: Explain your top half-dozen or so IP-related decisions Peter could have handled differently that would have hindered David's potential competition more effectively.

Eric's Notes: Do not discuss Peter's trademark rights in the name "Traveling Tap." Regarding patent novelty and priority, apply only the new America Invents Act rules (i.e., those that apply after March 2013), even though the question's facts are stated in the past tense.

Question 2 (750 words; 30% of exam score)

Shel Silverstein wrote the classic, morally ambiguous and sad children's book "The Giving Tree." Assume Harper & Row, the publisher, owns the book's copyrights and that the copyrights are still in effect. Amazon.com's summary of the book:

> In Shel Silverstein's popular tale of few words and simple line drawings, a tree starts out as a leafy playground, shade provider, and apple bearer for a rambunctious little boy. Making the boy happy makes the tree happy, but with time it becomes more challenging for the generous tree to meet his needs. When he asks for money, she suggests that he sell her apples. When he asks for a house, she offers her branches for lumber. When the boy is old, too old and sad to play in the tree, he asks the tree for a boat. She suggests that he cut her down to a stump so he can craft a boat out of her trunk. He unthinkingly does it. At this point in the story, the double-page spread shows a pathetic solitary stump, poignantly cut down to the heart the boy once carved into the tree as a child that said "M.E. + T." "And then the tree was happy...but not really." When there's nothing left of her, the boy returns again as an old man, needing a quiet place to sit and rest. The stump offers up her services, and he sits on it. "And the tree was happy." While the message of this book is unclear (Take and take and take? Give and give and give? Complete self-sacrifice is good? Complete self-sacrifice is infinitely sad?), Silverstein has perhaps deliberately left the book open to interpretation.
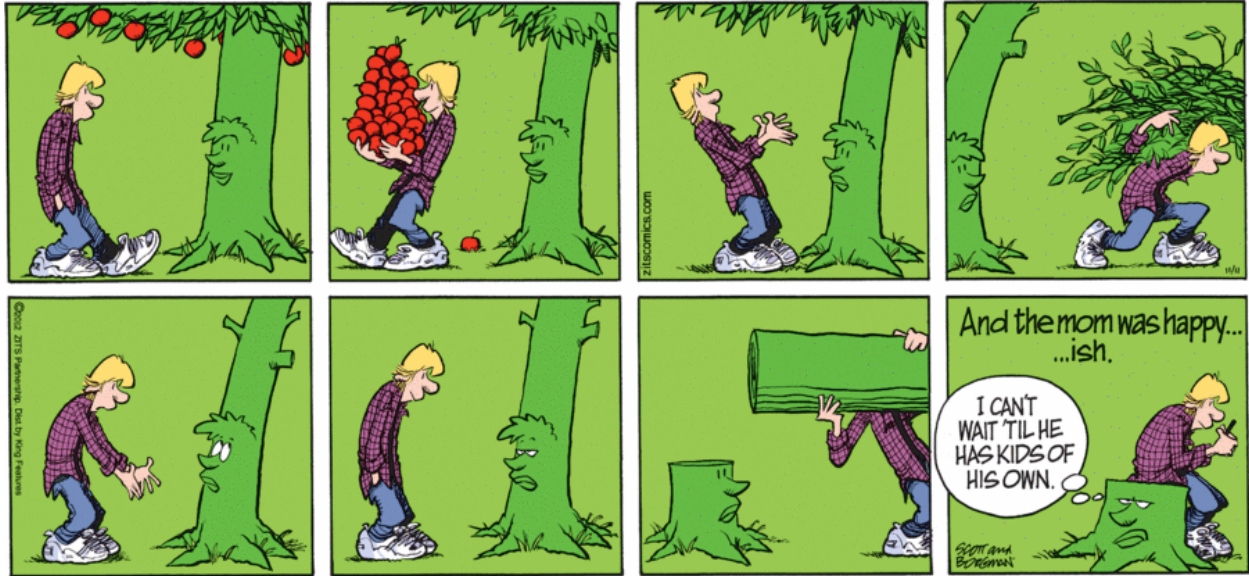
The book's cover, depicting the young boy and the still-intact tree:
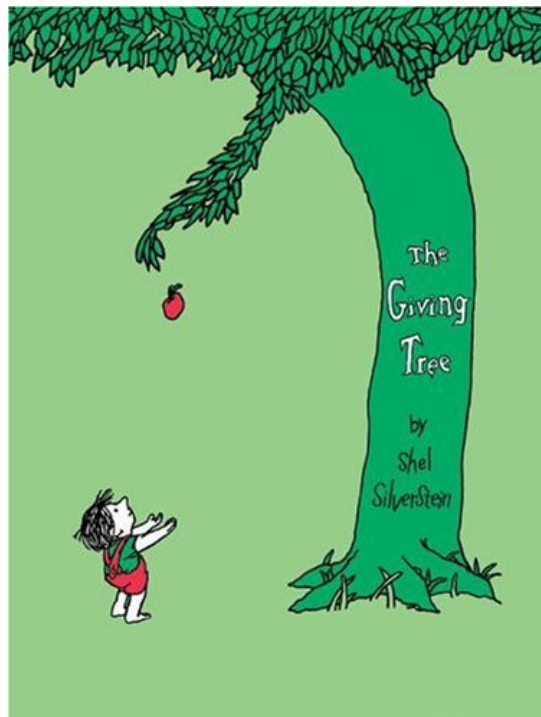
Zits is a popular cartoon strip depicting the pratfalls of a self-absorbed teenage boy (the Wikipedia entry provides more detail, https://en.wikipedia.org/wiki/Zits, but reading it is optional). The face in the tree below represents his mom's face:

Does this comic strip infringe the book's copyrights? Propose some specific suggestions to reduce the copyright infringement risk.

Eric's note: You don't need to read The Giving Tree to answer this question—the summary above accurately captures its essence—but if you feel otherwise, you should be able to find the book in most public libraries. Also, I have placed my personal copy in the Faculty Support Office for your perusal.