I. Overview of Intellectual Property Law

A. 4 Basic Areas of IP Law

1. Patent
   a. Limited monopoly to encourage inventions:
      1.) Patentable subject matter
      2.) Novelty
      3.) Non-obviousness
      4.) Usefulness
   b. Exclusive rights for up to 20 years

2. Copyright
   a. Narrower scope of protection than patents, but easier to get and last longer
   b. Literary and artistic expression
   c. Only protects copying—need substantial similarity

3. Trade Secret
   a. State law protection for relatively secret information that steps have been taken to protect

4. Trademarks

B. Sources of IP Law

1. US Constitution
   a. Article I, Section 8—Patent and Copyrights can be protected
   b. Article 6 (supremacy clause)—clear pronouncement that federal law trumps state law in conflicts.

2. Federal Statutory
   a. Patents and Copyright
   b. Trademark law

3. State Statutory Law
   a. Trademark law is a combination of statutory and common law principles

4. State Common Law
   a. Trade secret law largely matter of common law—torts and contracts principles

C. Role of the IP Lawyer

1. IP Audit: Access the IP liabilities and Assets of the Client

D. Premises of IP Law

1. Natural Rights/Hegel
   a. Natural law theories
      1.) Locke—one has a right to the produce of their own labor
      a) Public can still trump the right because of the lockean proviso that one must leave as much and as good for others
      b) Hettinger: Also limited because one can only claim added value
      c) Should the creator’s rights be absolute>
        i. Is the public harmed if it relies on a good being made available that it is then later removed?
ii. What if the labor of others might have achieved the same thing?

2.) Hegel—one has a right to property as an extension of personhood
   a) Is a creation ever wholly original? In recent years there has been a movement to expose authorship as a social construct.
   b) View that to be a person you need control over your external environment, to have control need to have property rights
   c) Radin’s view that discrete units may be more important than total assets—a specific loss may be worse than a generalized nebulous loss
      i. Some items fungible, others so personal can not get “just” compensation

3.) *Enrich Inventor

2. Utilitarian Perspective
   a. There is no natural right to intellectual property, but we protect it because we want to induce socially useful behaviors
      1.) Information as a public good—may be used by many without depletion and it is hard to identify the “free riders”
      2.) With some public goods, government steps in and pays—with others like information, the government corrects for a possible undersupply of the good by balancing the costs and benefits of protecting IP in regulatory scheme
         a) Costs of IP Law:
            i. Limit the diffusion of Goods
            ii. Prevent the greatest number from benefiting
            iii. Preventing competition
            iv. Counter to the free market
               (a) Allowing a complete monopoly allows price jacking and prevents others from improving on the product
               (b) Some argue that the market itself is sufficient incentive to create—it may be hard/costly to duplicate an innovation, the “lead time” may be sufficient to recoup one’s investment.
   b. Underpinning of US IP law—in contrast European IP law relies on natural law justification
   c. *Enrich Society

3. Why Property Right? Why not another kind of Right?
   a. Fundamental distinction between property and personal rights—property rights are usually transferable while personal rights are usually not.
      1.) Pure property right is descendible—can leave it to one’s heirs
   b. Can have contracts and torts w/o property
c. IP distinct from other kinds of property—everyone can use an idea without diminishing its value or depleting a natural resource
II. Trade Secret Law
   A. Acquisition of Rights
      1. Sources of Protection
         a. Historically a matter of judge made or common law
         b. Restatement of Torts
         c. Restatement (Third) of Unfair Competition
         d. Uniform Trade Secrets Act
            1.) 40 states have adopted
         e. Internationally recognized by Article 39 in the Uruguay Round of
            the GATT TRIPS agreements
      2. Justification for protection
         a. Tort theory—prosecute wrongdoers
         b. Encourage innovation
         c. Arrow’s Information Paradox: Must tell in order to sell, buyers will not buy without knowing, hard to get confidentiality agreement.
      3. Common Elements
         a. Unlike trademarks, patents, and copyrights, there is no independent agency granting rights—the court decides whether or not one has rights when one sues someone for violating those rights
   B. Enforcement of Rights
      1. Common Elements of the Claim of misappropriation
         a. Subject matter must be protectable
            1.) Restatement of Torts provides protection for “any formula, pattern, device, or compilation of information which is used in one’s business and which gives him opportunity to obtain an advantage over competitors.”
               a) Factors:
                  i. Extent to which information is known outside the plaintiff’s business
                  ii. Extent to which information is known by employees and others in the business
                  iii. Extent of measures taken to guard secrecy
                  iv. Value of information to business and its competitors
                  v. Amount of effort or money spent by plaintiff to develop trade secret
                  vi. Ease or difficulty by which others could find out the information
            2.) Restatement (Third) of Unfair Competition § 39 provides protection to “any information that can be used in the operation of a business or other enterprise and that is sufficiently valuable and secret to afford an actual or potential economic advantage over others”
               a) Lacks USTA requirement of “not generally known or readily ascertainable”
3.) USTA § 1 protects “information including, a formula, pattern, compilation, program, device, method, technique or process that”
   a) Has actual or potential independent value from not being generally known to, and not readily ascertainable by proper means by (some states like CA do not include the “readily ascertainable” language
   b) Is the subject of reasonable efforts to maintain its secrecy

4.) Metallurgical Industries v Fourtek
   a) Plaintiff modified existing, known process of reclaiming tungsten carbide. Seller of furnace they modified started his own company.
   b) Held: Modifications may be afforded trade secret protection where they meet the criteria for trade secret protection: are in fact a secret, have a value that gives the plaintiff a competitive edge,
   i. Would have strengthened their case further if they could have shown a confidential relationship with the others they disclosed to.

5.) Is knowledge of what not to do, “blind alleys” a trade secret?
   a) Under the Restatement of Torts, if it is not used in business it is not a trade secret
   b) Restatement of Unfair competition—slightly broader view
   c) Under USTA, gets protection if meet other requires and gives competitive advantage
   d) Some courts do not protect b/c they think that a trade secret needs to be analogous to a patentable invention

6.) Does not need to be unique or novel in patent sense but must be at least original enough to separate it from general knowledge

b. What is disclosure?
   1.) Patent applications
      a) 1999 amendment—if one is seeking patent protection elsewhere in the world, then all US patents are published 18 months after application
   2.) commercial product which embodies the secret
      a) if disclosed by produce, or without restriction during manufacture and development process then loose protection
      b) exception: secrets contained in indecipherable form within the product.
   3.) Disclosure by third party
      a) Some courts have held that the third party who gets the trade secret from disclosure by another is not liable.
   4.) Accidental disclosures
      a) True accident + reasonable precautions = defendant may still be protected
b) Acquiring by accident what is known to be a trade secret is still misappropriation --§ 1 (2)(ii)(C) USTA; Restatement (Third) of Unfair Competition § 40 (b)(4)

5.) Disclosure by Government
   a) Monsanto v. EPA case—government may be liable for blowing trade secret

c. The defendant must have wrongfully acquired the secret
   1.) Misappropriation (USTA)
      a) Acquisition alone is enough to be liable for misappropriation—only question become appropriate remedy if there is no use
      
      b) Acquisition or use by improper means
         i. **E.I. duPont deNemours v. Rolfe Christopher**
            (a) Defendant was hired to take aerial photographs of the new plant DuPont was constructing.
            (b) Held: The only proper means of obtaining a trade secret without permission is by reverse engineering, independent innovation, or permission. It is improper to obtain the trade secret, even by lawful, non-tortious means without permission while the company is taking reasonable precautions.
            (1) Can have improper means without having the basis for an independent tort.

      c) Acquisition or use that is a breach of confidence
         i. **Smith v. Dravo Corp.**
            (a) Smith sued Dravo for misappropriating trade secrets disclosed during negotiations to sell business.
            (b) Held: confidential relationship between the parties could be implied because the defendants were aware of the limited purpose of the disclosures—to sell the business.

         ii. Unsolicited ideas: plaintiff bears the burden of making it clear to defendant that he considers the idea to be his property

         iii. Restatement (Third) of Unfair Competition § 41
             (a) Express promise of confidentiality
             (b) Disclosure under circumstances in which relationship or other facts justify finding that
                (1) Defendant knew or had reason to know that the disclosure was supposed to be confidential (some courts require actual knowledge).
                (2) Plaintiff was reasonable in inferring that the defendant consented to keep the information confidential.

         iv. Courts often reluctant to imply a contract where parties had the opportunity to contract and didn’t.
d) Knowing receipt of information obtained by breach of confidence or improper means § 757 (c) of the Restatement of Torts.
   i. Chicago Lock v. Fanberg
      (a) Because of the locksmiths are not misappropriators, Fanberg is also not a misappropriator.

e) Knowing receipt of info disclosed by mistake

2.) Problems with focusing too much on the conduct of the defendant
   a) If focus too much on the misconduct of the defendant risk granting a remedy when getting the trade secret improperly didn’t give the defendant any more advantage than getting it properly
   b) Don’t want to protect that which is not a trade secret—even if defendant thought he was “stealing.”

d. The plaintiff must have taken reasonable precautions to keep the secret
   1.) As noted in Metallurgical—reasonable efforts does not mean absolute secrecy—balancing test of cost benefit analysis under the circumstances
      a) What is a limited disclosure?
         i. Necessary and sufficient to further an economic interest?
      b) Court could imply contract of confidentiality based on surrounding circumstances, prior dealings.
      c) Metallurgical may be saying that when one acquires a trade secret by improper means they can not attempt to defend by saying that they could have acquired it by proper means—closer to pure tort matter with no defense of contributory negligence
         i. Defendants could have argued that there was no trade secret at all here, and thus no consideration for his promise not to disclose.
   2.) In states like CA which have eliminated the “readily ascertainable” language”, if secret is not generally known it does not matter if it is generally ascertainable
      3.) Rockwell v. DEV
         a) Former employees used piece part drawings which were kept in a locked vault, but shared with employees and subcontractors who needed copies.
         b) Held: Reasonable precautions is determined by doing a balance test to determine whether doing more would have been reasonable given the costs of adding more protections.
            i. Remanded because could not say as a matter of law that efforts were unreasonable.
4.) Courts split over why they require reasonable efforts to maintain secrecy:
   a) Evidence that a trade secret exists—but can not create a secret just by treating like a secret—USTA § 1 (4) makes clear
      i. Restatement (Third) of Unfair Competition does not require reasonable precautions—just use as evidence of value and secrecy of the information.
   b) Evidence that defendant wrongfully acquired trade secret by eliminating the possibility that they got it through proper means

5.) Types of Reasonable Precautions
   a) Contractual security
      i. Express contracts with vendors and employees of confidentiality
      ii. Legends stamped on trade secrets
      iii. Implied contracts—i.e. Smith v. Dravo
   b) Physical security
      i. Limited access, locks
      ii. Look to surrounding circumstances to determine necessity
         (a) Electro-Craft Corp. v. Controlled Motion—where industrial espionage is not a problem may be able to still find a trade secret even if lax physical security if other reasonable measures to preserve secrecy have been taken
   c) Legal protection further reduces the need for perfect security

2. Defense of Reverse Engineering
   a. Data General—mere fact that could reverse engineer not enough to relieve defendant of misappropriation
   b. Chicago Lock Co. v. Fanberg
      1.) Fanberg sold book of key codes complied by locksmiths.
      2.) Held: Obtaining the reverse engineering data of others is not improper means where neither they nor the lock owners were under any duty of confidentiality to the company.

3. Remedies
   a. Trying to achieve congruence between the wrong committed and the damage done
   b. Injunction
      1.) Lead-time injunction—enjoined from using for as long as it would have taken them to get by proper means
   c. Monetary damages
      1.) Restitution of ill-gotten gains—defendant’s profits
      2.) Damages for past injury—plaintiff’s damages
      3.) If deny injunction, can charge a reasonable royalty—court ordered licensing agreement
4.) Can be in addition to or in lieu of injunction
d. Declaratory relief—i.e. Warner-Lambert.
e. In many cases misappropriation may also be a crime/independent torts
   1.) Economic Espionage Act of 1996
      a) §1839—broad definition of trade secret
      b) §1831 and § 1832—both punish individuals who takes, copies, downloads, uploads, alters, destroys, communicates, buys, or possesses—broad range of activities—not limited to improper means
         i. appears to prohibit some kinds of reverse engineering
f. USTA may be able to get attorney’s fees if bad faith is shown
   1.) District court issued injunction preventing Head from using trade secret obtained through former employee.
   2.) Held: The length of time of the preliminary injunction should be taken into account where it can be found that it served the same purpose as the permanent injunction and properly deprived the defendant of the benefits of the trade secret.

C. Transfer/Exploitation of Rights
   1. Difference from industrial espionage?
      a. Moral distinction—implicit consent to reverse engineering when put the product on the market?
   2. licensing—evidence that a secret has value and is worth protecting
      a. but can also argue that plaintiff is not trying to keep the information secret—just profit from its disclosure.
         1.) Listerine inventor licensed to Lambert, but the formula since became public knowledge.
         2.) Held: Agreement is still valid where the agreement contains no provision that it becomes void upon the trade secret becoming public knowledge and is unambiguously intended to be effective as long as the product is manufactured.
            a) Different from patent/copyright—would not be able to use contract to extend protection otherwise available at law.
            b) Issue of whether IP laws should be mandatory or default rules permeates all IP law

D. Special Case of Departing Employees
   1. common way that trade secrets are misappropriated
   2. General Rule: Free to take skills, knowledge, Training, and experience.
   3. Some problems can be resolved by contract
      a. Employee inventions
         1.) Licensing agreements
         2.) Assignment agreements
            a) Might supplement with “trailer agreements” i.e. all inventions within one year . . .
3.) **Wexler v. Greenberg**
   a) Research chemist took knowledge of formulas that he developed to Brite—no express contract.
   b) **Held:** An employer is only protected where the disclosure by the employee violates an express agreement or a confidential relationship. No protection where as here, formulas as result of routine work of changing and modifying existing formulas—no experimentation or research, and his formulas were the fruits of his own labor without assistance from the employer in terms of information, supervision, or expense.
   i. Key that he was not hired to invent

4.) Courts may extend express confidentiality agreements to cover information contributed by employee

5.) General Rules for Patentable Inventions
   a) Hired to invent: Employer owns invention
   b) Invent in “Shop”—employer has limited non-exclusive “shop right” to invention
   c) Independent Invention—Employee owns

b. Competition/disclosure
   1.) Confidentiality agreements
      a) What about “inevitable” disclosure
         i. PepsiCo v. Redmond: issued an injunction where it was inevitable that a former marketing director would use his knowledge to help his new employer Quaker.
   2.) Nonsolicitation agreements
      a) Right to raid employees—general rule: if no express contract can raid employees
         i. But soliciting employees before you have left employment may be a breach of loyalty
      b) Can be implied where employee was hired to create customer base
   3.) Covenants not to compete
      a) Can not be implied
      b) VA Test
         i. “no greater than necessary to protect legitimate business interest”
         ii. not unduly harsh and oppressive
         iii. sound public policy
         iv. does not require trade misappropriation
      c) NY—limit enforceability to situations where trade secrets are likely to be used or disclosed.
      d) CA—basic presumption that noncompetes are void in employment contract by statute.
   c. Whether implied or express, must be reasonable
      1.) Some courts may modify to make reasonable
E. Trade Secrets and Computers

1. How to Protect Computer Software
   a. Copyright—could be viewed as a writing protectable by copyright; graphic screen interfaces can be literary works
   b. Patent—functions as a machine
   c. Trade secret—possible to mass distribute in object code form and protect the trade secret in human readable form
   d. Trademarks—graphic user interfaces may be distinguishing marks

2. Evolving nature:
   a. Mainframe era—thought that hardware was main product, software mainly protected by trade secret
   b. PC era—became clear that trade secret protection not sufficient for mass distributed applications, copyright and patent protections available
   c. Internet Era—domain names big issue,
      1.) Digital Millennium Copyright Act and UCITA in effect make digital trade secrets

   a. Digital developed a competing computer by obtaining drawings which were given to customers for maintenance purposes.
   b. Held: It is a jury as to whether limiting drawings to those who needed them for maintenance, obtaining confidentiality agreements, and stamping drawings was reasonable measures to protect the trade secret.
      1.) Bigger problem now: how to protect mass-marketed software—is building contract in enough?
III. Trademarks, Trade Dress, and Unfair Competition

A. Acquisition of Rights

1. History
   a. Originally matter of common law—prevented customer confusion by preventing use of the same or similar mark on same product
   b. Now dual federal and state protection
      1.) Fed: Lanham Act—Congress protected trademarks under the commerce clause b/c did not fall under patent and copyright

2. What can be Protected as a Trademark?
   a. Types of Marks
      1.) Lanham Act § 45 defines trademark as “any word, name, symbol, or device or combination thereof used by a person or which a person has a bona fide intent to use in commerce and applies to register under the act, which is used to identify and distinguish goods from those of others and indicate the source of the goods, even if that source is unknown.
      2.) Trademark does not cover service mark—used to identify services which are identified by § 45 as “any word, name, symbol or device or any combination thereof, used by a person or which a person has a bona fide intent to use and applies to register, which is used to identify and distinguish services from those of others and indicate source of services even if that source is unknown. Titles, character names, and other distinctive features on radio and TV may be registered as service marks even if they may advertise the goods of the sponsor.
      3.) Trade names—may be a trade mark or a service mark but is used to identify the business itself—not registerable just as a trade name
      4.) Certification Mark—used to show independent certificate of quality—“used by a person other than its owner to certify regional or other original, material, mode of manufacture, quality, accuracy or other characteristic of such person’s goods or services or that the work or labor on the goods or services was performed by members of a certain organization"
         a) Subject to cancellation per lanham act § 14 if the organization no longer exercises sufficient control over its members to assure consistent standards
      5.) Collective mark—identifies membership in a group. Used by cooperative association or other collective group or organization. For use only by members—indicating membership not product.

b. Color, Fragrance, Sounds
   1.) Qualitex v. Jacobson Products Co.
a) Qualitex has made green-gold pads for dry cleaning presses for a number of years sued Jacobson for selling pads of the same color.

b) Held: A product’s color may be trademarked when the other criteria for a trademark are met, and there are no grounds for a functionality exception.

c) Scent, shape, sound, color may all be trademarked the same as descriptive words once over time they acquire secondary meaning and come to indicate the source of the goods.

c. Trade Dress and Product Configuration
1.) Can register trade dress—the design and packaging of material, and product configuration—shape and design of product itself
2.) But more often protected under Lanham Act § 43—federal common law protection for trademarks and related source identifiers which are used in commerce but not registered

3. Establishment and Extension of Trademark Rights
a. Two ways to get Lanham Act Protection
1.) Register
   a) by following § 1 of the Lanham Act—have to show use in commerce (a)(1) or intent to use (b)(1) (get 6 months plus one 6 month extension with additional extension for good cause).
   b) Get national geographic priority
2.) Lanham Act § 43—protection for trademarks and related source identifiers which are used in commerce but not registered
b. Distinctiveness
1.) Classifications of Marks and Requirements for Protection
   a) Whether something may be trademarked, and the degree of protection, depends on the strength of the mark:

<table>
<thead>
<tr>
<th>Inherently Distinctive</th>
<th>Acquired Distinctiveness</th>
<th>Inherently Unsuitable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fanciful—made up symbol or word, Arbitrary—not completely made up but is arbitrary—camel, Suggestive—not entirely arbitrary—only suggests product or properties—not entirely descriptive</td>
<td>Descriptive, Geographic, Personal names</td>
<td>Generic, functional, deceptive, scandalous</td>
</tr>
</tbody>
</table>
Secondary meaning not necessary | Need secondary meaning—secondary meaning must have become primary meaning to a significant segment of consumers—i.e. Best Buy | Secondary meaning irrelevant
---|---|---
All has to do is begin using, and then claim priority over those who use in confusing way at later date | Gain priority not just upon use but upon acquisition of secondary meaning | Not protectable

b) Secondary meaning—enough that consumers know and associate the product with a single, even if anonymous source.
i. Public thinks of producer not product when they hear the term—ads were successful in changing meaning of terms.
c) **Zatarains, Inc. v. Oak Grove Smoke House, Inc.**
i. Zatarains markets “fish-fry” in cardboard boxes and suing competitor for marketing “fish fry” in clear packets.
ii. Held: Even though “fish-fry” has acquired secondary meaning, competitor has a fair use defense because they are only using the term in its descriptive sense to describe their product. (Lanham Act § 33 (b)(4) fair use defense)
iii. Should secondary meaning limit protection to those geographic areas in which the term has acquired secondary meaning?
   (a) Yes, 9th Cir. Adry-Mart case, but no when national restaurant chain—Fuddruckers.
iv. Misspelling or creative phonics do not elevate mark to arbitrary or suggestive stance unless imagination is required to connect the term with the product.
   (a) Courts spilt over whether foreign words are descriptive

2.) Distinctiveness of Trade Dress and Product Configuration
a) **Two Pesos v. Taco Cabana**
i. Taco Cabana sued Two Pesos which opened a new restaurant with a similar motif.
ii. Held: Unregistered trade dress may be protected under § 43 of the Lanham Act even if it has not acquired secondary meaning if it is inherently distinctive.
(a) Important to the court that Two Pesos was also the misappropriator of Taco Cabanas trade secrets.

b) **Knitwaves v. Lollytogs**
   i. Lollytogs introduced sweater similar to Knitwaves.
   ii. Held: While product design may be protected under trade dress protections, the party seeking protection must show that the design is intended to serve primarily as source designator and identifies or distinguishes the source.
   iii. Creates new problem: Is it trade dress or is it product configuration
   iv. Restatement (Third) of Unfair Competition § 16 (b)
      (a) Protected only when copy confuses customers as to the source of the goods—to confuse customers the design must identify the source
   v. 3rd Cir. Test. Protected if:
      (a) unusually memorable
      (b) capable of being conceptually separated from the product
      (c) primarily functions as a source identifier

  c) **Wal-Mart Stores, Inc. v. Samara Bros.**
   i. Wal-Mart copied a line of children’s clothing.
   ii. Held: A product design is distinctive and therefore protectable only upon a showing of secondary meaning.
      (a) Not every category of trademarks must include inherently distinctive items
      (b) Product design different from trade dress because packaging it serves a variety of functions besides just identifying the source.
      (c) Treat functional items differently to protect consumers—Lanham Act §43 (a)(3) amended to require that those seeking trade dress infringement must show non-functional.

c. **Priority**
   1.) Lanham Act § 45 (a) requires that a trade mark either be used in commerce or registered with the intent to use.
   2.) Zazu Designs v. L’Oreal
      a) L’Oreal used the Zazu mark on hair colors and registered after paying clothing manufacturer. Zazu had state trade name for hair salon and wanted to use it on hair products.
      b) Held: A few limited sales are not enough to give priority over a mark used in a national campaign—use for priority must be more than use that would be sufficient to register the mark. No common law rights for intent to use.
      c) Can now get protection for intent to use if register under § 1 of the Lanham act.
i. But widely believed that there is now a stricter standard for use than mere token use.

d) Bad faith can in some cases, as dissent argued and Blue Bell held prevent a company from winning the race to marketplace.

e) In some cases, ads can be enough of an adoption and use of a mark to give priority as well as to create secondary meaning, but mere promotional use is not enough.

3.) Brookfield Communications v. West Coast Entertainment Corp.

a) Brookfield made software for entertainment industry called moviebuff sued West Coast for registering moviebuff.com. West coast had a service mark on “the movie buff’s movie store.”

b) Held: Using movie buff as part of slogan did not establish priority through “tacking” because it was not either equivalent to the mark or indistinguishable from it. Mark is protected even though the companies used it on non-identical products where there is a likelihood of confusion and to allow for the natural expansion into other product lines.

4.) Geographic limitations on Trademark use

a) Common law unregistered marks are only protected where used.

i. Exceptions:
   (a) Entitled to use where have reputation
   (b) Entitled to use in areas of natural expansion

ii. Earliest user in that area has protection

b) National registration gives national protection

i. If two marks used in different areas both try to register, and the PTO finds no likelihood of confusion may allow concurrent registration

ii. “Dawn Donut Rule”—courts have allowed junior users to continue sales in areas not used by the trademark owners—but if the trademark owner entered the area, the junior user would have to stop.

5.) Priority disputes often resolved by Trademark Trial and Appeal Board through oppositions or interferences to registration under § 13 of the Lanham act.

6.) Use by 3rd parties—Consumers may give a product a nickname—does the company have priority?

a) Courts tend to protect consumer associations

7.) Use by licensees under § 5 of the Lanham act can be enough to give priority as long as the licensor retains sufficient control over the goods or services.

8.) Descriptive marks and priority use

a) Some courts may protect under a doctrine of “secondary meaning in the making” but almost all find that contrary to
the Lanham act’s policy even if there was bad faith on the part of the misappropriator.

b) Trademark office policy is grant registration to first to acquire secondary meaning regardless of when the marks were used.

9.) Priority can be gained through contract—by license or covenant not to sue

d. Trademark Office Procedures

1.) Principal v. Supplemental Register

a) Advantages to Registration

i. Nationwide priority and constructive notice to other users

ii. The possibility of the mark becoming incontestable under Lanham Act § 15

iii. Right to bring a federal cause of action

b) Available to public soon after filing

b) Available to public soon after filing

c) Supplemental register allows marks which do not meet the Lanham act’s criteria register to gain protection in other countries with less stringent criteria.

2.) Grounds for refusing registration

a) § 2 of the Lanham Act

i. Can not register (actual section letters)

(a) Immoral, deceptive, scandalous matter which disparages or falsely suggests a connection with living or dead persons, institutions, beliefs, or national symbols, or which suggests false geographic origin for wines produced after WTO goes into effect

(b) Flags of state or national government

(c) Name, portrait, or signature of living person without consent or dead president without consent of his living widow

(d) Likely to cause confusion with another registered mark or mark used in trade—if confusion not likely PTO has option of concurrent registrations

(e) Consists of mark which is (1) merely descriptive or (2) primarily geographically descriptive or (3) primarily geographically deceptively misdiscriptive or is (4) primarily merely a surname or (5) is functional

(f) Except as excluded by (a)(b)(c)(d) and (e)(3) nothing prevents registration of goods which have become distinctive through acquiring secondary meaning. After two years of continuous use secondary meaning is presumed.

b) Immoral or scandalous Marks

i. Harjo v. Pro-Football Inc.
(a) Native Americans wish Trademark Trial and Appeal Board to cancel the “Washington Redskins” on the grounds that is derogatory, degrading, and offensive.

(b) Held: a scandalous or disparaging mark may be cancelled after a two part examination 1) what is the likely meaning of the term and 3) whether it is scandalous to a substantial composite of the general public or disparaging to the affected group. Cancelled because the mark disparages native Americans as perceived by a substantial percentage of native Americans.

ii. Old Glory Condom Corp—board allowed registration.

c) Geographic marks

i. In Re Nantucket

(a) Nantucket is a NC company that makes men’s shirts

(b) United States Court of Customs and Patent appeals held that a mark may only be refused registration on the ground that is geographically misdescriptive if it is likely that consumer will be deceived based on the role of the product in the market place.

ii. § 2(e) allows geographic marks that serve as an appellation of origin to be registered under § 4 as certification or collective marks.

iii. Reconciling §2(e) with §2(a)—it is deceptively misdescriptive use which is prohibited—geographically misdescriptive terms like Alaskan Bananas can be registered under §2(e) if they are shown to have acquired secondary meaning.

(a) Don’t need secondary meaning if inherently distinctive—Antarctic beer

(b) Difference is whether anyone would care—2(a) only prevents material consumer deception, 2(e) deals with immaterial deception “glass wax”

iv. 2(f) now excludes primarily geographically misdescriptive terms used after 1993 as part of GATT TRIPS treaty.

(a) Now the only to register deceptively geographically misdescriptive terms is to argue that they are so obviously misdescriptive as to be arbitrary—Alaskan bananas

(d) “primarily merely a surname”

i. test under Ex Parte Rivera Watch Corporation What is the Primary Significance to the purchasing public

ii. hesitance comes from old common law policy in favor of the right to use one’s own name.

3.) Opposition
a) § 13(a) of Lanham act—anyone who believes they would be damaged by a registration of a mark upon the principal register may file within 30 days of the publication an opposition

b) Have to plead
   i. Likely to be damaged (standing)
   ii. Valid legal grounds why mark should not be granted

4.) Cancellation
   a) §14 allows a mark to be challenged even after it has been registered

5.) Concurrent registration
   a) §2(d) allows for concurrent registration of similar marks where consumer confusion is not likely to result—burden on junior user to show no confusion. Exceptions
      i. PTO not required to grant registration contrary to an agreement between the parties
      ii. Where junior user first to register, junior user gets national rights subject to the senior user’s territorial rights
      iii. Area of mutual nonuse may be maintained if this is the only way to avoid likelihood of confusion.

e. Incontestability
   1.) Park 'N Fly, Inc. v. Dollar Park and Fly
      a) Park 'N Fly’s mark became incontestable per §15 of the Lanham Act (5 years of continuous use + filing of affidavit within one year after any such 5 year period) and filed infringement action against Dollar who counterclaimed that the mark should be canceled because it was generic and merely descriptive.
      b) Per § 15, under § 14 (3) a mark can be cancelled at any time if it becomes generic, but it can not be challenged for being merely descriptive. §33 (b) provides that registration is conclusive evidence of exclusive subject only to (actual numbers):
         (1) Fraudulently registration
         (2) Abandonment
         (3) Used to misrepresent goods or services
         (4) Fair use defense—use of term in descriptive sense, use of own name, or to describe geographic origin
         (5) Defendant has continuously used mark since prior to plaintiff’s registration or publication. Defense only for area of continuous use.
         (6) Defendant’s mark was registered and used prior to the publication of plaintiff’s registration
         (7) Mark violates antitrust laws
         (8) Mark is functional
         (9) Equitable principles are applicable
c) Strong Dissent: Should not be able to go to court to enforce as incontestable a mark of the sort that congress has said is inherently unregisterable especially where the registrant has not complied and submitted evidence of secondary meaning. But statute seems to make it clear that descriptive not a defense

f. International Trademark Practice
1.) The Madrid Treaty, which the US has never signed, allows registration in one country to serve as an international registration
   a) Priority under MTA is a first to register system
2.) Lanham Act § 42 (d)(2) allows foreigners to file for US registration based on the fact that they have filed in their home country.

g. Gray market under Lanham Act § 42 the US prohibits the importation of goods bearing a registered US trademark without the consent of the trademark owner.

B. Enforcement of Rights
1. Infringement
   a. Likelihood of Confusion
      1.) § 32 of the Lanham act (§ 43 for unregistered marks) prohibits use in commerce that is likely to cause confusion.
      2.) AMF c. Sleekcraft Boats
         a) AMF which makes slickcraft boats for families sued sleekcraft which makes boats for racers.
         b) Held: Granted Limited Injunction because infringement is found if the marks are sufficiently similar so that confusion can be expected.
            i. Factors (May Vary some by circuit):
               (a) Strength of the mark
               (b) Proximity of the goods
                  (1) The more closely related products are in use and function, the more diminished the standard of similarity in comparing the marks
               (c) Similarity of the marks—sight, sound, meaning
               (d) Evidence of actual confusion
                  (1) Testing reasonable consumer of the product
                  (2) “reasonable minority” enough?
                  (3) 2nd Circuit has held that post sale confusion by third parties can be actionable
               (e) Marketing channels used
               (f) Type of goods and degree of care likely to be found in consumers
               (g) Defendant’s intent
               (h) Likelihood of expansion of product lines
c) Incontestable mark is always a strong mark for purposes of determining likelihood of confusion.

d) Types of Confusion
   i. Confusion as to source
      (a) Early courts held no infringement if no direct competition
      (b) More modern view—proximity is enough
   ii. Confusion as to sponsorship/affiliation
      (a) Same factors used to determine confusion as to either source or affiliation
   iii. Initial interest confusion
      (a) Confusion caused prior to purchasing—i.e. McDonald’s sign by exit, customers end up eating at competitor—some courts have had actionable
      (b) Issue also arises with metatags—i.e. Terri Wells v. Playboy
   iv. Reverse Confusion
      (a) Big company steals smaller company’s trademark—Big O Tires—several courts say that reverse confusion is actionable
      (b) Judge Posner—“dual use trademark” where public not competitor had appropriated to describe another service, court should not stand in the way

b. Dilution
1.) Allows infringement actions even where there is no confusion as to the source—Kodak Bikes—because the company is harmed b/c their trademarks ability to serve as a source identifier is diluted

2.) §43 (c) of the Lanham Act: owner of a famous mark, subject to the principles of equity is entitled to an injunction against another’s commercial use of the mark in commerce if such mark begins after the mark has become famous and dilutes the distinctive quality of the mark.
   a) Factors under 43 (c)—not limited to
      (a) Degree of inherent or acquired distinctiveness of the mark
      (b) Duration and extent of use of the mark
      (c) Geographical extent of use
      (d) Channels of trade used
      (e) Degree of recognition of the mark in the trading areas
      (f) Nature and extent of use by third parties
      (g) Whether the mark is registered
   b) Only remedy is injunction unless willful intent is shown (§ 43 (c)(2)) then can get the remedies under § 35 & 36
   c) Does not preempt state dilution statutes
3.) Courts have recognized two types of dilution: tarnishing and blurring

4.) **Nabisco v. PF Brands**
   a) Pepperidge farms sued Nabisco for dilution for introducing a snack mix including little fish crackers.
   b) Held: Proof of actual dilution is not required for dilution claim. Spilt from Ringling Bros. In 4th Cir. which required proof of an actual consummated harm.
      i. Distinctiveness is separate from famousness—common but famous mark can not claim dilution
      ii. Dilution applies to both post-and pre-sale confusion and to competing and non-competing products

5.) Some state statutes will protect “locally famous” marks. Although §43(c)(1)’s legislative history makes it clear that the fame must extend to “substantial portion of the u.s.” a number of district courts have shown their willingness to protect locally famous marks.

6.) GATT-TRIPS requires that member countries provide some form of dilution protection—but could argue that what it really requires is protection against likelihood of confusion for noncompeting goods.

c. Contributory Infringement
   1.) Number of courts have recognized contributory infringement—borrowing from copyright law.
   2.) Ralph Lauren Case—landlord who knew tenant was engaging in infringement liable.
   3.) No duty to find out—legal obligation only triggered when have actual knowledge

d. False advertising
   1.) § 43 (a)(1)(B) of the Lanham act prohibits false or misleading advertising which “misrepresents the nature characteristics, qualities, or geographic origin of his or her or another person’s goods, services, or commercial activities”.
      a) Really more about unfair competition than property right
   2.) **Johnson & Johnson v. SmithKline**
      a) TUMS advertised that TUMS contained calcium and Mylanta did not.
      b) Held: False advertising must show either literal falsity or that a claim is likely to mislead consumers. Implied falsehood requires the court as a threshold matter to look at what consumers are likely to find to be the message—if there is no confusion, then there can be no false advertising.
      i. Other factors like context, prior ad history, intent, and sophistication of audience do not enter in until confusion is shown unless plaintiff shows that defendant intentionally set out to deceive.
3.) General Rule that isolated statements are not advertising
2. Defenses
   a. Genericness
      1.) Murphy Bed v. Interior Sleep Systems, Inc.
         a) PTO denied Murphy’s trademark registration on the grounds that it had become generic. Sued for infringement after licensee breached terms of distributorship.
         b) Held: “Murphy Bed” is generic. The defendant bears the burden of showing that words that were invented but that have become generic through expropriation.
            i. Where words are already part of common use, the plaintiff bears the burden of showing that an unregistered mark is generic.
            ii. Factors: PTO decision, included in dictionary as generally describing class of goods, used by the media to refer to the class of goods.
            iii. But court still found breach of K to allow Murphy to cancel—held the parties to a bargain for greater protection than the law allowed.
      2.) Some recent cases show that one may have a dilution action against the use by others that threatens to make a mark generic
      3.) Brandeis in National Biscuit—to show that a term is not generic must be able to show that the primary significance to the public is producer not product.
         a) Primary significance to public test now part of § 14 of the Lanham act
            i. Monopoly case—even if public associates name with a single product, determining factor is whether they associate it with a single producer
            b) End of patent protection not always end of trademark protection—just when necessary for the public to have “full enjoyment of the product”
      4.) Tradedress can also become generic
      5.) 2nd Circuit has tried to suggest that even generic marks can be protected against some forms of unfair competition
   b. Functionality
      1.) Stormy Clime v. Pro-Group, Inc.
         a) Stormy Clime sued Pro group for making rain jacket with similar fabric and vents.
         b) Held: Functionality defense applies—the court balances the need to allow competition with the public’s need to avoid confusion.
            i. Functional: “essential to use or purpose, or affects cost or quality—if exclusive use of the feature would put competitors at a significant non-reputational
disadvantage” Qualitex. (really addressing aesthetic functionality”
(a) Essential if dictated by function

2.) **TrafFix Devices, Inc. v. Marketing Displays, Inc.**
   a) Trafix reversed engineered and marketed “windbuster” after MDI’s patents on “windmaster” expired.
   b) Held: An expired patent is strong evidence to the presumption that the feature is functional.
      i. Burden on person wanting trade dress protection to show that it is not functional.
      ii. Inquiries into competitive necessity under the Restatement and Qualitex only arise where aesthetic functionality is alleged.
         (a) Aesthetic functionality—irrational consumer preferences (i.e. Asperol) can affect cost and quality
      iii. Might be different if trying to protect arbitrary, fanciful, incidental or ornamental aspects of patented products.
      iv. Court does not reach question of whether holder of expired patent can ever claim trademark protection under constitution.

3.) Unlike descriptive marks, functional marks may not appear on the supplemental register—because they are not capable of becoming registerable.

4.) Stormy Clime and TrafFix trying to avoid back-door patents—giving patent-like protection without any of patent’s limitations

5.) Restatement (Third) of Unfair Competition § 17
   a) Ultimate inquiry is whether prohibition will significantly hinder competition
   b) Functional design is one that it is costly to do without

   c. Abandonment—§45 of the Lanham Act
   1.) Non use
      a) **MLB, SNOD**
         i. Major League Baseball claiming infringement on Restaurant’s use of “The Brooklyn Dodger”.
         ii. Held: Under Lanham Act § 45 a mark is deemed abandoned when it has been discontinued with intent not to resume—such intent can inferred from lack of use for 2 years [3 now].
   b) Court more likely to find intent to resume use if nonuse was not intentional.
   c) Can not abandon Birth Name.
   d) Humble Oil Co.—token use as “brand maintenance” insufficient to rebut presumption of abandonment

2.) Misuse—destroy distinctive quality of goods
   a) **Dawn Donut Co. v. Hart's Food Stores**
i. Dawn Donuts from MI brought suit against NY food stores which used “dawn” on donuts in Rochester.

ii. Held: While the majority found that although plaintiffs have an affirmative duty to police licensees, dawn’s actions were reasonable. Dissent argued issue remained as to whether Dawn retained sufficient control over the quality of its goods.

b) Lanham Act § 5—licensing can not be done in such a way as to deceive the public.

c) Might be anti-trust problem with tying if licensor requires that licensee buy goods from them without any indication that goods are what mark stands for. More courts now requiring that plaintiff show economic monopoly but also look at disparity of bargaining power.

3.) Assignments in Gross

a) A mark is abandoned under § 10 of the Lanham Act if the holder tries to sell it apart from the goodwill it symbolizes—need some transfer of assets or goodwill

d. Nontrademark or nominative use

1.) New Kids on the Block v. News America Publishing

a) USA Today and STAR had polls with 900 numbers for readers to select their favorite new kid.

b) Held: Fair use defense under the first amendment where 1) there is no other way to describe plaintiff’s product, 2) the defendant uses only as much of the trademark as is necessary and 3) there is no suggestion of sponsorship.

2.) LL Bean v. Drake Publishers

a) High Society published sex parody of LL Bean’s catalog as 2 pages of a 100 page catalog and labeled “parody”.

b) Held: Noncommercial use that is not used to merchandise products or services is protected under the first amendment.

i. Trademark/Trade Dress alone can be commercial speech—Coke

3.) If confusion as to sponsorship is main problem with either parody or nominative use, court could order a disclaimer.

4.) Some courts use balancing test weighing interest in avoiding consumer confusion against public interest in free expression.

e. Parody

1.) Even Commercial Speech is entitled to 1st Amendment protection—but it takes more to chill it—VA Board of Pharmacy

2.) LL Bean v. Drake Publishers

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f. Defenses at Equity

1.) Latches—unreasonable delay in enforcing one’s rights

2.) Acquiescence—inordinate acquiesce to violators can be seen as kind of an implied consent

3.) Unclean Hands—similar abandonment and misuse

4.) Court has discretion to issue under § 34 & 35
5.) Can also raise before PTO under § 19

3. Remedies
   a. Injunctions—Lanham Act § 34
      1.) Prohibitory—prevent defendant from doing something
      2.) Mandatory—make defendant do something
      3.) Can be finely tailored to balance equities—seek congruence of harm and remedy
      4.) Just b/c get injunction does not make trademarks property rights—only get to prevent infringement and dilution—not a right against the world
   b. Monetary Damages—Lanham Act § 35
      1.) Defendant’s profits and plaintiff’s damages
         a) Plaintiff only required to prove defendant’s sales, defendant then proves their costs.
            i. Where competing goods or services, defendant’s profits may be the same as plaintiff’s loss.
         b) Treble damages under §35 (a)—get treble the treble damages as a penalty if use was intentional knowing mark was counterfeit
         c) Lindy Pen v. Bic Pen
            i. Lindy had trademark on “auditor’s pen” and the dc found a likelihood of confusion as to telephone orders only.
            ii. Held: Not entitled to accounting of defendant’s profits because infringement was not willful and deterrence is only necessary where infringement yields a financial reward and not entitled to own damages because did not show with “reasonable certainty” which sales were telephone sales.
               (a) Split some circuits only order accounting of lost profits when there was fraud or palming off, others award even without a showing of willfulness.
               (b) Defendant’s profits: plaintiff sustained damages, unjust enrichment, necessary for deterrence—some courts also look at whether goods are competing.
   2.) Other
      a) Attorneys fees in some cases
      b) Corrective advertising
         i. Big O Tires v. Goodyear
            (a) Goodyear launched nationwide “bigfoot” campaign with knowledge that Big O already had big foot tires.
            (b) Held: Reverse confusion as to the origins of plaintiffs products is infringement and entitles plaintiffs to damages and a proportionate share of the dollars Goodyear spent advertising Bigfoot tires.

4. Trademarks in the Digital Age
a. Protection for User Interface
   1.) Importance of functionality defense—Microsoft v. Apple
      a) Question of whether one should look at dress at whole or purpose of individual elements
      b) Arbitrary elements can become functional—i.e. Intel’s processor chip numbering scheme
   2.) Standardization also stands as a barrier to distinctiveness
      a) If it is the industry standard, it is arguably generic

b. Compatibility and Standardization
   1.) Creative Labs v. Cyrix
      a) Creative Labs claims Cyrix falsely advertised that its microprocessor was compatible with SoundBlaster.
      b) Held: Compatible means that a product supports the same functions, because some games do not properly function there is a likelihood of consumer confusion.
         i. Computer industry depends on accuracy and precision of terms.
   2.) If claims were accurate, would probably have a right to use as comparative advertising

C. Domain names as Trademarks
   1.) Panavision International v. Toeppen
      a) Toeppen registered Panavision.com then tried to sell it to Panavision.
      b) Held: Toeppen’s being in the business of selling back trademark domain names to the original trademark owner amounts to commercial use and is dilution because it diminishes the capacity of the mark to identify goods and services.
   2.) Trademark owner usually wins cybersquatting cases
   3.) Holiday Inns v. 800 Reservation
      a) Defendants used an 800 number that was the most commonly misdialed number for Holiday Inns.
      b) Held: No infringement because the trademark 1-800-Holiday was never used. Defendants did not affirmatively create the customer confusion—they just capitalized on it.
   4.) Terri Wells v. PEI
      a) Former Playboy Playmate of the Year identified her website with playmate of the year.
      b) Held: Fair use defense because the title PMOY is part of her identity—she is allowed to use PEI’s trademarks to accurately describe a characteristic of her goods.
         i. Use of trademarks in metatags is a good faith attempt to identify herself.
            (a) But in other cases, hard to argue that use of competitors name is not actionable
ii. Extending Fair use defense to dilution claim as well—similar to New Kids—nominative use.

5.) Planned Parenthood v. Bucci
   a) Bucci registered Planned Parenthood.com and made anti-abortion website.
   b) Held: The Lanham Act applies because defendant is using the mark “in commerce: 1) affects plaintiffs interstate commerce activities, 2) it is a national, even international site.
   i. Under § 32 it is in connection with the distribution of goods and services or the advertising of goods and services:
      (a) Advertising book of another—no personal profit requirement
      (b) Part of broader set of services and fundraising activities
      (c) Hinders plaintiff’s distribution of goods and services
   ii. Likelihood of confusion under Polaroid factors.
   iii. Not a parody because it does not convey that it is a parody

6.) Jews for Jesus v. Brodsky
   a) Plaintiffs who owned jews-for-jesus.org sued defendant for registering jewsforjesus.org
   b) Held: Both infringement because likelihood of confusion and dilution.
   c) Mere use of domain name may be dilutive

7.) Problem when two legitimate trademark owners dispute who should own domain name:
   a) Could say first come first served
   b) Could award to “most famous” marks
   c) Force co-existence

8.) Suing NSI—courts have found that NSI’s registration policies do not themselves implicate trademark laws

9.) Now have Lanham Act §43 (d) Anti-Cybersquatting Consumer Protection Act
   a) More clear that cancellation and forfeiture of domain name are potential remedies
   b) Shields v. Zuccarini
      i. Shields brought action under §43 (d) for cybersquatting because Zuccarini registered variations of joecartoon.com—typosquatting.
      ii. Held: Cause of action under § 43 (d) because can prove 1) distinctive or famous mark, 2) identical or confusingly similar and 3) bad faith intent to profit.
         (a) Factors under § 43 (d)(1)(B)(i) (not exclusive list)
            (1) Trademark or other IP rights in the domain name
(2) Extent to which domain name consists of legal name for person
(3) Prior use of name in bona fide offering of goods and services
(4) Bona fide noncommercial or fair use of the mark
(5) Intent to divert consumers to a site that could harm the goodwill represented by the mark: for commercial gain or to tarnish or disparage the mark, or creating likelihood of confusion as to source, sponsorship affiliation or endorsement
(6) Person’s offer to transfer, sell, or assign domain name for financial gain or pattern of conduct indicating such behavior
(7) Providing false and misleading information when registering the domain name or pattern
(8) Registrations of multiple domain names which are identical or confusingly similar to the distinctive marks of others or dilutive to famous marks
(9) Extent to which mark is not distinctive and famous

C. Transfer/Exploitation of Rights
1. licensing
   a. Extension by Contract: Licensing and Franchising
      1.) Trademarks have increasingly become products of their own.
      2.) Franchising at heart of Trademark Licensing—right to use logo
   2. nonlicensing—agreement not to use trade secrets
   3. assignment—transfer by gift, testament or contract
IV. State Law and Federal Preemption

A. State Intellectual Property/Unfair Competition Law

1. Tort of Misappropriation
   a. INS (International News Service) v. Associated Press
      1.) INS copied AP’s news by copying bulletin boards, early editions and sold it to its subscribers.
      2.) Held: While there is no exclusive property right in the news, there is a cause of action for unfair competition where a competitor unreasonable interferes with another’s right to profit from their labor.
         a) Treats as property only to get equity jurisdiction to issue injunction
         b) Holmes: attribution of source of news should be enough
   3.) Erie abolished federal common law, but INS was adopted by many state supreme courts. Modern cause of action (2nd Cir—NBA case):
      a) Plaintiff generates or gathers information at a cost
      b) Information is time sensitive
      c) Defendant is free-riding
      d) Defendant is in direct competition with plaintiff
      e) Ability to free-ride would reduce incentive to produce product

2. Common Law Copyright
   a. Estate of Hemingway v. Random House
      1.) Hemingway had several conversations with his friend Hotchner which Hotchner later turned into a book.
      2.) Held: No common law copyright because Hemingway did not regard the conversations as literary works and consented to Hotchner’s use.
         a) Might be special situation where oral statements would be protected under common law copyright where both parties understand the statements to be the unique intellectual product of the principal speaker—must be some indication by speaker that he wished to retain control over publication.

3. Idea Submissions
   a. Downey v. General Foods Corp.
      1.) Downey suggested to Jello on Jello’s form that they use “wiggle” as a advertising campaign.
      2.) Held: Idea may be property right—but no protection unless idea is novel and unique. Here not novel, and Jello independently came up with it.
      3.) Using novelty as a filtering device in implied K cases—not going to imply a contract unless idea was worth something.
   b. Desny v. Wilde
      1.) Told idea to wilder’s secretary
2.) Held: Act of disclosing an unprotectable idea, if that act is bargained for, may be consideration to support promise to pay. Ideas may be protected by contract—which may be express or implied as long as the bargain was made prior to disclosure. There was no such contractual obligation in the instant case.
   a) Contrast w/ Buchwald—broad agreement to compensate, plaintiff wins.
3.) Hollywood now has script registry to make this process smoother.
4. Right of Publicity
      1.) Ford which had rights to song, hired sound-alike to imitate Midler's voice after she declined to do commercial.
      2.) Held: Midler has a right of publicity against the use of her voice—an appropriation of the attributes of her identity.
         a) Going beyond CA § 3344
         b) Could have just said unfair competition because palming off
         c) NJ—right of publicity even after death.
            i. By saying right is descendible, personal rights are becoming property rights.
   b. White v. Samsung
      1.) Samsung commercial used robot w/ blond wig and letters.
      2.) Held: It is a tort to appropriate celebrities identity—to remind public of celebrity.
      3.) Strong Dissent: No limitations on this right—should be a parody exception. Conflicts with copyright law—interferes with other states interests.
5. Moral Rights
   a. Federal Copyright law § 106A now provides limited protection for visual artist’s moral rights
   b. Some states supplement with separate state moral rights statutes that protect works of “recognized quality” from alternation or destruction in public view.
   c. NY emphasizes value of reputation and the right to disclaim authorship
B. Federal Preemption
   1. 2 separate inquiries
      a. Does state protection violate constitution
      b. Does state protection violate supremacy clause
         1.) Does state law stand as an obstacle to federal goals and policies
   2. patent
      a. Sears Roebuck & Co. v. Stiffel Company
         1.) Stiffel’s pole lamp is not protected under patent law, but district court found protection under unfair competition law of state.
2.) Held: Copying can not be protected—if there is no patent, the idea is in the public domain and the state can not preempt the boundaries of federal patent law.

3.) Dictum: state may protect consumers from confusion—require goods be labeled, protect trademarks, tradedress to prevent confusion as to source.

b. Kewanee Oil v. Bicron

1.) Conflict in circuits over whether state trade secret protection is preempted by patent law
2.) Holding: No preemption because trade secret law does not run risk of deterring patent applications.
3.) Dictum: Would preempt if risk of inventors choosing trade secret law over patent law.
4.) Have one year after beginning commercial use to elect or forgo patent protection.

c. Bonito Boats v. Thundercraft

1.) Fla statute protects boat hull designs
2.) Held: Preempted because unlike traditional state unfair competition laws the state is not protecting consumers from protection but rather offering unlimited property right to designers w/o a reverse engineering exception.
3.) Federal Copyright law now protects boat hulls.

3. copyright

a. Goldstein v. CA

1.) Prior to copyright amendments protecting recordings, CA law made it a crime to pirate record recordings.
2.) Held: State can act where federal government has not, and where its action is not contrary to federal policy.

b. Now preemption clause is 17 USC § 301

1.) States can provide remedies as long as not equivalent to copyright
2.) Test: state law is okay if the cause of action requires "an extra element:"


1.) License restricted national’s use of the software to internal use.
2.) Held: Copyright act does not preempt state breach of K acts against licensee because the state action is not protecting rights equivalent to copyright—not alleging distribution of copies.

4. Trademark Preemption

a. Congressional intent that should Coexists with state law—but some courts still find preemption and where state law is “at odds with congressional purpose"