Copyright, Patent, Trademark

Professor McCarty
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Final Examination
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This is a FOUR HOUR examination, consisting of THREE questions on EIGHT pages. You should allocate 75 MINUTES to each question, and reserve 15 MINUTES for additions and corrections. The examination is OPEN BOOK, but you are to take it IN CLASS.

Please organize your analysis carefully before you begin to write, and strive for conciseness as well as completeness. If you think additional facts are necessary, you should state briefly what facts you would like to know and why you think they would be relevant. Whenever you discover an arguable issue in these cases, you should state carefully the best arguments that can be made on either side, and then continue your analysis in the alternative. Finally, you should be careful to consider all aspects of intellectual property law that might be applicable to the present problems, e.g., Copyright, Patent, Trademark, and Related State Doctrines.

QUESTION I

In 1939, MGM produced and copyrighted the movie The Wizard of Oz, in which the central character, Dorothy, was played by Judy Garland. The copyright was renewed in 1966. In 1987, MGM licensed Colonial Crafts of Chicago, a manufacturer of porcelain dinnerware, to use various characters and scenes from the movie in a special series of commemorative plates. Colonial Crafts thereupon invited several artists in the Chicago area to submit paintings of Judy Garland’s Dorothy, with the understanding that the artist who submitted the best painting would be offered a contract for the entire series. Colonial Crafts supplied each artist with photographs from the movie, and their instructions for the painting included the following:
We do want your interpretation of these images, but your interpretation must evoke all the warm feelings that people have for the film and its actors. So, your Judy/Dorothy must be very recognizable as everybody’s Judy/Dorothy.

One of the photographs supplied to the artists is reprinted in Figure 1.

After some discussion, June Greene, an amateur artist and an employee in Colonial Crafts’ accounting department, was allowed to join the competition. She was an avid Judy Garland fan, and she had seen The Wizard of Oz many times. From the photographs supplied by Colonial Crafts and from her own recollections of the movie, she created the painting shown in Figure 2. The executive officers of Colonial Crafts were unanimous in selecting this as the best of the entries. They had exhibited all the paintings in a shopping mall for
three weeks, and the public had overwhelmingly endorsed Greene’s painting as the favorite. In their announcement of the winner, Colonial Crafts stated that Greene’s entry “was the one painting that conveyed the essence of Judy Garland’s character in the film … the painting that left everyone saying, ‘That’s Dorothy in Oz’.” Accordingly, they presented her with a check for $500 as first prize, and offered her a contract for the series of commemorative plates. However, Greene was unhappy with the terms of the contract. She accepted the $500 check, but rejected the contract offer, and promptly took the painting home with her.

These events were extremely embarrassing for Colonial Crafts. Their response was to give the contract to a commercial artist, Hiroshi Kurokawa, who had not been a participant in the original competition. For the por-
trait of Dorothy, they showed Kurokawa a color photograph of Greene’s painting and instructed him to “clean it up.” Kurokawa took this to mean: do the same thing, but make it “a little more professional,” which he did. Kurokawa’s painting was almost identical in composition to Greene’s. It included the yellow brick road, the white picket fence and the rainbow, although it differed somewhat in the choice of trees and hills in the background. The depiction of Dorothy was also very similar. Kurokawa’s Dorothy had the same hair and the same dress, and the same pose with the right arm holding the basket at the same angle. The only difference was in the pose of the left arm, which Kurokawa depicted pointing upwards as in the photograph in Figure 1. Using Kurokawa’s artwork, Colonial Crafts was able to issue its special series of commemorative plates in time for the 50th anniversary of *The Wizard of Oz* in 1989.

Then, in October, 1989, Colonial Crafts received a letter from an attorney representing June Greene, in which Greene accused them of infringing her copyright by manufacturing and selling the commemorative plates. Apparently, Greene had secured a copyright registration for the painting shown in Figure 2 on May 5, 1988. Greene’s attorney is now threatening a lawsuit. Colonial Crafts has also recently discovered that Greene has been displaying the painting, along with some of her other paintings, at a gift shop in the shopping mall where the original entries in the *Wizard of Oz* competition had been displayed. Since the public remembers Greene’s painting from the competition, her current exhibition has attracted some attention and allowed her to sell two or three of her works.

Assume that you are an associate in a law firm retained by Colonial Crafts. You have been asked to draft a memo addressing the following questions: (1) Has June Greene infringed MGM’s copyright on *The Wizard of Oz*? (2) Is her copyright on the painting in Figure 2 valid? (3) If so, has her copyright been infringed by the manufacture and sale of Colonial Crafts’ commemorative plates? Draft the requested memo.
QUESTION II

For many years, the design of an inexpensive water filter had been a serious problem for the home aquarium industry. Food remnants and other wastes tend to build up quickly in small tropical fish tanks, threatening both the health of the fish and the aesthetic sensibilities of the homeowner. Although there were various filters on the market, they all had disadvantages: some were bulky and noisy; some tended to clog up as the fish population increased; some tended to leak machine oil into the tank.

Allan Willinger had been working on this problem for the AquaWorld Corporation since 1982. His basic design involved an open-air gravity-driven charcoal-filter unit mounted outside the tank, but he was dissatisfied with his design of the centrifugal pump that returned the filtered water back to the aquarium. In order to prevent the pump’s motor from polluting the water, it seemed necessary to use a double-gasketed water-tight shaft, and this increased the size (and the expense) of the pump. Then, on December 2, 1986, Willinger read an article about automobile speedometers in a magazine, *Popular Mechanics*, and he realized immediately that he had found the solution to his problem. Speedometers typically use a technique called “magnetic coupling” which enables a motor to drive a mechanism without a mechanical link. In magnetic coupling, the driving mechanism turns a plate containing magnets, and the driven mechanism is also linked to a plate containing magnets. When the two plates are placed near to each other, the mutual attraction of the two sets of magnets causes them to move in unison. Thus the driving plate can be separated from the driven plate by a sheet of glass or plastic, and the motor will still be able to turn the mechanism as desired. In a speedometer, this means that the delicate mechanism that measures speed can be completely encased in a sealed plastic unit, safe from dirt and oil. For the aquarium filter, Willinger realized that the same technique could be used to seal his water pump from the motor that drives it.

Willinger had built a working model of the aquarium filter, using a large and expensive centrifugal pump, as early as 1984. After reading the *Popular Mechanics* article, he returned to his workbench at AquaWorld, and by February 20, 1987, he had succeeded in replacing the original pump with a small, quiet, inexpensive pump that worked by magnetic coupling. It was a great success. AquaWorld began to manufacture the new aquarium filter and distribute it to pet stores throughout the United States in May, 1988,
calling it the “AquaWorld Dynaflo Motor Filter”. The public immediately recognized the benefits of Willinger’s invention, and the Dynaflo Motor Filter became a best-seller almost overnight.

In the meantime, AquaWorld had filed a patent application on Willinger’s invention on April 10, 1988. There were several claims in the application, but the main ones were: (i) Claim 1, which described the basic open-air gravity-driven charcoal-filter unit, without specifying the type of pump used; and (ii) Claim 2, a dependent claim, which incorporated Claim 1 by reference, and added a description of the centrifugal pump with the magnetic coupling mechanism. The application stated that the preferred embodiment of the invention made use of the magnetic coupling technique.

The Patent and Trademark Office responded to the Willinger patent application in November, 1991. On Claim 1, the examiner declared an interference, citing a patent application assigned to the Biozonics Corporation of Boston, Massachusetts, and filed on January 15, 1987. Biozonics’ application claimed an open-air gravity-driven charcoal-filter device very similar to Willinger’s device, except that it used a large centrifugal pump similar to the one that Willinger had abandoned in 1986. The examiner then rejected Claim 2 as obvious, citing the pending application by Biozonics together with patent No. 4,345,134 issued to one Jacobs in 1979. The Jacobs patent was for a commercial fruit juice dispenser, in which the aeration/agitation mechanism was driven by magnetic coupling. (These fruit juice dispensers are commonly seen at lunch counters; the aeration/agitation mechanism makes the juice foam and appear fresh.) The remaining claims in Willinger’s application, which were all dependent on Claims 1 and 2, were rejected for the same reasons.

Assume that you are an associate in the office of AquaWorld’s patent attorney. You have assembled some initial information about Biozonics’ aquarium filter. Apparently, the device went on the market in May, 1987, but it was relatively expensive and very few were sold. However, after the AquaWorld Dynaflo Motor Filter appeared in May, 1988, Biozonics redesigned its pump, and in 1989 it introduced a new model that made use of magnetic coupling. It seems clear that Biozonics’ new model would infringe Claim 2 of Willinger’s patent application. However, it also seems clear that AquaWorld’s Dynaflo Motor Filter would infringe the claims in Biozonics’ application, if Biozonics’ patent issues. You have been asked to draft a memo addressing the following questions: (1) What arguments should AquaWorld make in the interference
proceeding against Biozonics? How likely is AquaWorld to prevail? (2) What arguments should AquaWorld make in response to the examiner’s rejection of Claim 2, and what arguments would you expect in return? How likely is AquaWorld to prevail on this issue? Draft the requested memo.

QUESTION III

Throughout its history, Rutgers University has been associated with various emblems and insignia. In the early 1980’s, Rutgers began a campaign to standardize these insignia and seek legal protection for them. This campaign coincided with two other campaigns at the university: the attempt to establish Rutgers as a major research institution, and the renewed effort to build up a championship football and basketball team. In 1982 and 1983, Rutgers applied for registration of several of its insignia on the Principal Register of the U.S. Patent and Trademark Office. One of these insignia is shown in Figure 3. In its application, Rutgers stated that this mark had been in continuous use since 1954, and was used to designate the academic and athletic services of the university exclusively. Registration as a service mark was granted on December 13, 1985. Additional registrations were granted during the following year.

Figure 3: Registered Service Mark No. 1,687,435

At the same time, Rutgers began a campaign to enforce its rights against the manufacturers of various items bearing the university insignia. For a number of years, the university had been selling these items – primarily clothes, such as T-shirts and sweatshirts, and school supplies, such as notebooks and binders – in its book store. It now barred the sale in its book store of all such products, except for those manufactured under an express
license to use the insignia. It also sought to license all manufacturers who were selling such products at other stores. Most companies agreed to pay the license fee. However, in September, 1989, Rutgers discovered that the CollegeWare Corporation had been printing the registered mark shown in Figure 3 on its backpacks, duffel bags and soft canvas tote bags, and selling these at stores throughout New York, New Jersey and Pennsylvania. (CollegeWare has also been selling backpacks, duffel bags and soft canvas tote bags bearing the insignia of other universities in the area.) When Rutgers demanded the payment of a license fee, the company refused. CollegeWare’s only response was to add a label to its Rutgers items stating: “This product is manufactured by the CollegeWare Corporation, which is not affiliated in any way with Rutgers, the State University of New Jersey.”

Assume that you are an attorney in the office of the Rutgers University legal counsel. You have been asked to draft a memo addressing the following questions: (1) Can Rutgers secure an injunction against the continued sale of CollegeWare’s products under §1114 of the federal Trademark Act? (2) Can Rutgers secure an injunction against the continued sale of CollegeWare’s products under state unfair competition law? (3) Would a cause of action under state unfair competition law be preempted by either the U.S. Constitution or by §301 of the 1976 Copyright Act? Draft the requested memo.

END OF EXAMINATION