Copyright, Patent, Trademark

Professor McCarty
Fall Semester 1992

Final Examination
January 5, 1993

This is a FOUR HOUR examination, consisting of THREE questions on TEN 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

Figure 1 shows a typical advertisement for the film Malcolm X, produced and directed by Spike Lee. Who owns the ‘X’? Assume the following facts (which are more or less true):

Spike Lee’s production company, 40 Acres and a Mule, Inc., has obtained copyright registration for the ‘X’ logo, as depicted in Figure 1. An application for trademark registration has also been filed, but is still pending. Although a dispute initially arose between Spike Lee and Betty Shabazz — the widow of Malcolm X and the administrator of his estate — over the right to use the name ‘Malcolm X’ and the symbol ‘X’ on merchandise, this dispute has now been resolved amicably. Lee and Shabazz have agreed to pool their rights
and jointly license others to use the name and the symbol. So far, they have licensed a variety of products, including: baseball caps and baseball shirts, a board game, a coffee mug, and even an automobile air freshener.

Problems have now arisen over various unauthorized uses, since a number of entrepreneurs have tried to cash in on the popularity of Malcolm X. Two cases have been brought to your attention, as an associate in the law firm representing Spike Lee and Betty Shabazz.

1. One problem is a jeweler, Akilah Ali, who works out of Philadelphia. Ali’s line of jewelry is sold under the name Statements: Expressive Accessories, and it now includes the metallic pin shown in Figure 2. When questioned about her right to sell this pin, Ali replied: “What’s the problem? My name used to be Akilah X”.

2. Another problem is Snack-Pak, Inc., the manufacturer of X-brand
Figure 2: Akilah Ali’s Jewelry

potato chips. When the publicity over Spike Lee’s film began to grow, Snack-Pak replaced its previous potato chip packages with the packaging shown in Figure 3. They also added the following legend to each package:

‘X’ stands for the unknown. The unknown language, religion, ancestors and cultures of the African-American. ‘X’
is a replacement for the last name given to the slaves by the slave master. We dedicate this product to the concept of ‘X’.

Figure 3: Snack-Pak’s Potato Chips

Your law firm has offered a license agreement to Akilah Ali, but she has rejected the offer. No license has been offered to Snack-Pak, Inc., since Lee and Shabazz do not consider the sale of potato chips to be an appropriate use of the symbol ‘X’.

In your initial research, you have discovered the following provision in the Regulations of the Copyright Office:

§202.1 Material not subject to copyright
The following are examples of works not subject to copyright and applications for registration of such works cannot be entertained:

... 

e) Typeface as typeface.

This regulation is based on the following passage in the House Report on the 1976 Copyright Act:

The Committee has considered, but chosen to defer, the possibility of protecting the design of typefaces. A “typeface” can be defined as a set of letters, numbers, or other symbolic characters, whose forms are related by repeating design elements consistently applied in a notational system and are intended to be embodied in articles whose intrinsic utilitarian function is for use in composing text or other cognizable combinations of characters. The Committee does not regard the design of typeface, as thus defined, to be a copyrightable “pictorial, graphic, or sculptural work” within the meaning of this bill and the application of the dividing line in section 101.

The Copyright Office’s refusal to register typefaces was sustained by the Fourth Circuit in 1978. Despite these precedents, Spike Lee’s ‘X’ logo was successfully registered as a “pictorial, graphic, or sculptural work”.

You have been asked to draft a memo analyzing the possible causes of action against Akilah Ali and Snack-Pak, Inc., assuming they both continue to use the symbol ‘X’ as shown. Specifically, what are the rights of Lee and Shabazz under (1) copyright law; (2) trademark and unfair competition law; and (3) the right of publicity? Draft the requested memo.

**QUESTION II**

In 1989, Anne Bryant published (and registered in the Copyright Office) a book entitled *Avoiding the Medicaid Trap: How to Beat the Catastrophic Cost of Nursing-Home Care*. The problem for elderly Americans is that support from Medicaid is available only when an individual’s assets have been
exhausted, and thus many middle-class couples have to spend their way into poverty in order to obtain nursing-home care. The problem is compounded by the fact that Medicaid standards vary from state to state, resulting in a bewildering array of choices for senior citizens. Bryant’s book was the first of its kind written for the lay person, and it sets forth a coherent strategy for making the best of a bad situation. Several legal devices are suggested: some assets can be retained under state law, certain other assets can be transferred to relatives, a durable power-of-attorney can be created, etc. Bryant, a lawyer herself, spent over $2\frac{1}{2}$ years researching and writing the book.

A central feature of Bryant’s book is a series of 22 tables that explain the relevant provisions of the Medicaid rules in each state. An example of such a table is shown in Figure 4. Other tables have titles such as: “Amount of Assets a Person Can Protect from a Nursing Home”; “Rules for Protecting a Person’s House from a Nursing Home”; and “Assets Excluded from Medicaid Asset Eligibility Limits (Other Than Home)”. These tables are coordinated with the overall strategy outlined in the text, and the reader is expected to use them to customize his or her financial strategy to a particular state.

In constructing these tables, Bryant relied primarily on a technical report prepared by the National Governors’ Association Center for Policy Research entitled *Medicaid Eligibility for the Elderly in Need of Long Term Care*. This is a complex, 152-page, public-domain document, which sets forth in exhaustive detail the state requirements and guidelines for Medicaid eligibility. To prepare the tables in her book, Bryant sifted through the information in the Governors’ Report and selected just those items that were needed for her overall financial strategy. For example, in preparing Table 9 (see Figure 4), she decided to list the exact dollar amounts for some states, but for other states she decided to summarize the information using the term “Varies”, since this was enough detail for her strategic purposes. She then explained the meaning of the terms in Table 9 in two footnotes:

* In the second column, “Varies” indicates that a home-maintenance allowance is provided, but that the amounts vary according to a state formula.

† In the third column, “Flat” indicates that this amount in all cases is the home-maintenance allowance; “Maximum” indicates the most that will be permitted under a formula adopted by the state.
All of the information in Table 9 appears somewhere in the Governors’ Report, of course, but nowhere does it appear in exactly this form. Similar remarks could be made about the other 21 tables in Bryant’s book.

Since Anne Bryant’s book was the first of its kind on the market, it has sold very well. It has also spawned several competitors. The most serious competition on the market today is a software product sold by Computer Decisions, Inc., as part of its Financial Planning software series. Called Financial Planning for the Elderly, Computer Decisions’ program is an “expert system” that leads the user step-by-step through the complexities of the So-
cial Security, Medicare and Medicaid provisions. For the Medicaid portion of the program, Computer Decisions has adopted Bryant’s recommended strategy almost exactly, except that the strategy is not presented in textual material but rather in the form of a series of dialogue boxes and menu choices. Computer Decisions has also incorporated Bryant’s 22 tables into their program, except that the user does not see them in tabular form. Instead, when the user specifies his or her state of residence, the financial planning program selects the appropriate information from each of the relevant tables, and uses this information to develop a customized financial strategy. If the user wants to see the data underlying the recommended strategy, however, the program will print it out. For example, a New Jersey resident would see the following text:

You are entitled to a $150-per-month home-maintenance allowance for a maximum of 6 months. This is the most that will be permitted under a formula adopted by the state.

As the source of this data, Computer Decisions’ User’s Manual cites the technical report prepared by the National Governors’ Association Center for Policy Research entitled Medicaid Eligibility for the Elderly in Need of Long Term Care.

Assume you are an associate in Ann Bryant’s law firm. She would like to obtain an injunction against the continued sale of Computer Decisions’ financial planning program. You have been asked to prepare a memo addressing the following questions: (1) Does Bryant have a cause of action under federal copyright law? (2) Does she have a cause of action under state misappropriation law? Draft the requested memo.

QUESTION III

Pierre Franey, the former chef of Le Pavillon in New York, is now the author of several cookbooks and a weekly column in the New York Times entitled 60-Minute Gourmet. Franey is noted for his ability to develop gourmet recipes that are quick and easy to prepare, and his ideas have often been imitated by others. Over the years, he has been infuriated to see that some of his most innovative dishes have been appropriated by mediocre chefs in
fancy restaurants, and sold to the public at inflated prices without attribution. He understands that the copyright on his newspaper column does not protect the recipe itself, but he has recently asked your law firm whether his recipes might be protectable under patent law.

As an example, Franey cites a recipe published in the New York Times on October 21, 1992:

**Sautéed Shrimp with Mango and Avocado**

1. In a mixing bowl, combine the shrimp, 2 tablespoons of the lemon juice, 2 tablespoons of the coriander, the jalapeño pepper, salt and pepper. Blend well. Cover with plastic wrap and let stand for 15 minutes.

2. Meanwhile, peel the avocado and the mango and remove the pits. Cut the flesh into $\frac{3}{4}$-inch slices. Place in a bowl, add the remaining lemon juice and mix gently so that the flesh does not discolor.

3. Melt the butter and oil in a large nonstick skillet or frying pan over high heat. Add the red pepper and cook, stirring, for 30 seconds. Add the shrimp and the marinade. Cook, stirring, for about 2 minutes. Add the avocado, mango and garlic, and add salt and pepper to taste. Cook and stir for 1 to 2 minutes. Do not overcook. Serve immediately, sprinkled with the remaining coriander.

Franey claims that this recipe is a novel invention: The combination of seafood and fruit was inconceivable in traditional American and French cuisine, although it appears occasionally in Caribbean dishes. A ripe mango has
an affinity with shrimp, Franey explains, for it seems to bring out the sweetness in shellfish. The avocado is added for extra color and for its smooth, rich texture, and the jalapeño is added to provide a nice contrast to the sweet fruit. This juxtaposition of flavors is the essence of the dish, Franey claims: “You want a dish that has complexity, not just one-dimensional sweetness. That is why the recipe also calls for black pepper, garlic and coriander.”

According to Franey, he recently prepared this dish for Julia Child, the television personality and co-author of *Mastering the Art of French Cooking*, and her immediate response was: “Brilliant, Pierre! A flash of genius!” Franey believes that he could easily obtain an affidavit from Julia Child attesting to the inventiveness of his recipe.

You have been asked to prepare a memo analyzing whether Pierre Franey might be correct, and whether he might in fact be able to obtain a patent on his recipe for “Sauteed Shrimp with Mango and Avocado”, especially considering the expansive interpretation given to the patent laws in recent years. Specifically: (1) Is Franey’s recipe novel and nonobviousness? (2) Is it patentable subject matter? (3) Are there any policy reasons to deny patent protection in this case? In your analysis, be sure to consider both the product claims and the process claims that might be available. Also: (4) Is Franey correct that the copyright on his newspaper column does not protect the recipe itself? Draft the requested memo.

**END OF EXAMINATION**