INTRODUCTION TO INTELLECTUAL PROPERTY PRACTICE EXAM

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Question 1:

Superseed ("S") is an Iowa company in the business of selling hybrid and genetically altered corn seeds. S maintains several farms throughout the Midwest where it blends different varieties of corn and tests the results. When S finds a new hybrid strain, which has higher yield, disease resistance, or some other useful characteristic, S reproduces the seed and sells it to farmers.

On July 4, 1992, scientists at S's facility 40 miles outside of Omaha, Nebraska began working on a new strain of corn called "ultra-brite" or UB, for its spectacular color. It tested a number of different UB hybrids in its fields during the fall of 1992, including the "UB40" (the hybrid at issue in this case). During this fall crop, S's field scientists, identified UB40 as a promising hybrid for possible sale. After analyzing the results in their Des Moines laboratory, S's laboratory scientists confirmed this conclusion in a written report on January 20, 1993. S began selling UB40 seeds to farmers on March 23, 1993. On January 19, 1994, S applied for a utility patent claiming "the hybrid corn seed strain designated UB40." The patent was granted on December 9, 1994.

Because seed corn is a highly competitive business, S takes a number of precautions to protect its new hybrids from discovery by competitors. S tests its corn hybrids in isolated fields far from major cities or roads, and does not widely disseminate information about what seeds are being tested in what location. However, S does not fence or otherwise prevent unauthorized access onto its fields. S also maintains its laboratory data under lock and key and restricts access to its laboratories using a passcard system. Finally, all of S's employees are required to sign a confidentiality agreement stating that they will not publish or otherwise disclose any proprietary information belonging to S.

Holdup ("H"), a longtime competitor of S's, began selling a new corn seed it called Brite-Line in September 1994 which is continues to sell to this day. Suspicious that H had stolen their hybrid, S purchased samples of Bright-Line corn and subjected it to genetic analysis. Brite-Line was not identical to UB40, but it was sufficiently similar that the genetic engineer stated in her report that it was "pretty likely" that Brite-Line was based on UB40. Based on this information, S filed a suit on December 12 for misappropriation of trade secrets and patent infringement.

H denied ever obtaining UB40 from any source and, discovery was unable to provide any direct evidence that H had, in fact, taken UB40. However, discovery did disclose that a subsidiary of H owned a field next to S's Nebraska facility, and corn seed experts testified at a trial that hybrid plant seeds will sometimes scatter to neighboring fields in high winds.

At trial, S argues that because of the similarity between the two seeds, the Court should presume that H had access to S's proprietary seed line, and argues that such access was improper.

How should the court rule on S's claims for patent infringement and misappropriation of S's trade secrets?

Question 2

A successful fine arts photographer, Maximillian Reiner, has a growing international clientele. Because his patrons live all over the world, it is often difficult for them to visit Max in his studio in New York. Max decides to create web site to display his latest work via the Internet so clients can browse and buy from home. Max designs and builds **http://www.maxreiner.com**, uploads images of his latest work, news about upcoming gallery shows and contact information for ordering from him. He notifies his clients by e-mail of the new site.

One day while Max is surfing the Net, he decides to do a search under his own name using his favorite search engine, Floogle, to see if there has been any recent press on his latest Chelsea gallery show. Floogle turns up numerous listings, not only to Max's own website and various press articles, but, curiously, to a site called ImageFinder. ImageFinder bills itself as "The Hottest Place in Cyberspace to See the Coolest Contemporary Art." On ImageFinder Max discovers small versions (so-called "thumbnails") of each of the photos from his own website as well as images of photos from his gallerist's web site. ImageFinder uses a software program that allows it to surf the web, looking for images, and compile them into a searchable database. Clicking on one of the photos takes the viewer to a larger image of the photo on an ImageFinder page with ads to purchase high-end art books. Clicking on the photo again takes the viewer to **http://www.maxreiner.com**.

Max isn't happy about ImageFinder's use of his pictures because the bio on ImageFinder has all the dates and facts of his career wrong and they show his work next to that of another photographer whose work he can't stand.

Max is angry at ImageFinder and thinks it's unfair that they should be able, as he says to you, "steal my work and put it on their site for their own benefit and, to boot, lump me in with that horrible other so-called artist." He wants to know if he has a cause of action against ImageFinder? If so, for what? What defenses, if any, would ImageFinder try to assert and who is likely to prevail? Assess the arguments on both sides.

Question 3

ProTour, Inc. owns the ProTour golf course outside the Bergstrom airfield in Austin. The designers of ProTour decided to appeal to "low-budget but serious" golfers by creating an 18-hole "fantasy" golf course, in which each hole is a replica of a hole from a famous golf course elsewhere in the country. To accomplish this, ProTour visited 16 famous golf courses, including Pebble Beach, August and Pinehurst. They took video cameras and photographed the courses, rented helicopters and flew over the courses, and purchases original blueprints of the courses. They then copied the original holes almost exactly, even importing vegetation native to the copied golf holes. The replicas are close but not exact. For example, the hole copied from Pebble Beach does not have an ocean nearby, and airplanes from Bergstrom regularly fly over the course.

ProTour markets its golf course as "the cheapest way to tour with the masters," and places signs at each hole describing the location and significance of the original hole that is copied. However, ProTour also places disclaimer signs along the course, indicating that none of the original golf courses "endorse, sponsor, or are affiliated with ProTour in any way."

A group of golf courses whose holes have been copied by ProTour files a lawsuit claiming that ProTour has infringed their trade dress and diluted their distinctive marks. Are the plaintiffs likely to prevail? Explain your answer with reference to the underlying rationales of trademark law.

Question 4

After watching an infomercial on TV about fruit drying and preservation, Mom hits upon an improvement on the idea for a banana bag ("Bananbag") to keep bananas fresher longer. Instead of using aluminum foil as the packaging, she wants to use recycled toner cartridge bags. Mom spends the next several weeks testing her technique using Hewlett Packard patented toner cartridge bags. She is convinced that she's discovered a better way to preserve bananas and keep them fresher longer.

Mom's family encourages her to pursue her business idea and suggests that Mom hire an artist to create a Bananabag logo for the Bananabag. Her family also urges Mom to create an e-commerce site to sell the Bananabag online and to market the Banabag with the slogan, "Keeps Dole and Chiquita Bananas Fresher Longer."

Mom sets up an appointment with a graphic designer to talk about creating the logo and design for the package and the website. She's told the graphic designer that she has no particular vision about how the design should look and that she should feel free to use her imagination and work from home, getting back to her by the end of the month.

Mom is sure that this idea's a winner and pays a visit to her lawyers Dewey, Cheatham and Howe LLP ("DCH"). She asks DCH to set up BananaBag Co. so she can start taking the next steps to manufacture the product, establish sales and distribution channels and begin to advertise. She is also keen to pursue her business internationally and to enter into a distribution agreement with BànãñãSaec SA of Sweden ("SwedeCo") to sell the BananaBag in Europe. The President of SwedeCo, Ms. Froo Topia is an old friend with whom Mom has been chatting about the Bananabag concept, and who thinks that the product and the name will go over well in Sweden, especially.

Mom asks the senior partner at DCH what intellectual property issues are at stake in building her business and what kind of legal protections she may require. Among other things, she also wants to know if she is likely to run into any legal trouble with the makers of the infomercial, with Hewlett Packard, with Dole or Chiquita and what demands she should make of Frootopia in their agreement.

The senior partner comes into your office at 5 pm on Friday and you have the misfortune to be at your desk. She asks you to draft a memo to Mom and have it to her in half-an-hour so she can call Mom. She instructs you to include as many relevant intellectual property questions to discuss with the client as you can as well as any strategic advice that you may have for the client about how to protect her intellectual property.

Question 5

Federal prosecutors are pursuing the first criminal prosecution under the anti-circumvention provisions of the 1998 Digital Millennium Copyright Act against a Russian software company, Elmcomsoft, for developing software to "crack" or break through the security features on Adobe E-Book Reader's software platform. In the time allotted, please discuss the strongest policy arguments you would use in your closing argument in support of either side?