

FACULTY OF LAW
UNIVERSITY OF NEW BRUNSWICK



INTELLECTUAL PROPERTY

LAW 3453

Final Examination
Professor Siebrasse

DATE: Monday 19 December 2005
TIME: 9:00 a.m. – 12:00 noon

INSTRUCTIONS

1. This examination is to be identified *only* using the anonymous number system. A penalty of one grade ranking (i.e. a B grade will become a B-grade) will be assessed against any student who writes his or her name on his or her examination booklets or who otherwise indicates his or her identity on or in his or her examination.
2. Handwriting must be legible. Passages written in illegible handwriting will be disregarded in assessing the grade.
3. This is an "open book" examination. You may bring the course text, your class notes and any review materials. You may *not* use library materials or electronic aids.
4. This examination is 3 hours long.
5. This examination is 4 pages long (including this page). Please check that you have all 4 pages.
6. There are no optional questions. Attempt all questions.
7. Unless the question specifically states otherwise, you must explain your answer. "Yes/no" answers are not sufficient.
8. The examination is marked out of 170. Questions are *not* all of equal value. The time you spend on each question should be approximately equal to the value of the question.

Question 1 – 40 minutes/marks

Designers Guild Ltd v. Russell Williams (Textiles) Ltd (Materials Vol I, 8-6) was a case in which the plaintiff did not allege literal copying of any part of the work in question, but rather taking of the overall arrangement. Lord Scott referred to this as “altered copying.” He noted, uncontroversially, that “It is not a breach of copyright to borrow an idea, whether of an artistic, literary or musical nature, and to translate that idea into a new work. In “altered copying” cases, the difficulty is the drawing of the line between what is a permissible borrowing of an idea and what is an impermissible piracy of the artistic, literary or musical creation of another.”

More controversially, Lord Scott stated further (at 8-13, 14) that “in an altered copying case, particularly where the finding of copying is dependant, in the absence of direct evidence, upon the inferences to be drawn from the extent and nature of the similarities between the two works, the similarities will usually be determinative not only of the issue of copying but also of the issue of substantiality [that is, whether what was taken was protected expression or unprotected idea]. . . . If the similarities between *Ixia* and *Marguerite* were so extensive and of such a nature as to justify a finding that, in the absence of acceptable evidence of an independent provenance for *Marguerite*, *Marguerite* was copied from *Ixia*, it must, in my opinion, follow that the *Marguerite* design incorporated a substantial part of the *Ixia* design.” In contrast, Lord Bingham (at 8-19), stated that “the finding of copying did not in theory conclude the issue of substantiality. . . .”

Explain the significance of the disagreement between Lord Scott and Lord Bingham on this point. Which approach do you prefer, and why?

Question 2 – 24 minutes/marks

In discussing the defence of fair dealing in *CCH Canadian Ltd. v. Law Society of Upper Canada* (Materials, Vol. 1, 10-11) the Supreme Court stated as follows:

The availability of a licence is not relevant to deciding whether a dealing has been fair. As discussed, fair dealing is an integral part of the scheme of copyright law in Canada. Any act falling within the fair dealing exception will not infringe copyright. If a copyright owner were allowed to license people to use its work and then point to a person's decision not to obtain a licence as proof that his or her dealings were not fair, this would extend the scope of the owner's monopoly over the use of his or her work in a manner that would not be consistent with the Copyright Act's balance between owner's rights and user's interests.

Is this argument sound as a matter of policy? Explain.

Question 3 – 24 minutes/marks

The “originality” requirement in copyright and the “non-obviousness” requirement in patent both set the amount of creativity required to gain protection under the two regimes. Describe the legal standard in both cases. If they are different, discuss whether the difference is justified as a matter of policy. If they are the same, discuss whether, as a matter of policy, they should be different.

Question 4 – 12 minutes/marks

Every patent is examined for validity by an examiner in the patent office before issuance, but the validity of a patent may nonetheless be challenged by the defendant in an infringement action. Is this wasteful duplication? Specifically, discuss (a) whether there is any benefit to patent examination before issuance, given that the patent may be challenged in litigation; and (b) whether there is any benefit to permitting the defendant to challenge validity in litigation, given that the patent is examined before issuance.

Question 5 – 20 minutes/marks

Consider the following statement:

In order to encourage innovation and improvement, it is important to prevent any single individual from obtaining a practical monopoly over all applications of an idea. This is the effect of the patent law prohibition on patenting of ideas.

Is this statement true as a matter of law? Explain. Is the law on this point sound as a matter of policy? Explain.

Question 6 – 12 minutes/marks

In *National Hockey League v. Pepsi-Cola Canada Ltd.* (Materials Vol III at 3-4) Hardinge J. made the following statement:

First, counsel suggested that by daring to refer to the N.H.L. by its full name, the disclaimer itself infringed the plaintiffs' rights to that mark. *I do not accept that referring to any organization by its correct name, when it is intended to refer to that organization, can be an infringement.*

Is the italicized statement correct as a matter of law? What underlying policy is reflected in the law on this point?

Question 7 – 38 minutes/marks

Martha Mazerolle operates a small business in Fredericton designing and making expensive custom clothes for children. She sells the clothes under the label “Ray of Sunshine” which she embroiders onto her clothes in a distinctive pattern using multicoloured thread. She has been in business, using this mark, since 1982, but she has never applied to have it registered. Most of her sales are in the Maritimes, but she has made some sales in Montreal and Toronto. While browsing in a children’s store on a recent trip to Montreal she noticed a line of toys being sold under the name “Sunny Ray.” Those words were printed on the packaging in block lettering, with each letter a different colour. While the block lettering was nothing like the design used by Martha in embroidering “Ray of Sunshine” on her clothes, the colours were similar to the colours of thread she uses. When she spoke to the store manager she was told that this was a fairly new brand that was very popular.

Martha has become concerned that “Sunny Ray” toys may move into the Maritimes, causing confusion with her “Ray of Sunshine” clothes. The Sunny Ray toys are, in her opinion, gaudy and irritating, and contrasts with the upmarket image she wants to project. She comes to you for advice. A search of the trade-mark database reveals that Smith Toys Ltd. is the owner of the registered word mark SUNNY RAY which is registered in respect of “children’s toys” in August of 2001 (that is, 4 ½ years ago). Further investigation indicates that Smith Toys first used the “Sunny Ray” mark in March of 2001.

Advise Martha. While her business is successful, she does not want to spend money on litigation unless necessary, but she is willing to take legal action if she has a strong case. However, since her main market is the Maritimes, she would like to wait and see whether Smith Toys starts selling the Sunny Ray line in the Maritimes before she takes action. What steps should she take to protect her ability to use her mark?

***** THE END *****