

FACULTY OF LAW
UNIVERSITY OF NEW BRUNSWICK



INTELLECTUAL PROPERTY

LAW 3453

Final Examination
Professor Siebrasse

DATE: 17 December 2008
TIME: 9:00 a.m. – 12:00 noon

INSTRUCTIONS

1. This examination is 5 pages long (including this page). Please check that you have all 5 pages.
2. This examination is 3 hours long.
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 any other materials or devices prohibited by university or law faculty rules or regulations.
4. 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. There are no optional questions. Attempt all questions.
5. Unless the question specifically states otherwise, you must explain your answer. "Yes/no" answers are not sufficient. When a question requires you to assess a particular rule from a policy perspective be sure to address both advantages and disadvantages of the rule and the relevant options.
6. 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.
7. Handwriting must be legible. Passages written in illegible handwriting will be disregarded in assessing the grade.

Question 1 – 25 minutes/marks

Consider the following statement:

By protecting expression while allowing free use of ideas, copyright law provides a sound balance between the need to provide incentives to create new works and freedom for subsequent creators to build on and improve existing works.

Is this is a sound justification for the idea/expression dichotomy?

Question 2 – 30 minutes/marks

In *Gracen v. The Bradford Exchange* Judge Posner made the following statement:

The requirement of originality is significant chiefly in connection with derivative works, where if interpreted too liberally it would paradoxically inhibit rather than promote the creation of such works by giving the first creator a considerable power to interfere with the creation of subsequent derivative works from the same underlying work

Is this is a plausible justification for the originality requirement? Explain. (You do not need to consider alternative possible justifications for the originality requirement.)

Question 3 – 35 minutes/marks

Maria Schramm is a well recognized Canadian artist who has experimented with many different media. Her latest work “Image(s) of Iraq” is a collage made of numerous photographs cut from magazines and then pasted directly onto a large canvas. The individual photographs vary in size, but none of them is larger than the size of a quarter of a magazine page and most are considerably smaller. The whole canvas is four feet high and two feet wide. Ms. Schramm has arranged the photographs so that from a distance, when the details of the individual photographs cannot be distinguished, the work appears to be a recognizable portrait of a smiling Saddam Hussein. The individual photographs themselves are of leading US, Canadian and European political figures who supported the war in Iraq, senior oil industry executives and oil refineries and military equipment such as tanks and aircraft. Ms. Schramm has sometimes included the entire photograph in the collage, but more commonly she has cut out and used only a portion of the original photograph, in order to achieve the effect of colour and shade needed to create the overall portrait of Hussein. The individual photographs are nonetheless clearly recognizable to anyone who looks closely enough at the collage. A booklet accompanying the work lists the source and photographer of all the photographs used. Ms. Schramm has also produced a poster which exactly replicates the collage, except that the source and photographers are listed on the back side of the poster rather than in an accompanying booklet. The poster has proven to be very popular among Canadian university students and has already sold thousands of copies.

Your firm has been approached by CanNorth NewsCorp., which publishes many of the magazines from which the photographs were taken. Consequently, CanNorth owns the copyright in roughly 40% of the photographs used in the collage. Ms. Schramm did not purchase a licence from CanNorth for the use of the photographs and was not otherwise authorized by CanNorth to use its photographs.

You have been asked to provide an opinion on the issue of whether Ms. Schramm has a defence based on fair dealing. For the purposes of your opinion should assume that the posters infringe, as other members of your firm are considering other issues such as infringement and remedy. (Note that the collage itself raises an issue of whether there was reproduction of the individual photographs; this issue does not arise in respect of the posters, and you need not consider it.) Be sure to consider both the strengths and weakness of CanNorth’s position. While CanNorth is willing to litigate if necessary, it does not want to waste money of litigation if it is likely to lose.

Question 4 – 40 minutes/marks

In wine making “stuck fermentation” occurs when the yeast stops fermentation before all the grape sugar is used up. It is a serious problem for wine makers. Ravi Shankar is the owner of NB Wines, a small New Brunswick winery, that has been in operation for ten years. Four years ago Ravi discovered that the addition of a small amount of table salt to the fermenting grape juice will eliminate the problem of stuck fermentation. He made the discovery by accident – without telling him, his mother was in the habit of throwing a pinch of salt into every vat of fermenting wine “for luck.” After Ravi had been in operation for six years without ever having a stuck fermentation, he investigated everything that was going on in the winery and his mother admitted what she had been doing. After a little experimentation, Ravi realized the salt was preventing the stuck fermentation. Ravi continued to use a pinch of salt in his wine vats, but he never told anyone else what he was doing.

Ravi has just found out that Norville Burns, a wine scientist at Guelph University, has just obtained a patent for the method of preventing stuck fermentation of wine by addition of a small amount of salt. The patent discloses that the salt provides essential nutrients for the wine yeast that prevent stuck fermentation. It was previously thought that stuck fermentation might be associated with a lack of micro-nutrients, and many different nutrients had been tried, but no one before Burns (and Ravi’s mother) has thought of trying salt. This was because the chloride which is one component of salt (sodium chloride) is associated with “cork taint” and consequently most modern wine makers take every precaution to avoid any chlorine product in the winery.

Ravi has heard about Burns’ patent because he was visited by an agent of Burns’ who offered him a licence to use the patented invention. Ravi didn’t mention to the agent that he was already using a pinch of salt in his wine, but he is afraid of being sued for patent infringement if his practice is ever discovered. Ravi doesn’t want to buy a licence, both because it is expensive and because he feels that he shouldn’t have to pay to use his mother’s discovery.

Ravi has come to you for advice. Can he attack the validity of the patent? Be sure to address both the strengths and weakness of his position; while he doesn’t want to pay for a licence, he certainly doesn’t want to lose expensive litigation and then pay for a licence. Do not consider the issue of infringement; you may assume that if the patent is valid, Ravi is infringing.

Question 5 – 40 minutes/marks

Matt Betts has operated a sporting goods store in Fredericton under the name CoolTown Sports a.k.a. CoolTown for the last 15 years. He has never registered CoolTown under the *Trade-marks Act*. The store is well known in Fredericton for sporting gear such as skis and bicycles. Because it carries more high end equipment than most sporting goods stores, it also regularly attracts customers from Moncton and Saint John and occasionally from as far away as Edmundston or Halifax.

Matt has come to you for advice. While looking through trade catalogues he has recently come across a new line of outdoor and casual fashion cloths that is sold under the label “CoolTown.” It is a medium to lower end line of clothing that is sold in some sports stores, but also in outlets such as Wal-Mart. You do a search a trade-mark search and discover that four and a half years ago, on 15 July 2004, Alpine Clothing Corp. registered the name “CoolTown” in respect of

- (1) Shirts, pants, shorts, coats, jackets, hats, caps, vests, sweaters, sweat shirts, sweat pants, fishing shirts, fishing vests, bathing suits.
- (2) Belts and rain coats.
- (3) Rain pants, rain hats.

Matt wants to know whether this is something he should be worried about. He isn't too worried about their use of the CoolTown name, because he thinks it will be easy enough to let his customers know that he is not associated with the clothing line, but he doesn't want to have to stop using the name himself. Matt tells you that he has looked into it from the business side and it seems like the CoolTown clothing line was never a big seller and it has recently been going downhill in terms of sales. Matt things there is a good chance it will just disappear from the market entirely in a year or two. While Matt's business is doing well, he does not want to spend money needlessly on legal fees. If possible, he wants to wait and see what happens. But on the other hand, Matt points out that it is always possible that instead of letting it go downhill, Alpine will decide to invest in promoting the CoolTown brand, so there is still a real possibility that CoolTown will start increasing its market share.

Advise Matt. Is there any danger that Matt may have to stop using the CoolTown name himself? If so, what, if anything, can he do to improve his position? Also advise Matt as to the implications of waiting to see what happens with the CoolTown clothing line. (You do not need to consider whether Matt can bring an action against CoolTown to stop CoolTown from using that mark on its clothes, except to the extent that it may relate to this questions.)

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