

Fundamentals of United States Intellectual Property Law: Copyright, Patent, Trademark

**Sheldon W. Halpern
Craig Allen Nard
Kenneth L. Port**

Third Edition



Wolters Kluwer
Law & Business

Fundamentals of United States Intellectual Property Law: Copyright, Patent, Trademark

Third Edition

Sheldon W. Halpern

*Harold R. Tyler Chair in Law and Technology
Albany Law School*

Craig Allen Nard

*Tom J.E. and Bette Lou Walker Professor of Law and Director,
Center for Law, Technology & the Arts
Case Western Reserve University Law School*

Kenneth L. Port

*Professor of Law and Director, Intellectual Property Institute
William Mitchell College of Law*



Wolters Kluwer

Law & Business

Published by:

Kluwer Law International
PO Box 316
2400 AH Alphen aan den Rijn
The Netherlands
Website: www.kluwerlaw.com

Sold and distributed in North, Central and South America by:

Aspen Publishers, Inc.
7201 McKinney Circle
Frederick, MD 21704
United States of America
Email: customer.service@aspenpublishers.com

Sold and distributed in all other countries by:

Turpin Distribution Services Ltd.
Stratton Business Park
Pegasus Drive, Biggleswade
Bedfordshire SG18 8TQ
United Kingdom
Email: kluwerlaw@turpin-distribution.com

Printed on acid-free paper.

ISBN 978-90-411-3342-7

© 2011 Kluwer Law International BV, The Netherlands

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without written permission from the publisher.

Permission to use this content must be obtained from the copyright owner. Please apply to: Permissions Department, Wolters Kluwer Legal, 76 Ninth Avenue, 7th Floor, New York, NY 10011-5201, USA. Email: permissions@kluwerlaw.com

Printed in Great Britain.

Fundamentals of United States
Intellectual Property Law:
Copyright, Patent, Trademark

To Dorit and Miki
S.W.H.

To Lillian
C.A.N.

To Elissa, Emily, and Paula
K.L.P.

Preface

This book is designed to provide a detailed exposition of the United States laws concerning copyright, patent, and trademark. It offers a thorough analysis of this body of intellectual property law which, we believe, will prove useful to the student, the scholar, and the practitioner. Our aim was neither to supplant the existing compendious treatises in these areas nor to provide a simple introductory handbook. Rather, we have attempted to present and to develop, with appropriate authority, the fundamental concepts essential to an understanding of the law in each of the three fields covered.

Similarly, we have attempted to avoid an all-embracing approach to “intellectual property.” While that phrase is used to cover a wide array of activities, it is fundamentally flawed; it both embraces too much and conveys too little information. Our focus, rather, is on the law in the United States of copyright, patent, and trademark, each of which may be considered part of this rather shapeless umbrella. We have chosen to exclude for these purposes the disparate areas of protection of ideas, trade secrets, and the right of publicity, which, although partaking of the flavor of “intellectual property” are the subject of more diffuse common law and state law development.

Copyright, patent, and trademark each are very distinct bodies of law. Their joinder under the rubric of “intellectual property” serves a useful purpose in distinguishing them as a body from other areas of law; it does not, however, support broad generalization about fundamental commonality.

For example, Congressional power to act with respect to copyright and patent is embedded in Article I of the Constitution, an explicit recognition by the founders of the need for the emerging republic to have a single, federal structure governing the nature and scope of copyright protection for the “writings” of “authors” and of patent protection for the “discoveries” of “inventors.”¹ Trademark law is inherently different, both in its scope and in its foundation, as Congress’ constitutional authority to regulate trademarks derives from its more general power to act with respect to matters affecting interstate commerce. This is why “use” of a trademark in interstate commerce, rather than simply creation of the mark, is essential for federal protection. Indeed, unlike copyright and patent, trademark protection is ultimately a common law concept that exists independent of any statute. The Supreme Court has reasoned that trademarks do not “depend upon novelty, invention, discovery, or any work of the brain. It requires no fancy or imagination, no

¹ U.S. CONST., art. I, sec., 8, cl. 8.

genius, no laborious thought. Trademarks are simply founded on priority of appropriation.”²

Copyright, on the other hand, requires, at bottom, an act of original authorship, crossing a threshold, however minimal, of creativity. Indeed, the Supreme Court has held that such originality and creativity is a constitutional prerequisite to protection.³ Patent law, for its part, is distinct in being predicated on novelty of invention; originality and creativity themselves are not sufficient if the product of the creative process lacks novelty. In each case — copyright, patent, and trademark — we have attempted to build upon the forces underlying the legal construct to create a coherent and understandable description of the legal principles and the way in which they have been applied.

Much of the law here is counter-intuitive. Much is based upon the need to reconcile conflicting interests — political, economic, and social — and the inevitable compromises may not be consistent with any single, unifying theory or “natural” development. That is the source both of the joy and the pain in dealing with the difficult and absorbing legal issues that characterize these fields of study. We hope that we can, with this volume, ease that pain and share that joy.

This book grew out of a companion study which the authors undertook for Kluwer Law International in connection with Kluwer’s International Encyclopaedia of Intellectual Property, and we would like to thank Kluwer for supporting this project.

S.W.H.

C.A.N.

K.L.P.

August, 2010

²The Trademark Cases, 100 U.S. 82, 94 (1879).

³Feist Publications, Inc. v. Rural Telephone Service, 499 U.S. 340, 111 S. Ct. 1282 (1991).

Summary of Contents

PREFACE	vii
TABLE OF CONTENTS	xi

PART I: COPYRIGHT

§ 1. Congressional Power	1
§ 2. Subject Matter of Protection	5
§ 3. Conditions of Protection	40
§ 4. Ownership	55
§ 5. Transfer of Copyright Interests	64
§ 6. Scope of Exclusive Rights	70
§ 7. Fair Use As a Limitation on Copyright Protection	116
§ 8. Duration of Copyright Protection	136
§ 9. Infringement	144
§ 10. Remedies	169
§ 11. Copyright Protection Systems and Copyright Management Information	178

PART II: PATENT

§ 1. Sources of United States Patent Law	191
§ 2. Conditions of Patentability	196
§ 3. Formalities	244
§ 4. Ownership and Transfer	262
§ 5. The Rights and Limitations of the Patent Grant	264
§ 6. Infringement and Remedies	278
§ 7. Design Patents	286

PART III: TRADEMARK

§ 1. Sources of Power	289
§ 2. Subject Matter of Protection	309
§ 3. Conditions of Protection	329
§ 4. Formalities	337
§ 5. Ownership and Transfer	349
§ 6. Scope of Exclusive Rights	351
§ 7. Rights in Unregistered Marks	387
§ 8. Infringement and Remedies	389

INDICES	415
-------------------	-----

Table of Contents

PREFACE	vii
-------------------	-----

PART I: COPYRIGHT

§ 1. Congressional Power	1
1.1. Constitutional Grant of Power	1
1.2. The Copyright Act	1
1.3. Treaties and International Agreements.	4
§ 2. Subject Matter of Protection	5
2.1. Categories of Protected Works	5
2.2. National Origin	5
2.3. Excluded Works	7
2.3.1. Intangible Expression	7
2.3.2. Governmental Works	7
2.3.3. The Idea/Original Expression Continuum	8
2.3.3.1. Generally	8
2.3.3.2. Merger	10
2.3.3.3. Scenes à Faire.	11
2.4. Special Categories of Works	12
2.4.1. Computer Software.	12
2.4.1.1. Software as a “Literary Work”.	12
2.4.1.2. Protection of the Code Itself	13
2.4.1.3. Protection of Structure and “Look and Feel”.	14
2.4.2. Compilations and Databases	17
2.4.3. Historical and Factual Material	20
2.4.4. Utilitarian Works and Industrial Design	21
2.4.4.1. “Useful Articles”	21
2.4.4.2. Separability of Form and Function	22
2.4.4.3. Sui Generis Protection for “Mask Works”:	
The Semiconductor Chip Protection Act	24
2.4.4.3.1. Generally.	24
2.4.4.3.2. Substantive Conditions of Protection	27
2.4.4.3.3. Formal Conditions of Protection	28
2.4.4.3.4. Ownership and Transfer	30
2.4.4.3.5. Nature of the Rights.	31
2.4.4.3.6. Infringement and Remedies	33
2.4.4.4. Sui Generis Protection for Vessel Hulls	34
2.4.5. Architectural Works	35
2.4.6. Sound Recordings	37
2.4.7. Fictional Characters	39

§ 3. Conditions of Protection	40
3.1. Formal Requirements	40
3.1.1. Fixation as the Point of Attachment of Copyright	40
3.1.2. Publication	43
3.1.3. Notice	44
3.1.4. Registration and Deposit	45
3.1.4.1. Registration	45
3.1.4.2. Registration Procedure	45
3.1.4.3. Benefits	46
3.1.4.4. Recordation and Registration	48
3.1.4.5. Deposit	48
3.1.5. Domestic Manufacture	49
3.2. Substantive Requirements: “Writings” of “Authors”	
Consisting of “Original Expression”	49
3.2.1. “Authors” and their “Writings”	49
3.2.2. Original Expression	51
3.2.2.1. Generally	51
3.2.2.2. Originality in Derivative Works	53
§ 4. Ownership	55
4.1. Ownership of Copyright versus Ownership of the Material	
Object	55
4.2. Divisibility	56
4.3. Authorship	56
4.4. Joint Works/Multiple Authorship	57
4.5. Collective Works	59
4.6. Works Made for Hire	60
4.6.1. Work Prepared by an Employee within the Scope	
of Employment	61
4.6.2. Specially Commissioned Works	62
§ 5. Transfer of Copyright Interests	64
5.1. Transfer Defined	64
5.2. Requirement of a Writing	64
5.3. Termination of Transfers and Grants	66
5.3.1. Nature of the Right	66
5.3.2. Grants Made Prior to January 1, 1978	68
5.3.3. Grants Made from and after January 1, 1978	68
5.3.4. The Effect of Termination: Derivative Works	69
§ 6. Scope of Exclusive Rights	70

6.1. The Right to Reproduce the Work	70
6.1.1. The Broadly Defined Right	70
6.1.2. Specific Statutory Limitations and Compulsory Licenses . . .	72
6.1.2.1. Library and Archival Copying	72
6.1.2.2. Ephemeral Recordings	74
6.1.2.3. Certain Copies of Computer Programs	75
6.1.2.4. Reproductions for the Blind or Other People with Disabilities	76
6.1.2.5. Home Audio Taping	77
6.1.2.6. Compulsory License for Mechanical Reproduction	78
6.1.2.7. Compulsory License for Public Broadcasting	80
6.2. The Right to Prepare Derivative Works	80
6.3. The Right to Distribute	83
6.3.1. The Right of First Publication	83
6.3.2. The First Sale Doctrine	84
6.3.3. The Record and Computer Program Rental Exceptions to the First Sale Doctrine	85
6.3.4. Importation and the First Sale Doctrine	86
6.4. The Public Performance Right	88
6.4.1. Generally	88
6.4.2. “Performance”	89
6.4.3. “Public”	91
6.4.4. Statutory Exemptions: Generally	93
6.4.5. The Specific Statutory Exemptions	93
6.4.5.1. Sections 110(1) and 110(2): Classroom Exemption	94
6.4.5.2. Section 110(3): Religious Organizations	95
6.4.5.3. Section 110(4): General Not-for-Profit Exemption for Nondramatic Works	95
6.4.5.4. Section 110(6): Governmental Agricultural Organizations	96
6.4.5.5. Sections 110(8) and (9): Performance and Transmissions to Certain Handicapped Persons	96
6.4.5.6. Section 110(10): Fraternal and Veterans Organizations, for Charitable Purposes	97
6.4.5.7. Section 110(5): Communication of Transmission of a Performance	97
6.4.5.7.1. The “Aiken” Exemption for “Home” Type Equipment	97

6.4.5.7.2. Nondramatic Musical Works in Licensed Broadcast Transmissions	98
6.4.5.8. Section 110(7): Performance Ancillary to Retail Sales	100
6.4.5.9. Section 111: Exemptions for Secondary Transmissions	101
6.4.5.10. Section 118: Noncommercial Broadcasting	103
6.4.6. Performing Rights Societies	103
6.5. The Display Right	105
6.5.1. The Nature of the Right.	105
6.5.2. Limitations on the Display Right	106
6.6. The Limited Performance Right for Sound Recordings	106
6.7. Moral Right.	108
6.7.1. Background.	108
6.7.2. The Visual Artists Rights Act	110
6.7.2.1. The Attribution and Integrity Rights	111
6.7.2.2. Exclusions and Limitations	112
6.7.3. State Moral Rights Statutes	114
6.7.4. Droit de Suite	115
§ 7. Fair Use As a Limitation on Copyright Protection	116
7.1. The Fair Use Concept	116
7.2. Section 107—Codification of the Doctrine	119
7.2.1. Scope and Purpose	119
7.2.2. Parsing the Statute	120
7.2.2.1. The Preamble: Productive and Transformative Uses	120
7.2.2.2. The Enumerated Factors	124
7.2.2.2.1. The First Factor—Commercial or Noncommercial Purpose	124
7.2.2.2.2. The Second Factor—The Nature of the Copyrighted Work	126
7.2.2.2.3. The Third Factor—The Amount Taken	127
7.2.2.2.4. The Fourth Factor—Economic Impact	128
7.3. Parody as Fair Use	130
7.4. Fair Use of Utilitarian Works	133
7.5. Fair Use and Photocopying for Research and Academic Purposes	133
7.5.1. Library, Archival, and Research Copying	133
7.5.2. Academic, Classroom Copying	134
7.6. First Amendment Considerations	135

§ 8. Duration of Copyright Protection	136
8.1. General Overview	136
8.1.1. The Pre-1976 Renewal Right and the Renewal Term	136
8.1.1.1. Vesting of The Renewal Right	136
8.1.1.2. The Renewal Term As a New, Independent Term.	137
8.1.1.3. Assignment of the Renewal Right	138
8.1.1.4. Automatic Renewal	138
8.1.2. The 1976 Act Single Term	139
8.2. Works Created on or After the Effective Date of the 1976 Act (January 1, 1978)	141
8.3. Works Created but Not Published or Copyrighted before January 1, 1978	142
8.4. Works with Subsisting Copyright Protection as of January 1, 1978	142
8.5. Restoration of Copyright in Certain Foreign Works	143
§ 9. Infringement	144
9.1. Procedural Issues in Infringement Actions	144
9.1.1. Registration.	144
9.1.2. Subject Matter Jurisdiction	145
9.1.2.1. Exclusive Federal Jurisdiction	145
9.1.2.2. Pendent Jurisdiction	147
9.1.2.3. Suits in the United States for Acts of Infringement Abroad	147
9.1.3. Personal Jurisdiction and Venue	148
9.1.4. Standing	148
9.1.5. Statute of Limitations	149
9.1.6. Actions against State Instrumentalities	150
9.1.6.1. Sovereign Immunity under the Eleventh Amendment	150
9.1.6.2. Abrogation of Immunity	150
9.1.7. Misuse of Copyright	151
9.2. Substantive Issues in Infringement Actions	152
9.2.1. Substantial Similarity	153
9.2.1.1. Generally	153
9.2.1.2. Modes of Analysis	153
9.2.1.3. Extrinsic/Intrinsic Tests, "Probative Similarity" and the Roles of Experts, Judge, and Jury	155
9.2.2. Access	158

9.3. “Innocent” Infringement	159
9.4. Criminal Infringement	160
9.5. Vicarious Liability and Contributory Infringement.	161
9.5.1. Vicarious Liability	161
9.5.2. Contributory Infringement	162
9.5.3. Online Infringement Liability Limitation.	165
9.5.3.1. Generally	165
9.5.3.2. Transmission.	166
9.5.3.3. System Caching.	167
9.5.3.4. Storage	167
9.5.3.5. Links.	168
9.5.3.6. Further Limitations on Liability of Nonprofit Educational Institutions.	168
9.5.3.7. Limitation on Liability for Removal of Material.	168
§ 10. Remedies.	169
10.1. Injunctive Relief	169
10.2. Damages	170
10.2.1. Actual Damages and Profits	170
10.2.1.1. Provable Damages	170
10.2.1.2. Infringer’s Profits.	171
10.2.2. Statutory Damages	172
10.2.2.1. Registration as a Condition	172
10.2.2.2. Amount of Damages: Range of Discretion.	173
10.2.2.3. Right to Jury Determination	175
10.3. Costs and Counsel Fees	176
10.4. Impoundment and Disposition	177
§ 11. Copyright Protection Systems and Copyright Management Information	178
11.1. Generally	178
11.2. Circumvention of Copyright Protection Systems	178
11.2.1. Actionable Conduct.	178
11.2.1.1. Circumvention of Access Control	179
11.2.1.2. Facilitating Circumvention of Technological Protection Measures	180
11.2.1.3. Limitation on Analog Videocassette Recorders.	181
11.2.2. Exceptions and Limitations.	183
11.2.2.1. NonProfit Libraries, Archives, and Educational Institutions	183

11.2.2.2. Law Enforcement, Intelligence, and Other Government Activities	184
11.2.2.3. Reverse Engineering of Computer Programs to Achieve Interoperability	184
11.2.2.4. Encryption Research on Published Works	184
11.2.2.5. Protection of Personally Identifying Information	185
11.2.2.6. Security Testing	186
11.3. Copyright Management Information	186
11.3.1. Impairment of Copyright Management Information	186
11.3.2. Exemptions and Limitations	187
11.3.2.1. Law Enforcement and Other Government Activities	187
11.3.2.2. Transmissions	187
11.4. Enforcement and Remedies	187
11.4.1. Civil Remedies	187
11.4.1.1. Injunctive and Related Relief	188
11.4.1.2. Damages: Actual and Statutory	188
11.4.1.3. Increasing or Reducing Damages	189
11.4.1.4. Costs and Counsel Fees	189
11.4.2. Criminal Penalties	189

PART II: PATENT

§ 1. Sources of United States Patent Law	191
1.1. Constitutional Foundation	191
1.2. Statutory Foundation	191
§ 2. Conditions of Patentability	196
2.1. Disclosure Requirements	197
2.1.1. Enablement	199
2.1.2. Best Mode	201
2.1.3. Written Description	203
2.1.4. Definiteness Requirement	204
2.2. Novelty	205
2.2.1. Date of Invention	206
2.2.2. Identity of Invention in Single Prior Art Reference	207
2.2.2.1. Section 102(a) Prior Art	208
2.2.2.1.1. "Known or Used by Others"	208
2.2.2.1.2. "Printed Publication"	209
2.2.2.1.3. Geographical Limitations	210

2.2.2.2. Section 102(e) Prior Art	211
2.2.2.3. Section 102(g)(2) Prior Art	213
2.2.3. Derivation: Section 102(f)	214
2.2.4. Priority	214
2.2.4.1. Conception	215
2.2.4.2. Reduction to Practice	216
2.2.4.3. Abandonment, Suppression, and Concealment	217
2.2.4.4. Inventorship	219
2.2.4.5. Inventive Activity Abroad	220
2.3. Loss of Right: Statutory Bars	220
2.3.1. Section 102(b): On-Sale and Public Use Bars	220
2.3.1.1. Public Use	221
2.3.1.2. Experimental Use	222
2.3.1.3. On-Sale Bar	223
2.3.1.4. Third-Party Activity	225
2.3.2. Section 102(d) Bar on Foreign Applicants	225
2.4. Utility	226
2.5. Nonobviousness	228
2.5.1. Scope of the Prior Art	229
2.5.2. Content of the Prior Art	230
2.5.3. Persons of Ordinary Skill in the Art	232
2.5.4. Secondary Considerations	233
2.5.4.1. Commercial Success	234
2.5.4.2. Long-Felt Need and Failure of Others	234
2.5.4.3. Copying	235
2.5.4.4. Licensing/Acquiescence	235
2.6. Statutory Subject Matter	236
2.6.1. Products	237
2.6.1.1. Machines, Articles of Manufacture, Compositions of Matter	237
2.6.1.2. Living Organisms	238
2.6.2. Processes	239
§ 3. Formalities	244
3.1. The Patent Application & Issued Patent	246
3.1.1. The Written Description	247
3.1.1.1. Background of the Invention	247
3.1.1.2. Summary of the Invention	248
3.1.1.3. Detailed Description of the Invention	248
3.1.1.4. The Drawings	248

3.1.2. The Claims	249
3.1.2.1. Composition Claims	250
3.1.2.2. Process Claims	251
3.1.2.3. Apparatus Claims.	252
3.1.2.4. Product-by-Process Claims.	252
3.1.2.5. Means-Plus-Function Claim Elements	253
3.2. Procedures Before the Patent and Trademark Office	253
3.2.1. Initial Processing of the Application.	254
3.2.2. Examination and Prosecution	254
3.2.2.1. Formalities and Search by the Examiner.	254
3.2.2.2. Office Action	255
3.2.2.3. Applicant's Response	255
3.2.2.4. Reconsideration and Allowance	256
3.2.2.5. Responses to a Final Office Action	256
3.2.2.5.1. Appeals.	256
3.2.2.5.2. Cancellation of Claims	257
3.2.2.5.3. Continuing Applications	257
3.2.2.6. Publication	259
3.2.2.7. Foreign Priority	259
3.2.2.8. Interferences	260
3.2.3. Appeals to the Courts	260
3.3. Post-Issuance Procedures	261
3.3.1. Reissue	261
3.3.2. Reexamination.	262
§ 4. Ownership and Transfer	262
§ 5. The Rights and Limitations of the Patent Grant.	264
5.1. Scope of the Right to Exclude.	265
5.1.1. Temporal Scope: The Patent Term.	265
5.1.2. Geographic Scope	266
5.1.2.1. Exporting a Claimed Invention	266
5.1.2.2. Importing a Claimed Invention or Products Made By a Claimed Process Invention	269
5.2. Limitations of the Right to Exclude	271
5.2.1. The Defense of Patent Misuse.	271
5.2.2. First Sale, Implied License, and Repair/Reconstruction . . .	272
5.2.3. Experimental Use Doctrine.	274
5.2.4. Governmental Use	275
5.2.4.1. Federal Government	275
5.2.4.2. State Government	276