INTELLECTUAL PROPERTY MANAGEMENT
FINAL EXAM
SPRING '04

Professor Jorda May, 2004

Instructions:
This is a two-hour (more for certain foreign students) open-book exam. You may consult the course materials as well as any other materials.

Write your answers in the blue books supplied, but please use only one side of the page and observe the margins. Please write or print as legibly as possible.

Grading will be anonymous; please do not put your name on anything you turn in. BE SURE YOUR EXAM NUMBER IS ON EACH BLUE BOOK YOU TURN IN.

PROBLEM I
In a Draft Report of the Committee for Study of Invention, sponsored by the Lemelson-MIT Program and the National Science Foundation (NSF), for release at an Invention Assembly held in Washington, D.C. on April 23, 2004, the following paragraph appeared about the patent/trade secret interface:

> Trade secrets and patents are often complementary and can often dovetail together. Trade secrecy can be used in the early research and development stages, before patents are sought. Trade secrets protect sub-patentable innovations. Sometimes it is possible to protect the know-how associated with patents as trade secrets, but this strategy can be risky as it may run afoul of patent disclosure requirements. Trade secrets involving early stage research can often discourage the formation of open, creative research environments at universities and in industry. Typically, trade secrets are bound by employment contracts. Unlike patents, trade secrets enable others to mimic what you have done, provided they do not violate a specific secrecy agreement.

Which statements, if any, are correct and which statements, if any, are incorrect and why are they correct or incorrect? **[20 points]**

PROBLEM II

In 1990 Maine Power Co. hired Sam Smart as a consultant to assist in the installation of steam generator electrostatic precipitators. No consultantship agreement was concluded between them. Smart designed a vacuum gauge monitoring level detecting system in connection therewith. Maine Power installed the invention on over 100 systems with Smart's consent and participation. Maine Power also paid all costs and expenses associated with the testing and implementation of the detector. In 1993, Smart applied for a patent on his detector and assigned his patent rights to another company, AB Corp., in which he had an ownership interest. After Smart's patent issued, AB sued Maine Power for infringing the detector patent. Maine Power argued that they possessed a shop right in the patent.

What should the court's decision be on this issue? **[20 points]**

PROBLEM III

Why are Laboratory Notebooks as well as Invention Disclosures of vital importance in the patent solicitation process? **[10 points]**

PROBLEM IV

What are the reasons for, and importance of, so-called "house marks" or "umbrella marks" and what is the relationship or interface between them and regular trademarks and service marks? **[10 points]**

— End of Examination —

KFJ/Ruh/4.28.04