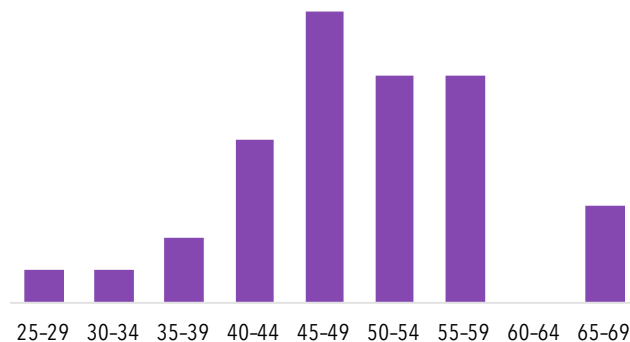


**To: Fun IP students**  
**From: Roger Ford**  
**Date: April 6, 2015**  
**Re: Spring 2015 midterm exam**

Congratulations on completing the midterm exam! Overall I thought the responses were well done, demonstrating an understanding of the fundamental issues of patent law and trade-secret law. You are all well on your way to being capable IP lawyers.

I graded the exams out of a possible score of 70 points — 20 each for questions 1, 2, and 3, and 10 points for following instructions with respect to formatting, the word count, the honor statement, and so forth. The average score was 50.1 points, with a standard deviation of 8.6 points. The averages for questions 1 and 3 were somewhat higher (14.7 and 15.4 points, respectively) than the average for question 2 (10.9 points). A histogram of the total scores is shown below.



If you would like to discuss your exam, I am quite happy to do so; please email or talk to me to set up a time to talk. To make sure it is a productive exercise for both of us, I ask that you take a few steps beforehand. Review your answers, this memo, and the grading rubric. The day before we are to meet, please send me a short memo (1–2 pages) assessing your performance on each question: what you did well, what you misunderstood, what you could improve. Also, please note that I cannot and will not change grades at this point, except in the event of a mechanical error such as incorrect addition.

A few notes on the mechanics of grading: In grading a large number of exam, there will inevitably be some small discrepancies between different exams. To minimize this, I graded each question separately (for instance, I

graded question 1 on every exam before I moved onto question 2) and tried to create as detailed a rubric as possible, with rules for partial credit that I applied as consistently as I could. I also randomized the order of the exams and started grading each question at a different point in the stack.

Finally, I should comment on one unfortunate trend I saw on several exams: referring to the protagonist of question 1 by her first name and to everyone else by their last names. Besides being unprofessional (in a piece of professional writing, you should refer to individuals by their full or last names), it reflects a distressing gender disparity. I hope not to see this again.

What follows are my responses to each question, along with some notes on how each was graded.

### **Question 1**

This question tests (1) the basics of a claim for misappropriation of a trade secret and (2) understanding of the sorts of facts that affect a complex, fact-dependent legal claim. Many answers are possible. An answer should address the elements of a trade-secret claim:

- Information that is economically valuable due to (1) not being generally known, and (in most states) (2) not being readily ascertainable by proper means;
- Reasonable efforts to maintain secrecy; and
- Misappropriation by a third party.

Additionally, because Datamax seeks to prevent McGathy from joining a competitor, it should address the likelihood of obtaining injunctive relief due to inevitable disclosure.

Relevant questions to assess the information's value might include things like: How much has Datamax invested in developing the information? Does that value depend on its secrecy, or is it merely valuable because it provides a useful assessment tool? Is the information not generally known, or do other data brokers have essentially identical information? Can other data brokers reverse-engineer the information based on their own data?

Relevant questions to assess whether reasonable efforts have been taken might include things like: How many people have access to the information?

Do they sign confidentiality agreements? Does Datamax have policies prohibiting disclosure of the information? Is that information physically or electronically secured?

Relevant questions to assess whether misappropriation would occur might include things like: Does McGathy have a duty to maintain the confidentiality of the information? Did she sign a confidentiality agreement? Does Datamax have policies prohibiting the disclosure of this information?

Relevant questions to assess the likelihood of inevitable disclosure might include things like: How complicated are the algorithms? Are they too complicated for McGathy to remember and use in a new job? Are they the kind of information it would be impossible to compartmentalize? Does Datamax use similar algorithms?

Two more specific comments on the responses. First, most of the responses suffered due to vagueness, asking about legal conclusions (“did Datamax undertake reasonable efforts to maintain secrecy?”) as opposed to relevant facts. But I asked you what *information* you would need to evaluate the claim. When you represent a client, you can’t ask whether your client took “reasonable efforts”; you have to find out what they did, and then assess if those steps were reasonable in light of the case law. I was generous with partial credit on this, but the best exams were the ones that asked about specific facts that are relevant to the legal determination. And second, I asked about a trade-secret claim; noncompete agreements are irrelevant to that question.

## Question 2

This question concerns the basic *Mayo/Alice* framework for patentable subject matter. First, we must see if the claim falls within one of the categories of patentable subject matter enumerated in § 101: “process, machine, manufacture, or composition of matter.” A “method of detecting subterranean deposits” is a kind of process, so we must see if it falls within one of the implicit exceptions for abstract ideas, laws of nature, or natural phenomena.

“Laws of nature” is probably the best fit, though we could make an argument under “natural phenomena” or (more weakly) “abstract ideas.” Either way, under the *Mayo/Alice* framework, we take the claim limitation applying the law of nature or natural phenomenon and then see if the rest of the claim adds an inventive element or, instead, consists of purely conventional steps. Here, that element is “analyzing the samples with respect to gases contained in

the samples directly related to said deposits,” since the point is that ground samples that emit hydrocarbons are correlated with areas where oil is likely to be found.

The key question, then, is whether the other elements add an inventive element, or are purely conventional steps. Those steps sound like a fairly conventional scientific protocol: taking samples; avoiding contamination of those samples; testing those samples. However, we don’t actually know if they were conventional in 1940. Assuming they were, the claim is quite similar to *Mayo* and fails to claim patentable subject matter.

Finally, I allocated a few points to the utility requirement, which is closely linked to patentable subject matter and is also governed by § 101. Since this is a process for finding oil, an economically important substance, it undoubtedly has specific utility.

### Question 3

This question tests the prior-art rules of § 102. Because the application was filed before March 16, 2013, we apply pre-AIA law.

*a. The article.* This is a classic printed publication. But because it was written by Dr. Rodarte-Quayle, the applicant, it presumably postdates her invention, or it could not anticipate that invention. Accordingly, it cannot be § 102(a) prior art. And since it was published less than a year before the application filing date, it is not prior art under § 102(b). For this question, I awarded two points for noting that the article is a printed publication, two for addressing § 102(b), and one for addressing § 102(a).

*b. The conference talk.* The talk probably counts as a printed publication under *Klopfenstein*, since written slides were available for an extended period and it was made to the relevant audience. Again, though, it’s not § 102(a) prior art, since it was by the author. It does, however, predate the application by more than a year, so it is § 102(b) prior art. For this question, I awarded two points for addressing whether the talk and slides count as a printed publication, two for addressing § 102(b), and one for addressing § 102(a).

*c. The paclitaxel formulation.* The drug was on sale and in public use. However, under pre-AIA law, those categories are limited to *domestic* sales and use, so the sales and use in the UK don’t count. (Some exams argued that because paclitaxel is a different drug from docetaxel, it cannot be prior art. But

you haven't been told what the relevant claims cover; they are formulation claims, not claims to the underlying drug, and so may be broad enough to cover different drugs. Regardless, I asked whether the references qualify as prior art at all, not whether they disclose all the claim's elements.) For this question, I awarded three points for addressing the public use or sale of the drug and two points for noting that foreign uses and sales don't qualify under pre-AIA § 102.

*d. The TXL34B formulation.* The drug was used in the United States more than a year before the patent filing (and likely before the invention), but the use was a trade secret. Accordingly, under *W.L. Gore*, it is not a public use, at least as against a third-party inventor. (Under cases we did not read, a trade-secret use to produce commercial products, *by the patent applicant*, does count as a public use.) For this question, I awarded two points for addressing whether the drug was used, one point for noting that the use was domestic, and two points for addressing the trade-secret nature of the use.