

Final Examination
Saturday, December 18, 2010

GENERAL INSTRUCTIONS:

1. Be sure to write your anonymous number in the place provided at the top of this page. You are required to turn these test questions in at the end of the examination. Failure to return the test questions will result in a grade of **F** for this examination.
2. This is a limited open book examination. You are permitted to have with you the Rules book.
3. There are two parts to this examination:

PART I - Essay (40%)
PART II - Multiple Choice (60%)
4. Specific instructions for each part are located with that part. Read them carefully!
5. This is a 3 hour exam.
6. If you wish to leave the room during the examination, you may do so. You must, however, leave your test questions and answer sheet in the classroom. Moreover, you may not speak with any member of the class while outside the room.
7. All the examinations at the law school are conducted under the Student Code of Conduct, which forbids cheating or collaborating on examinations. If you witness anyone cheating in any form, it is your responsibility to report this to the Registrar or the Dean of Students. You are required to sign the form indicating compliance with the Student Code of Conduct at the completion of your examination.
8. All students are required to have a Widener University School of Law picture ID card with a validation sticker for fall 2010 on the desk in front of them during the examination.

PART I

ESSAY QUESTION **(suggested time: 1¼ hour)**

IMPORTANT

Read the following instructions CAREFULLY:

1. Unless you are using ExamSoft, use the “blue” books provided to write your answer. Be sure to put your anonymous number on each “blue” book. In addition, you **MUST** number each book, e.g., “1 of 1” or “1 of 3,” “2 of 3,” “3 of 3.”
2. If you are handwriting your exam, write only on one side of each sheet of paper. And remember, a legible exam makes a happy professor!
3. If there are any facts you need to know to analyze the problem, indicate what they are and how they would affect your conclusion. Do not, however, rewrite the question!
4. Address only the issues of procedural law. Do not address the substantive law involved.

Prince Productions, Inc. (Prince), an independent motion picture producer, has brought suit against Dreams Come True Films, Inc. (Dreams), and Universal Pictures Co., Inc. (Universal), to recover damages in excess of \$12,000,000. Prince's claims arise out of the discontinuance of the world wide motion picture distribution business conducted by Dreams through which certain Prince films were distributed. Specifically, Prince's claims revolve around the distribution, or lack thereof, of three motion pictures: *Drums In The Deep South*, *Carnival Story*, and *The Brave One*. Prince is a California corporation with its principal place of business in California; Dreams is a Delaware corporation with its principal place of business in California; and Universal is a New York corporation with its principal place of business in California. The action was instituted in the United States District Court for the District of Delaware.

Your firm represents Dreams. The partner in charge of this case has called you in to help. She presented the facts to you as follows:

Before 2008, Dreams was one of the eight leading distributors of feature length motion pictures in this country. It was known in the motion picture industry as a "major distributor." It was in the business of distributing and licensing for exhibition films produced both by itself and by independent producers. Dreams maintained a large and well-staffed distribution organization in this country and abroad. Its personnel, business practices, and abilities in this area were well known and highly thought of throughout the motion picture industry.

Prince is an independent producer of motion pictures. It had contracted with Dreams for the distribution of several of its films. Three of those contracts (for the distribution of the films noted above) are the subjects of this litigation.

Beginning in mid-November 2008, it was rumored in the motion picture industry and in the press that Dreams intended to disband its distribution organization. Prince protested on the ground that the rumored action would constitute breach of Dreams' contracts with it. Prince received assurances, however, from Dreams that in fact no such steps were anticipated. Nevertheless, on January 21, 2009, Dreams licensed Universal to distribute the films then in Dreams' hands, including the three Prince pictures. Dreams then disbanded its distribution organization and ceased to engage in the business of distributing films.

In the first count of the complaint, Prince contends that Dreams' and Universal's course of conduct violated the Sherman and Clayton Acts (the federal antitrust laws). In the second count, Prince alleges under state law that Dreams breached the three distribution contracts. Prince further asserts that it was damaged because Universal was not capable of handling the distribution of the three pictures involved here as profitably as Dreams could have done. Accordingly, Prince seeks damages from defendants in the amount of \$2,000,000 on its claim for *The Brave One*, \$200,000 on its claim for *Carnival Story*, and \$10,000 on its claim for *Drums In The Deep South*.

The partner has prepared an answer on behalf of Dreams, which admits various contractual relations with Prince relating to the three pictures in question, but in substance denies the material allegations of the complaint relied on to establish liability. She is also considering adding a counterclaim to the answer. It seems that the script for the motion picture *The Brave One* was actually the property of Dreams, and your client believes that Prince used it without permission or making any payment. The partner believes that Dreams has a claim against Prince for the tort of conversion. However, she thinks it might be more advantageous to litigate this claim in California than in Delaware. She needs your advice on the following questions:

1. If she decides litigating the claim for conversion in the Delaware suit is in the best interests of Dreams, may she file it as a counterclaim in Prince's suit? What objections is she likely to encounter from Prince? How are they likely to be resolved by the judge?

2. If, instead, she decides to wait to file the conversion claim in a separate suit in California, what problems may she encounter? How are they likely to be resolved by a California judge?

PART II
MULTIPLE CHOICE QUESTIONS
(suggested time: 1¾ hour)

IMPORTANT

Read the following instructions CAREFULLY:

1. Using a #2 pencil, write your anonymous number on the answer sheet in the first six columns for I.D. number and fully darken the rectangles that correspond with your number. Do not use ExamSoft for this portion of the exam; you must use the answer sheet provided to get credit for your answers.
2. Using a #2 pencil, fully darken the letter “A” under Test Form.
3. There are 25 questions in this part.
4. To be scored, your answers must be recorded on the answer sheet using side 1, numbers 1-25. Do not use the “E” rectangle on the answer sheet. Choose only rectangles “A” through “D.”
5. You must use only a #2 pencil in answering the questions. Fully darken the rectangle for the answer you wish to give.
6. Unless otherwise indicated, assume suit is in federal court.
7. For each question, choose the best answer.