Copyright & Trademark Infringement and What It's Costing You

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Copyright and Trademark Law: The Basics

• Copyright: an original work of authorship fixed in any tangible medium of expression.
  • Owner has bundle of exclusive rights
  • Rights last for a lengthy term of years

• Trademark: an indication of source.
  • Protects against a likelihood of confusion
  • Rights last as long as trademark is in use

• Registration is not necessary, but enhances rights.

• Who owns the copyright or the trademark? May be a difficult question to answer.

• Subject to certain exceptions and defenses, the unauthorized use of someone else’s copyright or trademark is infringement.
What are the costs of infringement?

• Costs include:
  • Money damages, e.g., actual damages to the owner, infringer’s profits, statutory damages and legal fees.
  • Injunction against continued use of the copyright or trademark.
  • Loss of good will among members, vendors and sponsors.

• How do you avoid infringement?
• What do you do if your rights are infringed?
Example No. 1: Your organization publishes a quarterly newsletter for its members, reporting on current events. The 1Q18 edition contains a photograph used without permission.
Questions about Example No. 1

• Someone else—not associated with your organization or the photographer—submitted the photograph to the newsletter’s editor for use. Does this provide a defense? Does it limit your organization’s liability?

• The editor of the newsletter is a volunteer. Is your organization responsible for the editor’s actions?

• The original photograph was not registered before the U.S. Copyright Office when it was printed in the newsletter. Does this matter? Does it affect your organization’s liability?

• The newsletter is only “published” electronically, and not in hard-copy form. Does this matter?
Example No. 2: Your organization is a non-profit that provides education curriculums, classes and workshops in a particular field under your distinctive trademark. You discover that someone else is using a similar trademark to advertise courses via Facebook.
Questions about Example No. 2

• How does this harm your organization?
• What if your organization does or does not have a registration for its trademark?
• What are your organization’s options for taking action? Contact Facebook? Cease and desist letter? Lawsuit?
• What can your organization hope to recover? Can your organization discontinue this use?
Example No. 3: Your organization files to register the trademark it intends to use for its new flagship event. Another organization formally opposes the registration of your application.
Questions about Example No. 3

• Your organization filed its application first; how could this happen?
• The opposer offers a conference under a similar trademark, but in a different field. What can your organization do about this? Can the events co-exist? Is it expensive to fight this kind of opposition?
• Why should your organization seek federal trademark registration? How much does federal registration cost?
• What are some considerations in selecting and clearing trademarks?
Example No. 4: The editor of your organization’s monthly magazine wishes to re-print an article co-written by two authors. The article first appeared in another magazine. One of the co-authors is interested.
Questions about Example No. 4

• Does your organization need to get permission from both co-authors? What about the magazine in which the article first appeared?

• Should permission be in writing?

• What are some standard terms that a written license might include?

• Is there a certain amount of the article that can be used without a license under the “fair use” doctrine?
Example No. 5: Your organization offers a closed intranet in which members can discuss common interests with their peers and post resources. You learn that one member has posted forms and articles owned by third parties.
Questions about Example No. 5

• Can your organization be liable for the actions of its members?
• What are some ways to decrease your organization’s liability?
• How can your organization address the offending member specifically?
• Should your organization be proactive, or is reactive acceptable?
Example No. 6: Your organization’s in-house social media manager wants to use a GIF featuring The Dude from *The Big Lebowski* in a Tweet to poke fun at a lawmaker’s position on a proposed bill in the state legislature. “That’s just, like, your opinion, man.”
Questions about Example No. 6

• GIFs are free for everyone to use, right?
• Your organization’s social media manager will source the GIF on Twitter; she will not upload the GIF. Does this affect your organization’s liability?
• The Tweet will be accompanied by the text, “#noonprop7 Even @TheJeffBridges doesn’t buy it!” Does this present other legal issues in addition to trademark and copyright?
• How can your organization avoid this kind of thing?
• Copyright protection exists in original works of authorship fixed in any tangible medium of expression.
  • Fixation requirement applies to all types of protectable works.

• United States protects foreign works through a combination of treaties and national laws.

• Protection not available for certain works, such as:
  • Works created by the federal government
  • Names, titles
  • Mere facts, data
  • Mathematical principals, formulas, algorithms or equations
  • Procedures, methods
© Subject Matter (examples)

• Literary works, e.g., articles appearing in your organization’s magazine
• Photos and videos appearing on your organization’s website
• Creative selection, coordination or arrangement of facts, e.g., MLS database
• Cartoons
• Songs
• Sound recordings
• Plays
• Choreographic works
• Computer programs
Exclusive rights of copyright owner:

(1) Reproduction;

(2) Preparation of derivative works;

(3) Distribution;

(4) Publicly perform (does not apply to sound recordings);

(5) Display;

(6) For sound recordings, publicly perform by digital audio transmission.
© Duration

• Federal copyright protection applies as soon as a work is fixed. Neither registration nor notice is required.

• Generally, lasts for life of the author plus 70 years after the author’s death.

• Joint works: life of the last surviving author plus 70 years after last surviving author’s death.

• Anonymous works, pseudonymous works, works made for hire: 95 years from first publication, or 120 years from creation, whichever expires first.
© Infringement

• Infringement generally occurs when someone exercises one of the exclusive rights without the copyright owner's permission.

• If sued, the infringer may have to pay the copyright owner’s actual damages and any additional profits of the infringer.

• If © is timely registered, then owner can get statutory damages instead.
  • Typically $750 to $30,000, but can be as low as $200 if innocent infringement or as high as $150,000 if willful infringement.

• Reasonable attorney’s fees are also recoverable if © is timely registered.
Not © Infringement

• **Fair Use**
  - Copyright Act allows limited use for purposes such as news reporting, criticism, teaching, scholarship, and research without owner’s permission
  - Typically reserved for small portions of material used for non-commercial purposes
  - Don’t assume it applies. Difficult to determine; depends on various factors

• **Public Domain Material**
  - Expired copyright,
  - Dedicated to public domain by owner, or
  - Not protectable by copyright (e.g., U.S. government-created works)

• **Note:** Royalty-free does NOT mean free for any purpose. E.g., creative commons licenses.
© Registration and strategy

• Not required, but extremely important.

• You are always creating new works. Filing applications can be time-consuming and expensive . . . How often should you register?

• Considerations:
  • Budget!
  • Everything else: type (e.g., website, form, photo), published or unpublished, new or revised, significance, likelihood (or existence) of infringing use, busy season(s), significant events/products

• Register multiple works, if possible
  • Group registration (quarterly)
  • Applies to serials, e.g., magazines, newsletters
Ownership: Works Made for Hire

• Works created by an employee in the scope of employment are automatically owned by the employer

• Specially ordered or commissioned works are owned by the person or entity that ordered/commissioned them if:
  • The work fits into one of nine specified categories, and
  • The parties expressly agree in a signed, written agreement that the work will be considered a work made for hire

• Best practice is to use a “belt and suspenders” approach: have a written agreement with “work made for hire” language plus an assignment of rights in case deemed not to qualify as “work made for hire”
Authorship vs. Ownership

• Copyright initially owned by the **author**.
• Author is either an individual person or more than one person (joint work).
• Author can also be an employer or customer if the work is a “work made for hire.”
• Author can transfer rights to another party.
• Copyright is a bundle of rights that can be transferred in whole or in part.
• Rightful ownership of a copy doesn’t confer copyright ownership.
Example: contrib. to a magazine

• Author of article → your organization
• Establish ownership and use in writing
• Important terms:
  • Territory
  • Duration
  • Format (print/web)
  • Exclusivity
  • Reps/warranties/indemnities
  • Credit
DMCA

- Creates safe harbors for online service providers that store content at the behest of users (UGC)

- Certain conditions apply:
  - Knowledge of infringement, financial benefit, removal upon notification
  - Designated agent with Copyright Office
  - Repeat infringers policy
Copyright and Trademark Notice

• Copyright notice: © 2019 Adam Mandell
• “Unpublished Work © 2019 John Doe”
• Sound recordings: ℗ 2019 Capitol Records
• Unregistered (common law) trademark/service mark: associationNation™ or XXXXS
• Registered trademark: ASAE®
A trademark (or service mark) is an *indication of source*.
Think: a brand name: APPLE, GOOGLE, COCA-COLA, IBM, MICROSOFT
Trademark registration also not required—but important
Duration: as long as the mark is in use (potentially forever).
Collective Membership and Certification Marks

- **Collective Membership Mark**: A type of collective mark used to indicate membership in the collective.

- **Example**: REALTOR® (identifies members of the NATIONAL ASSOCIATION OF REALTORS®)

- **Certification Mark**: A form of trademark used to identify goods and/or services that meet certain standards or specifications, such as quality, accuracy, place of origin, raw materials, mode of manufacture of goods or performance of services.

- The owner of a certification mark exercises control over the use of the mark and ensures the standards have been met. Does not use the mark itself.
Trademark Registration

• Benefits:
  • Presumption of valid rights
  • National scope of protection
  • Constructive notice
  • Single sheet of paper to provide evidence of the rights
  • State registration may provide some limited benefits
Obstacles to Trademark Protection/Registration

• Likelihood of confusion with another trademark, e.g.,

(Gospel Music Association vs. Grocery Manufacturers of America)

• Descriptive or generic terms, e.g., AMERICAN VETERINARY NURSES ASSOCIATION for veterinary medicine services
Trademark: Infringement

The test for infringement is “likelihood of consumer confusion”: will members of the public erroneously believe that your goods/services originate with, or are in some manner connected or associated with, or sponsored of authorized by, the other mark owner (or vice versa), to the harm of its goodwill and reputation.

- Key elements of test: similarity of marks; relationship between goods and services
Resources

• Copyright resources:
  • copyright.gov
    • File copyright applications
    • Research law
    • Circulars for additional information
    • Compendium III (manual for © applications)

• Trademark resources
  • uspto.gov
    • File trademark applications
    • Research law and procedures