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BASICS OF COPYRIGHT AND TRADEMARK

IEEE-CNSV CPP

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COPYRIGHT

- ▶ Copyright is a form of protection grounded in the U.S. Constitution and granted by law for original works of authorship fixed in a tangible medium of expression. Copyright covers both published and unpublished works

The rationale for copyright is to encourage creativity and innovation by not allowing creative works to be copied; why should a person create it from scratch, if they can just copy someone else's work?

▶ 17 USC Sec. 102. Subject matter of copyright: In general:

(a) Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:

- (1) literary works;
- (2) musical works, including any accompanying words;
- (3) dramatic works, including any accompanying music;
- (4) pantomimes and choreographic works;

- (5) pictorial, graphic, and sculptural works;
- (6) motion pictures and other audiovisual works;
- (7) sound recordings; and
- (8) architectural works

(b) In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work

▶ Works of authorship include literary works
musical works; dramatic works; pantomimes
and choreographic works; pictorial, graphic,
and sculptural works; motion pictures and
other audiovisual works; sound recordings;
and architectural works

- ▶ "Literary works" are works, other than audiovisual works, expressed in words, numbers, or other verbal or numerical symbols or indicia, regardless of the nature of the material objects, such as books, periodicals, manuscripts, phonorecords, film, tapes, disks, or cards, in which they are Embodied; compilations and derivative works are also literary works 17 USC Sec. 102(a)

Definition of Originality

- ▶ Originality means that the work was independently created by the author, as opposed to copied from other works, and that it possesses at least some minimal degree of creativity

Preserved in a Fixed Form

- ▶ Preserved in a "tangible medium of expression from which [it] can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device"

A "literary work" is created for copyright purposes when it is recorded on tape, or written down, but it has not been created if the words are not recorded, transcribed, or otherwise "fixed in a tangible medium of expression"

- ▶ Copyright protection extends only to the form of expression of an idea, not to the idea itself

Copyright does not protect any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, fixed or embodied

Tests for Copyright Infringement

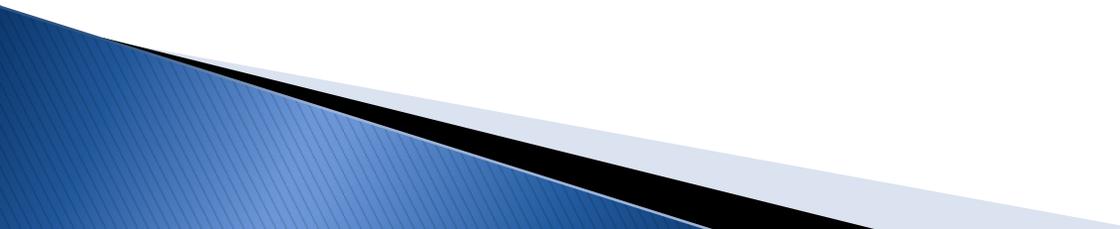
- ▶ The two basic tests are to show:
 - ▶ (1) Access to the original
 - ▶ (2) Substantial similarity
- ▶ However, if substantial similarity is high, access may be assumed
- ▶ Example: Have Gun Will Travel, Victor DaCosta

Case Examples on Copyright

- ▶ The court denied the first film's author claims of infringement. It stated that both movies contain stock characters such as the candidates and their scheming campaign strategists, and that such characters are not protectable elements of a copyrighted work under the "scenes a faire" doctrine. 17 U.S.C.A. S§ 101 et seq., *Blakeman v. The Walt Disney Co.*, 613 F. Supp. 2d 288 (E.D. N.Y. 2009)

▶ Holder of copyright on computer software used to ascertain alleged coded messages contained in Hebrew Bible, in response to search terms, sued alleged infringer who reproduced computer printouts generated by software in book about biblical codes. The District Court held that: (1) matrix format generated by software was "fixed" in tangible means of expression, as required under Copyright Act; (2) Hebrew Bible, in form modified for use as database, was not protectable; (3) matrix element of software was not protectable. 17U.S.C.A. 102, 102(b), 501 et seq. *Torah Soft Ltd. v. Drosnin*, 136 F. SUPP. 2d276 (S.D. N.Y. 2001)

Fair Use Defense

- ▶ Fair use defense allows some use of copyrighted material if:
 - ▶ Academic or non-commercial use, such as comment, criticism or parody
 - ▶ Not a full taking of work, but only use of a portion of the work for the above purposes
- 

▶ Pesticide manufacturer sued competitor for infringement of its copyright in product label. Manufacturer moved for preliminary injunction. The District Court held that: Environmental Protection Agency (EPA) registration requirements did not preclude infringement claim; (2) manufacturer was likely to prevail on infringement claim; (3) competitor did not make "fair use" of copyrighted material. *FMC Corp. v. Control Solutions, Inc.*, 369 F.Supp. 2d 539 (E.D. Pa. 2005)

▶ Computer game company brought action against competitor for unfair competition, patent infringement, copyright infringement, and trade secret violations. Competitor brought action against company for unfair competition, Sherman Act violations, and patent infringement. The Court of Appeals held that: (1) company's computer program contained protected expression; (2) company was likely to show that competitor obtained unauthorized copy of program from Copyright Office

- ▶ Plaintiff company was likely to show that competitor used reverse engineering to exploit company's program; company was likely to demonstrate substantial similarity between its program and competitor's program; and competitor's "unclean hands" precluded it from asserting equitable defense of copyright misuse. *Atari Games Corp. v Nintendo of America, Inc.* (1992, CA FC) 975 F2d 832

- ▶ To be copyrightable, a work must be original. To meet the originality requirement, a work must have been independently created by the author, and must possess at least a minimum degree of creativity. While "the requisite level of creativity is extremely low" there is "a narrow category of works in which the creative spark is utterly lacking or so trivial as to be virtually Nonexistent." Such works are incapable of sustaining a valid copyright. *Darden v. Peters*, 402 F. Supp. 2d 638, 77 U.S.P.Q.2d (BNA) 1403
- ▶ (E.D. N.C. 2005)

- ▶ Plaintiff must prove that the work was independently created by the author, as opposed to copied from other works, and that it possesses at least some minimal degree of creativity. The author must contribute something more than a merely trivial variation, something recognizably his or her own. The level of creativity required to make a work of authorship original "is extremely low; even a slight amount will suffice." A work may be original even though it closely resembles other works, as long as the similarity is accidental and not the result of copying.

▶ Six freelance writers appealed from a grant of summary judgment dismissing their complaint, where publisher of periodical placed their works in database as "revised" work. The district court held that appellees' use of the articles was protected by the privilege afforded to publishers of "collective works" under Section 201(c) of the Copyright Act of 1976, 17 U.S.C. 201c . Database which collected articles did not have a separate copyright in collection as "revision" to original copyrighted works. *Tasini v. New YorkTimes Co., Inc.*, 192 F.3d 356 (2d Cir.1999)

▶ Holder of copyright for computer program brought action alleging that macro translation feature of another program infringed copyright. The District Court held that: (1) copyright protection extended to program's menu structure, organization, and first letters of command names copied by infringer; (2) infringer failed to show waiver, laches, or estoppel; and (3) copying menu structure and first letters of menu commands was not fair use. *Lotus Dev. Corp. v Borland Int'l* (1993, DC Mass) 831 F Supp 223

▶ Marketer and distributor of nutritional and dietary supplements brought action alleging that competitors' products infringed upon trademark, copyright, and trade dress for its Energy products. Competitors moved to dismiss or for partial summary judgment. The District Court held that plaintiff's medical caution statement was sufficiently original to warrant federal copyright protection. 17 U.S.C.A. 553.02(a). *Innovation Ventures, LLC v. N2G Distributing, Inc.*, 635 F. SUPP. 2d 632 (E.D. Mich.2008)

Copyright Elements

▶ The Copyright Act protects "original works of authorship fixed in any tangible medium of expression." Thus, to be entitled to copyright protection, a subject must be:

1. original;
 2. a work of authorship; and
 3. fixed in a tangible medium of expression.
- Further, copyright protection does not extend to ideas or facts, but only to the form of expression of ideas or facts

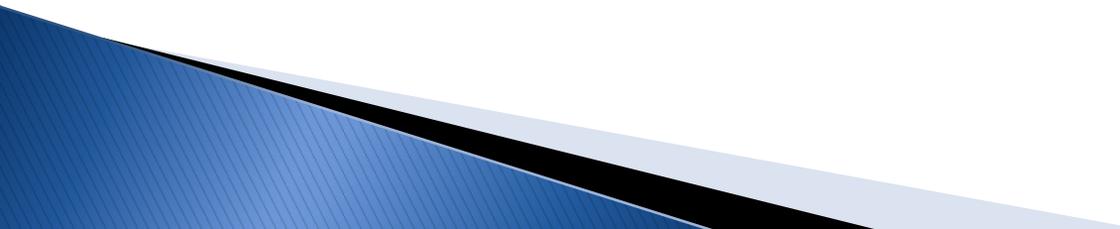
DIGITAL MILLENIUM COPYRIGHT ACT

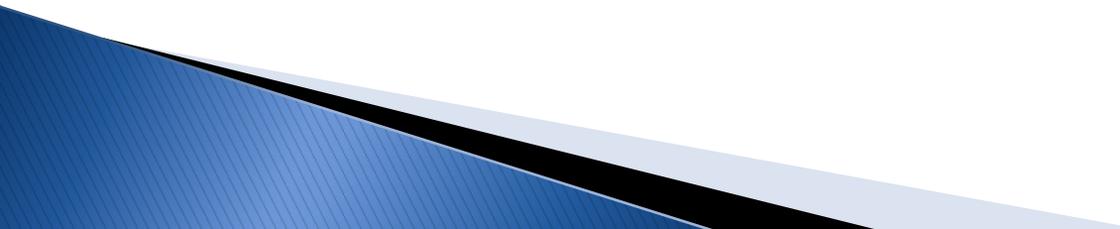
- ▶ On October 12, 1998, the U.S. Congress passed the Digital Millennium Copyright Act, ending many months of turbulent negotiations regarding its provisions. Two weeks later, on October 28th, President Clinton signed the Act into law
- ▶ The Act is designed to implement the treaties signed in December 1996 at the World Intellectual Property Organization (WIPO) Geneva conference, but also contains additional provisions addressing related matters

- ▶ As was the case with the No Electronic Theft' Act (1997), the bill was originally supported by the software and entertainment industries, and opposed by scientists, librarians, and academics

- ▶ Highlights

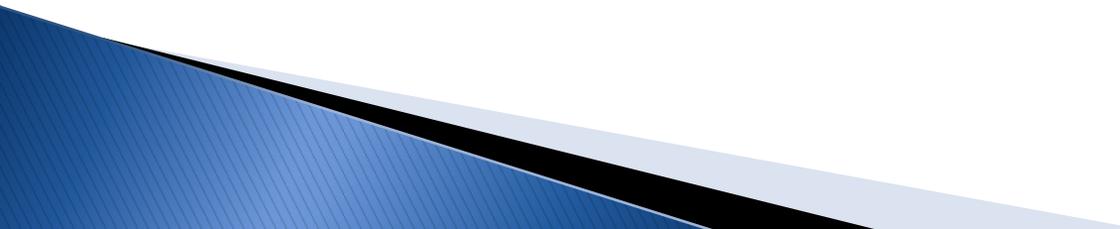
Generally: Makes it a crime to circumvent anti-piracy measures built into most commercial software

- ▶ Outlaws the manufacture, sale, or distribution of code-cracking devices used to illegally copy software
 - ▶ Does permit the cracking of copyright protection devices, however, to conduct encryption research, assess product interoperability, and test computer security systems
- 

- ▶ Provides exemptions from anti-circumvention provisions for nonprofit libraries, archives, and educational institutions under certain circumstances
 - ▶ In general, limits Internet service providers from copyright infringement liability for simply transmitting information over the Internet
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- ▶ Service providers, however, are expected to remove material from sites that appears to constitute copyright infringement

It limits liability of nonprofit institutions of higher education -- when they serve as online service providers and under certain circumstances -- for copyright infringement by faculty members or graduate students

- ▶ Requires that "webcasters" pay licensing fees to record companies
 - ▶ Requires that the Register of Copyrights, after consultation with relevant parties, submit to Congress recommendations regarding how to promote distance education through digital technologies while "maintaining an appropriate balance between the rights. of copyright owners and the needs of users"
- 

- ▶ States explicitly that "[n]othing in this section shall affect rights, remedies, limitations, or defenses to copyright infringement, including fair use..."

▶ Injunction that prevented Internet web site owner from posting decryption code on its web site was content neutral restriction on owners' speech, in lawsuit brought by motion picture studios under Digital Millennium Copyright Act (DMCA); neither DMCA nor posting prohibition was concerned with whatever capacity decryption code had for conveying information to a human being, instead, DMCA and posting prohibition were applied to decryption code solely because of its capacity to instruct a computer to decrypt a digital versatile disks (DVD) without any "intercession of mind or will" of a person. U.S.C.A. Const.Amend. i; 17 U.S.C.A. SSSS 1201 et seq. *Universal City Studios, Inc. v. Corley*, 273 F.3d 429(2d Cir. 2001)

Conclusion

- ▶ Copyright protection is for literary works embodied in a fixed form
 - ▶ Infringement Elements;
 - ▶ Plaintiff is author
 - ▶ Defendant had access to Plaintiff's work
 - ▶ Defendant's work is substantially similar and
 - ▶ Registration is not required, but needs to be done prior to filing suit
- 

Copyright Distinct from Patent or Trademark

- ▶ Copyright protects original works of authorship, while a patent protects inventions or discoveries. Ideas and discoveries are not protected by copyright law, although the way in which they are expressed may be
- A trademark protects words, phrases, symbols, or designs identifying the source of the goods or services of one party and distinguishing them from those of others

When Copyright Protection Begins

- ▶ Your work is under copyright protection the moment it is created and fixed in a tangible form that it is perceptible either directly or with the aid of a machine or device

Examples: dance videotaped, software code written down (and/or printed), song recorded or written with music notation system

Copyright Registration

- ▶ Copyright Registration is not required for protection, but it gives additional remedies, such as statutory damages, and gives a rebuttable presumption of priority as to the timing of the first use/protection

Trademark

- ▶ A trademark, or in the case of services a service mark, usually consists of depiction which contains an identifying symbol, and may contain words or names
- ▶ It may be a well-known word (Kleenex, Scotch tape), a familiar design (Ford Motor Co. blue oval) a popular container (such as the Coca-Cola bottle), or a distinctive building design (In-N-Out Burger building)

Secondary Meaning

- ▶ A color, shape or name acquires secondary meaning in the marketplace if that aspect of the product is so closely associated with the specific product;
 - ▶ Pink color or Pepto-Bismol
 - ▶ Golden Arches of McDonald's
 - ▶ Tartan design of 3M, Scotch Tape
- 

Trademark Infringement

- ▶ Infringement of a registered mark occurs, under the Federal Trademarks Act, when a third party uses the same or a similar mark in interstate commerce, thereby causing likelihood of confusion

Essentially the same facts that establish trademark infringement also establish common-law unfair competition

U.S. Trademark Not Protected Internationally

- ▶ A mark registered in the U.S. does not protect trademark outside of U.S. However, if you own a trademark application pending before the USPTO (U.S. Patent and Trademark Office), or of a registration issued by the USPTO, you may seek registration in any of the countries that have joined the Madrid Protocol (an international treaty) by filing a single application, called an "international application," with the International Bureau of the World Intellectual Property Organization, through the USPTO

- ▶ Also, certain countries recognize a United States registration as a basis for filing an application to register a mark in those countries under international treaties

The laws of each country regarding registration must be consulted to ensure protection for your mark in other countries

- ▶ Federal registration is not required to establish rights in a trademark

Common law rights arise from actual use of a mark in commerce

Generally, the first to either use a mark in commerce or file an intent to use application with the Patent and Trademark Office has the ultimate right to use and registration

- ▶ However, there are many benefits of federal trademark registration
 - ▶ If the client owns a valid federal trademark registration and the infringing use is in interstate commerce, the owner has at his or her command the provisions of the Federal Trademark Act
- 

Benefits of Registration

- ▶ Plaintiff's main reliance, if the mark is registered, will be on §§1.13.4(1) of the Act.

Any person who shall, without the consent of the registrant:

(a) use in commerce any reproduction, counterfeit, copy or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

- ▶ (b) reproduce, counterfeit, copy or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution,

- ▶ or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive;
- ▶ (c) shall be liable in a civil action by the registrant for the remedies hereinafter provided. 15 USC 5513.140

- ▶ A full search should be made of United States Patent Office records and trade directories for the trademarks of both parties and for any package designs and slogans that might be the subject of federal registration

Doing a comprehensive search now could avoid expensive mistakes on redoing marketing, labeling and commercial use that could infringe on an existing mark

- ▶ A search of such records can be obtained at moderate cost from companies specializing in these searches. In order to locate similar third party marks on competitive goods, it would be wise to search in the entire field for your product

- ▶ The search will show whether a trademark in issue has been federally registered and may also show both federal registrations and possibly unregistered trademarks that are the same as or similar to those in issue

Fair Use Defense for Trademark

- ▶ In context of trademark, fair use may again be where only a portion of work is being used, or where there is no likelihood of confusion by public
 - ▶ McDonald's McDharma
 - ▶ Monopoly Anti-monopoly
- 

Important Considerations

- ▶ (a) Does either client or prospective defendant own a federal registration for its trademark?
 - (b) Does any third-party registered, or unregistered, trademark exist that is the same as, or similar to, those in issue?
- On the basis of the search report, you may be able to ascertain whether your trademark is "weak," in the sense that there are numerous third-party uses of similar marks, or that the mark is overly descriptive when applied to the particular product (a generic name, such as "Coca-cola")

Considerations on Trademark

- (a) Are you an owner of record of the mark?
- (b) Is each registration presently valid?
- (c) Has either registration expired?
- (d) Has an affidavit of continued use been filed under 15 USC 105(8)(a)?
- (e) Has an affidavit been filed under 15 USC 1065 so that the right to use the mark in commerce has become incontestable?

- ▶ If a federal registration exists for a potentially competing mark, a copy of the application file history for each should be obtained from the Patent Office

The file history, a public record, will contain all documents pertaining to the prosecution of the application, including the application itself, amendments, responses to office actions, and specimens of the label or packaging showing use of the competing mark

- ▶ The file history will also carry any notices that the registration has been involved in litigation

Inquiry into the history of past infringements of any competing marks should be made.

All past litigation and the present status of any past infringements should be reviewed regarding that mark

- ▶ You and/or your attorney should determine whether either you or another mark holder owns a state trademark registration for your marks
 - ▶ If so, copies should be ordered from the secretary of state of the particular state
- 

First Use of the Mark

- ▶ First use must be in interstate commerce

Evidence of prior use by a predecessor or assignor and evidence of use on products other than those in issue in territories where your product is sold

Mark Specimens

- ▶ Specimens of each label, tag, carton, name plate, or package that bears the client's trademark, including any and all revisions or modifications in the manner of trademark display, should be secured

You should also establish the distribution channels of your product to the ultimate consumer of the goods or services

- ▶ This inquiry should also cover the types of individuals who purchase your products

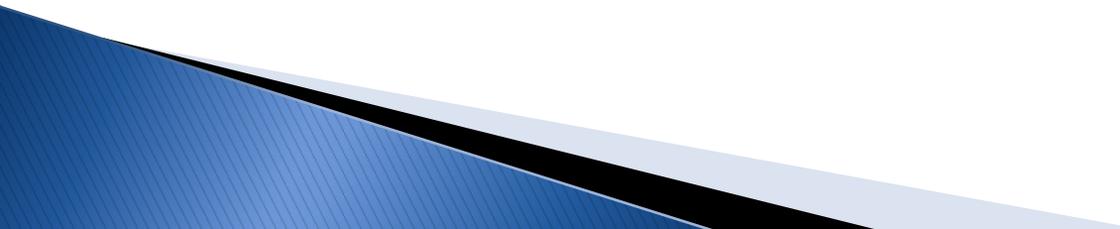
Of particular significance will be whether or not the consumers are educated concerning the particular goods and unlikely to be misled

- ▶ Determine the market circumstances under which sales are solicited and made

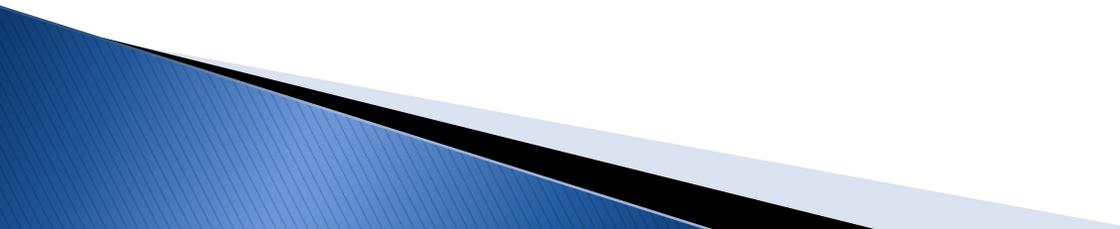
Do your trade areas and those of a prospective infringer overlap?

Loss of Business and Mark Dilution

▶ Investigate any actual damage sustained from the opponent's acts, such as:

1. lost sales resulting from customers' confusion;
 2. Injury to business reputation arising from the defendant's misleading sales of an inferior product;
 3. Loss of strength and value of the mark;
- 

- ▶ All evidence of communications indicating confusion, such as misdirected orders, telephone calls, and mail or email should be obtained
 - ▶ Complaints directed to the client about the defendant's product should also be logged and analyzed
- 

- ▶ Your field representatives who have firsthand information about damages arising from infringement should be interviewed, and this information assessed
 - ▶ Where there is any evidence that the defendant has palmed off its product as that of the client, this area should be explored in detail, and data concerning witnesses and dates and places of occurrence should be obtained
- 

- ▶ Obtain data similar to that of your information concerning the defendant's trademark usage, advertising, territories, first use dates, various packaging to investigate likelihood of confusion

- ▶ Review the past history of your relations with defendant, such as agreements on trademarks, prior infringements by either party and notices of infringement, and prior unfair commercial activities or efforts to restrain trade

Determine whether or not the defendant has obtained a state trademark registration, and whether the defendant is incorporated or qualified to do business in the relevant state

Relevant Factors on Your Credibility

- ▶ You should review any of your conduct relevant to equitable defenses, laches, estoppel, or acquiescence

Any past difficulties with government agencies, such as the Federal Trade Commission or the Food and Drug Administration, related to the mark, may be relevant to equitable considerations

Case Example

- ▶ Trademark holder brought action against competitor under Lanham Act, and related state law claim. The court held that: (1) material issue of fact existed as to whether trademark holder acquiesced in use of mark at competitor's Manhattan establishment; (2) competitor's reliance on trademark holder's silence constituted consent to competitor's good faith offer of accommodation; and (3) district court was required to compare likelihood of confusion from competitor's office in Queens and from its new Manhattan offices. *ProFitness Physical Therapy Center Pro-Fit Orthopedic and Sports Physical Therapy P. C.*, 314 F.3d 62, 65 U.S.P.Q.2d (BNA) 1195 (2d Cir. 2002)

▶ Relevant factors to a claim of trademark infringement under federal trademark law include "likelihood of confusion," "incontestability," and "secondary meaning." The major source of trademark law is the federal Trademark Act of 1946, as amended, also known as the Lanham Act

▶ Insurer with business name "Meridian Mutual Insurance Company" brought action and sought injunction against insurance broker using name "Meridian Insurance Group" and broker's owners, alleging service mark infringement, unfair competition, and deceptive trade practice. held that: (1) insurer established likelihood of prevailing on merits of its service mark infringement claim; (2) injury to plaintiff's goodwill established inadequate remedy at law and irreparable harm;

▶ (3) proper scope of injunction was to prohibit broker from using "Meridian" in any public forum, although not to prohibit use of "Meridian" in any manner or require recall of materials bearing "Meridian" name; and (4) balance of harms weighed in favor of plaintiff. *Meridian Mut. Ins. Co. v. Meridian Ins. Group, Inc.*, 128 F-3d 1111 (7th Cir. 1997)

▶ Current members of rock band brought action based on video game's use of new recording of song that original band had made famous, asserting claims against video game's distributor, game's publisher, and company that made new recording for alleged violation of right of publicity, false endorsement under Lanham Act, unfair competition, and unjust enrichment. The court held that: Defendants did not violate current band members' right of publicity under Michigan law,

- ▶ even if such right extended to sound of voice or sound of combination of voices;
- ▶ Video game, which allowed players to pretend to be playing guitar in rock band, was expressive artistic work entitled to First Amendment protection;

- ▶ First Amendment (Right to Free Speech) preempted right-of-publicity claim; Copyright Act preempted right-of-publicity claim;
First Amendment protection afforded to video game precluded claims for false endorsement under Lanham Act and unfair competition under Michigan law; i.e. band's non-distinctive sound could not serve as mark protected by Lanham Act;

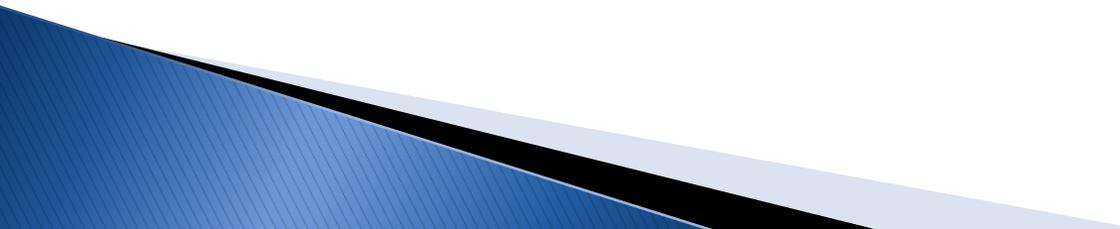
- ▶ and band members failed to establish unjust enrichment. Lanham Act, 15 USC §5 1125(a). *Romantics v. Activision Pub., Inc.*, 574 F. Supp. 2d 758 (E.D. Mich. 2008)

▶ Swimwear manufacturer that used mark "MIRACLESUIT" brought trademark infringement action against apparel manufacturer that used mark "THE MIRACLE BRA"

After determining that defendant's use of its mark on swimwear created possibility of confusion

- ▶ The District Court, addressing an issue of first impression, held that appropriate relief was injunction requiring apparel manufacturer not to use "THE MIRACLE BRA" trademark with respect to swimwear unless it used a disclaimer and paid swimwear manufacturer a reasonable royalty. Lanham Trade-Mark Act, SS 34(a), 15 USC § 1116(a). *A & H Sportswear Co., Inc. v. Victoria's Secret Stores, Inc.*, 967 F. Supp. 1457 (E.D. Pa. 1997)

To Prove Mark Dilution

- ▶ The plaintiff must show that its mark is a prominent, well-established mark
 - ▶ Dilution causes senior mark to suffer by virtue of association with inferior product
- 

▶ Affiliated corporations engaged in sale of lingerie and who owned the trade mark "Victoria's Secret" brought trademark infringement and dilution action against adult novelty store named "Victor's Little Secret." The Supreme Court, held that: (1) Federal Trademark Dilution Act (FTDA) unambiguously requires a showing of actual dilution, rather than a likelihood of dilution, by objective proof of actual injury to the economic value of the mark, and

- ▶ (2) plaintiffs failed to establish that their famous mark was diluted, absent evidence of any lessening of the capacity of the mark to identify and distinguish goods or services sold in their stores or advertised in their catalogs. Lanham Trade–Mark Act, §§ 43(c)(1), 45, 15 USC Sec. 1125(c)(1), 1127., 537 U.S. 418, 123 S. Ct. 1115, 155 L. Ed. 2d 1 (2003)

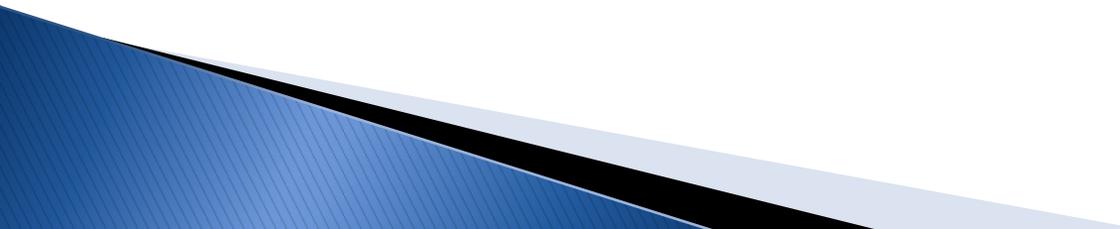
Conclusion

- ▶ Trademark protection is for a symbol which mainly contains words to be associated with your product or service
 - ▶ Protection comes from first use, not by registration, although registration is helpful
 - ▶ If use of infringer creates a likelihood of confusion in the consumer or public, then infringement has most likely occurred
- 

Copyright or Trademark Issues in Consulting Agreements

- ▶ Trade Secret Clauses
- ▶ Indemnity by consultant of client for infringement of others' patent, trademark or copyright
- ▶ Transfer of ownership of IP to client for IP created while working for client
- ▶ Contract clauses which attempt to claim that all IP you create during the period of the consulting are owned by a particular client, even though you work for multiple clients

Review Contracts Carefully

- ▶ Review any agreements carefully
 - ▶ Consider having an attorney review your form of agreement, or the agreement a client may request you sign, particularly if the language seems overly restrictive regarding intellectual property issues
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