

# It's all You've Got!

## An IP Legal Checklist for Communications Pros.

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# POP QUIZ!!!!

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- ◆ Q1: The Agency owns the work until the Client pays for it. Once the Client pays, it owns the work.

True or False ?



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# POP QUIZ!!!!

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- ◆ Q2: If a domain name is for sale, the Client can adopt it to promote its goods or services online

True or False?



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# POP QUIZ!!!!

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- ◆ Q3 The Agency owns the rights to the ideas in a pitch until the Client hires them.

True or False?

# POP QUIZ!!!!

- ◆ Q4: Which of these marks is the strongest?
  - A. Apple
  - B. Xerox
  - C. Dave's Famous BBQ
  - D. Target

Bonus Points: Rank the marks in order of Strength!



# IP: Defined



- ◆ “Intellectual Property” is a broad term that applies to one of the following:
  - Trademarks
  - Copyrights
  - Patents
  - Trade Secrets
    - We’ll talk about 1, 3, and 4 today.



# Issue #1 – Client Needs a New Mark



- ◆ How do we choose a mark the client can legally protect?
- ◆ What happens after we choose a mark everyone likes?
- ◆ When should we begin the process to legally protect and clear the mark?
- ◆ How long does all this legal stuff take?

# Trademarks Defined

- ◆ What a Trademark Is: something that identifies the origin of a good or a service to the end buyer
- ◆ A Trademark and Service mark are legally identical
- ◆ A TM is the **ONLY** kind of IP that can last **FOREVER!**
- ◆ Examples:
  - Words or Phrases (Single Words, Slogans, Taglines)
  - Specialized Font Treatments of Words or Phrases
  - Logos
  - Sounds (Music, Chimes)





# Trademarks Defined



- ◆ What a Trademark is NOT:
  - A Company Name
  - A Domain Name/URL
  - A Facebook or Twitter Account Name
  - A word or phrase that is generic
  - Someone's proper name (unless **Secondary Meaning**)

# Mark Selection

- ◆ The continuum of trademark strength:

◆ **WEAKEST**

**STRONGEST**

◆ Descriptive

Suggestive

Arbitrary

Fanciful

# Mark Selection

- ◆ The trademark strength continuum:
  - **Descriptive marks** - merely describe the products or services they identify (**Example: SCOOTER STORE**)
  - **Suggestive marks** - suggest or hint at some property or characteristic of the product or service identified (**Example: VOGUE**)

# Mark Selection

- ◆ The trademark strength continuum:
  - **Arbitrary marks** - A mark that has some meaning in the English language but has no direct relationship to the product or service identified. (Example: **APPLE** )
  - **Fanciful marks** - Totally made up. A word mark manufactured to brand the client's product or service. (Example: **XEROX**)

# Mark Selection

- ◆ The top 2 reasons trademarks get challenged, rejected or otherwise disputed:
  - The mark is “merely descriptive”
  - The mark will cause a “likelihood of confusion” with some other mark in use

# Trademark Clearance

- ◆ Some preliminary (and FREE) trademark clearance strategies for the non-lawyer:
  - Internet search engines
  - Domain name registrars
  - US Patent & Trademark Office web site search features

Tip: Finding an available domain name is NOT trademark clearance!!!!



# Trademark Clearance



- ◆ The next levels of clearance:
  - Trademark search - by an search service or trademark lawyer
  - Trademark opinion - prepared by a trademark lawyer based upon a review of full search results.

# Trademark Protection

- ◆ Trademark Registration
  - Marks can be registered federally or in each state
  - Federal (and Ohio) registrations last for 10 years and can be renewed indefinitely if mark remains in use
  - **The Federal registration process takes ~ One Year to complete**
- ◆ Trademark Monitoring
  - Perform regular reviews of industry publications and the internet for common law use of the mark
  - Engage a monitoring service that will police the mark regularly for a fee



# All About the Symbols

- ◆ ® - used ONLY to denote a federally registered mark (Trademark or Service Mark)
- ◆ TM – has no legal significance, but can be used as “public notice” that the mark owner considers the mark proprietary; used to identify goods/products
- ◆ SM – has no legal significance, but can be used as “public notice” that the mark owner considers the mark proprietary; used to identify services

# Trademark Infringement – Avoid It!

- ◆ Perform clearance work early in process
- ◆ Perform preliminary clearance work for several alternate marks simultaneously where possible
- ◆ Centralize the clearance process
- ◆ Where the client will assume this responsibility, there is still value in doing “knock out” work in Agency
- ◆ Address innocent adoption issues immediately

# Trademark Infringement - Liability

## ◆ Who is liable?

- The brandholder has primary liability – they are the ones using the mark in commerce
- The Agency may have liability for negligence in failure to perform due diligence for Client
- The Agency WILL have liability for failing to disclose a potential conflict or infringement it knows about to the Client

# Trademark Infringement – What Happens If.....?

- ◆ Potential Penalties/Recourse
  - Cease and desist
  - Forfeiture/impounding of “offending” goods
  - Actual, statutory and sometimes punitive damages
- ◆ Potential Solutions
  - Voluntary abandonment of mark
  - Concurrent use agreement
  - Licensing arrangement

## Issue # 2 – Protecting the Work

- ◆ Who owns the rights to the work the Agency creates?
- ◆ Who owns the rights to the work after the client pays for it?
- ◆ How do we make sure the rights are in the “right” place?

# What Are We Protecting Exactly? Copyright!

- ◆ Copyright Defined: a set or bundle of rights in an original creative work, including the right to
  - Display
  - Reproduce or Duplicate
  - Assign, Transfer or License (the \$\$\$\$\$ transactions)
- ◆ What Copyright Does NOT Protect:
  - Ideas or Concepts (These may be protectable by a Nondisclosure Agreement)
  - Slogans/Taglines (These may be subject to Trademark protection)
  - Compilations of Fact

# All About the Symbols Again.....

- ◆ Proper form of copyright notice:
  - Copyright 2012 XYZ Corp.
  - © 2012 XYZ Corp.
- Tip: Notice is not legally required to protect copyright, but USE IT BECAUSE:
  - It's public notice the work is proprietary
  - It's easy and FREE

# Ownership of Work Rights: Agency vs. Client

- ◆ Agency owns the rights to all work it creates, **even after** the client pays for the work, **unless**:
  - There is a written Work for Hire provision in the engagement agreement, or
  - There is a written assignment of completed work by the Agency to the Client
  - There is a written grant (on paper or via a click-through) of a license to use the work

**This is usually NOT the intent of the parties!**



# Work Rights: We Love Free-Lancers!

- ◆ Who owns the work a free-lancer or independent contractor creates for the client? **THEY DO!!!**
- ◆ What steps do we take to make sure that the agency, or corporate marketer owns all rights to the free-lancer's work?

# Work Rights: Free-Lancers and Independent Contractors

- ◆ Best practice — don't engage a free-lancer or independent contractor without a written Work for Hire Agreement signed in advance
- ◆ Second best practice — don't pay the free-lancer or contractor until they sign a Assignment of Rights to the work to the Agency or Client
- ◆ Third best practice — get an Assignment of Rights before the free-lancer or contractor disappears!

# Protecting Copyright in Work - Tools

- ◆ **Tip:** Have standard Work for Hire and Assignment documents to use for all contractors, vendors and free-lancers who provide any creative work on a project
- ◆ **Tip:** Have copyright ownership language in all written proposals
- ◆ **Tip:** Have a strong rights ownership clause in all client agreements that does not transfer rights to work until payment is made

# Protecting Copyright – Notice and Registration

- ◆ Notice is the first line of defense
- ◆ Copyright Registration – U.S. Copyright Office
  - Inexpensive
  - Faster than TM Registration
  - REQUIRED to bring a suit for copyright infringement
  - Entitles copyright holder to statutory damages
  - Copyright will either be registered in the “author’s” name or the name of the rights holder

# Copyright Acquisition and Transfer

- ◆ Whenever there's a reference to clearing or obtaining "rights" or "permissions," copyright is implicated
- ◆ Acquisition by License – Acquiring rights to use the work for a limited time or a limited purpose, OR acquiring rights to only use some of the work
- ◆ Acquisition by Transfer or Assignment – Acquiring all rights to the work

# Copyright Infringement

- ◆ What is the test for infringement?
  - Access to the work of another
  - Substantial similarity between the 2 works
- ◆ Statute of Limitations – 3 years from the date of discovery of infringement

# Copyright Infringement – Avoid It!

- ◆ Have a rights clearance process – centralize it when possible
- ◆ Have “originality/no infringement” clauses in creative services agreements (**Caution** – this goes both ways)
- ◆ Address innocent adoption situations immediately and voluntarily

# Copyright Infringement - Liability

- ◆ Who is Liable?
  - Everyone involved in the creative process if the elements are met
- ◆ Possible Defenses to an Infringement Claim
  - Elements of claim not met (either no access to the original work, or no substantial similarity)
  - Work taken not protected by copyright
  - Fair Use (never works in a commercial setting)



# Copyright Infringement – What Happens If...?

- ◆ Potential Recourse Includes
  - Cease and Desist
  - Statutory Damages
  - Actual Damages
  - Accounting of Revenues/Profits
  - Forfeiture of Infringing Material(s) and Profits

# Issue #3 - We've Got a Secret.....

- ◆ Trade Secrets – Information that is valuable to your company because:
  - It's proprietary (developed internally or by someone with a contractual relationship with you)
  - It's secret
  - It would do your company economic harm in the hands of your competitors

# Trade Secret Protection

## ◆ In-House —

- Put nondisclosure language in all employment contracts and employee handbooks
- Give access to the information only to the employees who need it to do their jobs
- Have secure technology processes in place

# Trade Secret Protection

- ◆ With Customers and Vendors — don't disclose the information/ideas without a written and signed nondisclosure agreement
- ◆ In Corporate Communications/Marketing Efforts — don't use any information in your communications or marketing that a competitor could unfairly use against you (be careful in social media and with client testimonials)



# Thank You!



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