

# Key Trademark and Copyright Rules for Nonprofits to Follow – and Break!

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Venable LLP, Washington, DC

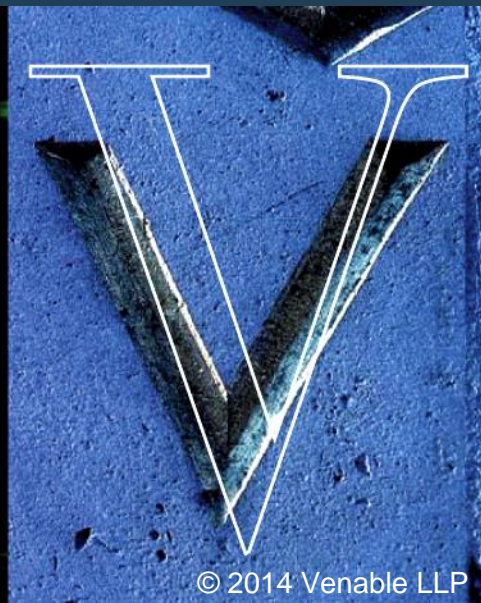
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September 16, 2014 – [What's Ahead for 2015: Preparing Your Nonprofit's Group Health Plan for the Employer Mandate](#)



# Agenda

## ■ Trademarks: Follow and Break the

### “ACID” Test

- Brands need not always be used as adjectives and in a consistent manner
- Strong brands can be flexible, fluid, and “living”

## ■ Copyrights: Break Reliance on the

### “Automatic upon Creation” Rule

- Registered rights enhance your effectiveness in dealing with infringing content under copyright law and the DMCA
- Copyrights must be recorded in order for Customs to stop infringing imports



**Trademarks:  
Follow and Break  
the “ACID” Test**

# Trademarks: The “ACID” Test

- The Test
  - Use trademarks as **Adjectives**
  - In a **Consistent** manner
  - With **Identification** re: whether mark is registered
  - And in a **Distinctive** or attention-grabbing manner



# Trademarks: Is the “ACID” Test Outdated?

- Rules to Break
  - Use trademarks as **Adjectives**
  - In a **Consistent** manner
  
- Rules to Follow
  - Use trademarks with **Identification** re: whether mark is registered
  - And in a **Distinctive** or attention-grabbing manner
  
- Today
  - Strong brands can be flexible, fluid, and living



# Trademarks: Is the First Part of the “ACID” Test Outdated?

- Old Rule
  - Use trademarks as **Adjectives**
  
- The Fear
  - Genericide
    - “photocopying” versus “Xeroxing”
  - Loss of rights
  
- The Times
  - Changing consumer sophistication and expectations
  - The mobile marketplace; short attention spans
  - Need to build brand interest and loyalty





# Using Strong Brands as Nouns and Verbs

## ■ New Rule

- You may “verb up” strong brands or use them as nouns

## ■ Examples

- GOOGLE as a verb
- Google PLAY: PLAY YOUR HEART OUT
- Vanguard: Vanguarding

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- [ABC as adjective] WAY: LIVE [ABC as noun]



# What Is a Strong Brand?



# Using Strong Brands as Nouns and Verbs: Guidelines

- Make clear to consumers that the action suggested by **the verbed-up brand use cannot be accomplished without using the branded product or service.**
  - The verbed-up brand can be built into taglines, slogans, and/or logos that reinforce this point.
    - *e.g.*, “Vanguarding can’t happen without Vanguard” and “play your heart out” can’t happen without “Google Play”



# Using Strong Brands as Nouns and Verbs: Guidelines

- Create and publish **guidelines for “verbed-up” brand use** (and/or update trademark guidelines that reinforce this concept).
  - *e.g.*, “Start Vanguarding” not “Get Vanguarded”



# Using Strong Brands as Nouns and Verbs: Guidelines

- **Register** the verbed-up brand – or the tagline, slogan, or logo containing the verbed-up brand
  - The registry is king:

## VANGUARDING

<b>Word Mark</b>	VANGUARDING
<b>Goods and Services</b>	IC 036. US 100 101 102. G & S: Financial brokerage services and financial informatio
<b>Standard Characters Claimed</b>	
<b>Mark Drawing Code</b>	(4) STANDARD CHARACTER MARK
<b>Serial Number</b>	77959213
<b>Filing Date</b>	March 15, 2010
<b>Current Basis</b>	1A
<b>Original Filing Basis</b>	1B
<b>Published for Opposition</b>	June 29, 2010
<b>Registration Number</b>	3902041
<b>Registration Date</b>	January 4, 2011
<b>Owner</b>	(REGISTRANT) The Vanguard Group, Inc.



# Using Strong Brands as Nouns and Verbs: Guidelines

- Send **friendly letters** to publishers and media outlets that do not appear to appreciate the necessary connection between the brand and the verb in their references.



# Using Strong Brands as Nouns and Verbs: Guidelines

- Work with **dictionaries** to ensure that any verb listings are consistent with your new verbed-up brand policies.



# Using Strong Brands as Nouns and Verbs: Guidelines

- Conduct regular **monitoring** of the public's use and view of the verbed-up brand – ultimately, it is the consuming public that determines, through its use, whether a verbed-up brand has lost distinctiveness through genericide.





# Trademarks: Is the Second Part of the “ACID” Test Outdated?

- Old Rule
  - Use trademarks in a **Consistent** manner
- The Fear
  - No ability to “tack” use to current use
  - Loss of rights
- The Times
  - Changing consumer sophistication and expectations
  - The mobile marketplace; short attention spans
  - Need to build brand interest and loyalty



# Using Strong Brands in a Fluid or “Living” Manner

- New Rule: You may use strong brands in a fluid or “living” manner
- Google “Doodles”: The Model



- Fluid trademarks
  - A misnomer?
    - Motion marks = marks with active movement
  - “Living” brands
    - They grow but essential character remains



# Using Strong Brands in a Fluid or “Living” Manner

- Nonprofit tradition, culture, and policy
  - Does your nonprofit have members and/or chapters?
  - How do you currently control use of your brands by members and/or chapters?
    - Are they allowed to change the brands based on geographic region?
    - Are they allowed to change the brands seasonally?
    - Do they follow the “rules”?
  - What are you currently doing about brand control?
    - Is there a binding policy and do you enforce?
  - Would a flexible standard make your job easier?



# Using Strong Brands in a Fluid or “Living” Manner: Guidelines

- Make sure the subject design or stylization is **strong**, with substantial goodwill.



# Using Strong Brands in a Fluid or “Living” Manner: Guidelines

- Gauge how much to play with the design or stylization based on the **relative strength** of the mark.
  - Famous marks may be changed the most.



# Using Strong Brands in a Fluid or “Living” Manner: Guidelines

- Change only the design or stylization, **not the corresponding word mark** (except when it comes to breaking the ACID test rule of using word marks as adjectives).



# Using Strong Brands in a Fluid or “Living” Manner: Guidelines

- Make sure that the **essence of the logo is retained** (e.g., the stylization of the word mark GOOGLE is regularly discernible).



# Using Strong Brands in a Fluid or “Living” Manner: Guidelines

- Continue regular trademark **use of the original** design or stylization.

The Google logo is displayed in its standard multi-colored font (blue, red, yellow, blue, green, red). A small white L-shaped corner marker is visible in the top right corner of the slide area.



# Using Strong Brands in a Fluid or “Living” Manner: Guidelines

- Maintain trademark **registrations for the original** design or stylization and underlying word mark standing alone.
  - Again, the registry is king!



# Using Strong Brands in a Fluid or “Living” Manner: Guidelines

- **Do not be a trademark bully** when others do parodies.
  - “Eat More Kale” lesson



# Using Strong Brands in a Fluid or “Living” Manner: Guidelines

- Refer to fluid trademarks as “**living**” trademarks.
  - They are not really “fluid” / motion marks



# Using Strong Brands in a Fluid or “Living” Manner: Guidelines

- Advocate for trademark offices to register living trademarks as such, and give them **special status**.
  - Argue for a new category for strong marks.
    - A logo should be able to change in more than a “material” way without loss of registration rights.
    - The underlying design or stylization should be entitled to broader protection, like the “surname” in a family of marks.
    - This is not a phantom mark situation, in which an applicant is really seeking to register multiple marks via one application.



**Copyrights:  
Break Reliance on the  
“Automatic upon Creation” Rule**

# Copyrights: Reliance on the “Automatic upon Creation” Rule Outdated for Online Enforcement

- OLD: Copyright protection subsists from the time the work is created in fixed form. The copyright in the work of authorship immediately becomes the property of the author who created the work.
- NEW: While the old rule is still true, by taking the extra step to “register” your copyrights early, you can enhance your ability to deal with and stop unauthorized posting of your content online and in social media.



# Registration of Copyrights Key for Online Enforcement

- The DMCA provides one of the most effective and cost-efficient ways to protect your copyright from infringement online and in social media.
- The DMCA sets forth how copyright owners may send a takedown notification letter to a website hosting infringing content.
- Upon receipt of a proper takedown notice, the website is on notice of the claim and must quickly take down the allegedly infringing material and send a notice to the user (or uploading entity) who uploaded the material.



# Registration of Copyrights Key for Online Enforcement

- Once notified, the user has the opportunity to respond and file a counter-notification letter claiming non-infringement, or do nothing (and the material will remain off the site).
- Upon receipt of a counter-notification letter, the website must inform the copyright owner.
  - If the copyright owner does nothing, the material may go back up on the site.
  - If (within 14 days) the copyright owner files suit against the alleged infringer, the website may not put the material back on the site while the litigation is pending.





# Registration of Copyrights Key for Online Enforcement

- The Copyright Act requires that before a party files a copyright infringement suit, a work must be registered with the Copyright Office.
- Courts are not in agreement on what is meant by “must be registered” in the statute. One school of thought is that a proper application must be on file with the Copyright Office before litigation, whereas the other school of thought believes one must have a final copyright registration.
- To further complicate matters, it can take anywhere from 2 to 7 months to get a registration.



# Registration of Copyrights Key for Online Enforcement

- Thus, if you do not already have a registration in place prior to filing a lawsuit in a DMCA enforcement scenario, you will not be able to adequately respond to a counter-notification letter within the 14 day window.
- This means you miss your chance to have the allegedly infringing material taken down while the litigation is pending, and if the copyright was not timely filed, you risk not being able to get attorneys' fees, statutory damages (up to \$150,000), or a quick injunction.



# Registration of Copyrights Key for Online Enforcement

## RECOMMENDATION:

- Register your organization's copyrights prior to publication or public release.
- In today's digital world, any work released to the public can be easily copied and reproduced. It's best to file a copyright application before any infringement occurs.
- *An ounce of prevention is worth a pound of cure.* Consider the loss in value and potential litigation costs due to infringed copyrights vs. the US Copyright Office e-filing fee of \$35 per copyright.



# Benefits of Recording Copyrights with Customs

- Take the extra step to record your rights with Customs.
- When copyrights are recorded with Customs, they can monitor shipments and exclude, detain, and/or seize imported merchandise suspected to be counterfeit or infringing.
- Once goods are seized, Customs provides the copyright owner with information regarding the seizure – including description of merchandise, quantity seized, country of origin, and name and address of manufacturer and importer.



# Questions?

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