

Top Copyright Issues Facing Nonprofits

September 17, 2019

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Speaker Bio



Linda J. Zirkelbach
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Linda Zirkelbach has extensive experience representing prominent media companies, book and software publishers, and nonprofits in a range of intellectual property matters, with a focus on leading IP enforcement actions for major companies, publishing law, strategic IP counselling and clearance work, digital media and rights issues, and trademark strategy and disputes. Linda regularly counsels clients on complex copyright and trademark issues; litigates in the areas of copyright and trademark; negotiates and drafts copyright and trademark license agreements, publishing agreements, and other IP agreements; and reviews and clears publications and other productions prior to launch.

Linda has significant experience across a host of copyright infringement matters and has particularly deep experience in digital/online infringement and anti-piracy, with an emphasis on complex Digital Millennium Copyright Act (DMCA) issues. Her primary areas of focus are based on her experience holding senior in-house counsel roles in the music and publishing industries. She leverages her insight into the business needs of an organization to provide strategic, practical, and clear advice to her clients.

After beginning her career as a Venable associate, she served as vice president, legal affairs, for the Recording Industry Association of America, where she was actively involved in high-profile copyright litigation for the major U.S. record companies. She later became vice president and general counsel of a leading publishing and media company, handling intellectual property issues and a broad spectrum of corporate, commercial, and strategic business matters and serving on the company's executive committee.

Linda has advised clients in a range of industries, including music, book and magazine publishing, entertainment, software, digital media, alcoholic beverage and restaurant services, trade associations and nonprofits, university/higher education, and consumer goods. She represents their interests before federal courts across the country, the U.S. Patent and Trademark Office (USPTO), the Trademark Trial and Appeal Board (TTAB), and the U.S. Copyright Office.

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Speaker Bio



Allison Leader
Senior Counsel

Allison Leader is Senior Counsel and Intellectual Property subject matter expert for the American Red Cross, one of the most well-known public charities in the United States providing disaster response, blood services, health and safety training, and services to the armed forces.

Allison oversees trademark, copyright, publicity rights and patent issues that arise throughout the organization, including enforcement, prosecution, licensing and acquisition, strategy, and risk mitigation. She oversees efforts of the American Red Cross to protect the Red Cross Emblem and its other IP assets while fulfilling its mission. She advises on and negotiates all forms of licensing arrangements including brand licensing on commercial products; cause marketing; platform and software licensing; and issues related to tax exempt organizations in such arrangements. Allison provides guidance for marketing and fundraising campaigns, sponsorship arrangements, brand licensing program, and communications initiatives in social media and online platforms. Allison works closely on issues related to management of Red Cross photo and video assets, publicity rights acquisition, and user generated content.

Before joining the Red Cross, Allison was in-house counsel for the Associated Press, focusing on licensing transactions and joint ventures, fair use and editorial counseling, and corporate governance issues. She is a member of the International Trademark Association and currently serves on its In-House Practitioners Committee. She has been recognized by World Trademark Review in its Top 300 In-House Trademark Law Leaders of 2017-2018 and 2018-2019, and as Nonprofit Trademark Team of the Year in 2016. Allison received her BA in art history from Johns Hopkins University, MA in art history from the University of Michigan, and JD from the George Washington University. Before going to law school, Allison worked in the Prints & Drawings Department of the Yale University Art Gallery. Allison is currently a board member of Young Artists of America at Strathmore.

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What is a Copyright?

- Copyright Law Protects Original Works of Authorship or Expression
 - Patents Protect the Idea Itself
 - Trademarks protect the word, phrase or logo
- From the moment the original work of authorship (with some modicum, of creativity) is “fixed in a tangible form” you have a copyright
- **Practice Tip:** Registering copyrights has always been recommended so you can seek (1) statutory damages and (2) attorneys fees if you prevail in a litigation (if you applied to register pre-infringement or within 90 days grace period).
- This year, the U.S. Supreme Court resolved a circuit split and held that ***you cannot file an infringement suit without a copyright registration*** (versus a pending application which some circuits used to allow).
- There are NO maintenance requirements for a copyright registration.

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Copyright Law is a **Strict Liability Tort**

Key Takeaway

Nonprofits can be held liable for the reproduction / distribution / performance (making of, distributing or performing a “copy”) regardless of intent and even if the nonprofit did not actively create the infringing content.

The range of statutory damages is as low as \$750 up to \$30,000 per work infringed for non-willful conduct, and up to \$150,000 per work for willful conduct.

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Isn't There a Nonprofit Exception?

The defense of fair use is not guaranteed simply because of nonprofit status.

Fair Use Factors

Purpose and character of the use, *including whether the use is of a commercial nature or is for nonprofit educational purposes*

Nature of the copyrighted work

Amount and substantiality of the portion used in relation to the copyrighted work as a whole

Effect of the use upon the potential market for or value of the copyrighted work

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Nonprofits and Fair Use View Stated By the Copyright Office

*“Courts look at how the party claiming fair use is using the copyrighted work, and are more likely to find that nonprofit educational and noncommercial uses are fair. **This does not mean, however, that all nonprofit education and noncommercial uses are fair and all commercial uses are not fair; instead, courts will balance the purpose and character of the use against the other factors below....”***

Source: <https://www.copyright.gov/fair-use/more-info.html>

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Why Do We Care About Proper Rights?

Litigation
Risk/Demand
Letter for
Payment

Reputational
Harm

Sharing
Photos with
Corporate
Funders

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Proper Acquisition of Rights

Training

Build a Clear
Internal Protocol

Enter into Clear
Agreements re IP
Ownership,
Licenses
(attention to
scope!)

Clear Your
Copyrighted
Publications

Do Not Use
Others' Content
Without Written
Authorization

Beware of
Infringement on
Social Media
That Can
Happen in the
Blink of an Eye

Volunteers?

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Properly Document Your Rights

- Rarely Do We See Companies' IP Rights Properly Documented
 - Did a third party design your logo? Do you have the necessary agreement that you own all IP-related right to it?
 - Do you have third parties create material as work for hire? Do you have a written agreement so stating?
 - How about assignments of copyrights?
 - Are your licenses clearly written and the scopes clear?
 - Registrations are *prima facie* evidence of ownership. But the burden may shift to prove up your rights in a case.
 - Do you have rights to use that photo?

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Rights of Privacy / Publicity / State Claims

- In addition to needing a proper grant of rights from the copyright holder, typically also need a grant of rights from the individual depicted in the photo or video clip.
- If not, might face claims of:
 - Violation of right or publicity
 - Violation of right of privacy
 - False endorsement/association claim under Federal Lanham Act
 - Violations of various state laws
- Applies to names, quotes, even social media handles.
- In some states, right is inheritable - extends to deceased individuals' descendants/heirs.
- Check how long the release/permission extends, e.g., releases signed by employees may be effective only during employment.
- Anyone can claim an infringement of his/her publicity right, but best-known cases involve celebrities.

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Rights Management Databases

- Ideally, your nonprofit can utilize a rights management database. Even one you build yourself.
- Helpful internally for staff to know what they can or cannot use.
- You very likely will need to refer back to a previous agreement, such as to determine when it expires, or to prove that you really did have authorization to use a piece of third party content.

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Online Infringement / How to Take it Down & Protect Your Nonprofit from Exposure

What is Section 512 DMCA Safe Harbor?

*A sword and a shield!
Offense and defense!*

- If you are merely the platform (i.e. website, etc.) or the webhost, and a third party (not your nonprofit) placed infringing content on the internet, you are **NOT** liable, provided you follow Section 512 to the letter.
- This was a result of big internet hosts being concerned about being liable for **ANY** infringing material any user has online, because as a technical matter, a web host or website owner makes a copy and distributes the infringing material as a matter of technology.

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Sending a DMCA Notice Under 512

A notification of claimed infringement must be a written communication provided to the designated agent of a service provider that includes substantially the following:

1. A physical or electronic signature of a person authorized to act on behalf of the owner of an exclusive right that is allegedly infringed.
2. Identification of the copyrighted work claimed to have been infringed, or, if multiple copyrighted works at a single online site are covered by a single notification, a representative list of such works at that site.
3. Identification of the material that is claimed to be infringing or to be the subject of infringing activity and that is to be removed or access to which is to be disabled, and information reasonably sufficient to permit the service provider to locate the material (*Generally the URL*).
4. Information reasonably sufficient to permit the service provider to contact the complaining party, such as an address, telephone number, and, if available, an electronic mail address at which the complaining party may be contacted.
5. A statement that the complaining party has a good faith belief that use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law.
6. A statement that the information in the notification is accurate, and under penalty of perjury, that the complaining party is authorized to act on behalf of the owner of an exclusive right that is allegedly infringed.

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Section 512 as a Safe Harbor for Your Nonprofit

So what should the average nonprofit do in an effort to qualify for this “safe harbor” from liability?

1. Designate, on your website in a publicly available location, an agent to receive notifications from third parties of claimed copyright infringement and include the name of the service provider, and the name, address, phone, fax, and email of the specific designated agent you have selected to receive notifications.
2. Provide the U.S. Copyright Office with the required information for the designated agent.
 - Any service provider that previously designated an agent with the Office via the old paper system had a year-long period that ended on December 31, 2017 to submit a new designation electronically through the online registration system. Everyone should have submitted filing by December 31, 2016 online through new portal (even if previously had done a paper filing). As of January 1, 2018, any designation not made through the online system has expired and is no longer valid.
 - Must make sure you filed designation electronically. **AND those must be renewed every 3 years!**
3. Respond expeditiously to any effective notifications, or “take down” notices you receive, as required by the statute. Because some notifications, and your response thereto, can be nuanced, we recommend you discuss with copyright counsel your own protocol for responding to these notifications.

Practice Tip: Have a DMCA mailbox that “points” to multiple people’s inboxes so it does not get missed!

A number of cases, including one as recent as June 30, 2015, have held that if you do not directly provide the U.S. Copyright Office with the required information about your designated agent, you cannot claim any safe harbor from liability – period. This is the step that we find clients most often overlook.

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Common Pitfalls

- Term of license expires and you are still using the piece of content on the internet, in your other materials.
- Later wanting to use a piece of third-party content you had bought rights to, but not being able to figure out which photographer took which photo, or who the specific individual model is in the photo to match the desired photo to the release.
- Relying on indemnification provisions from those who create the content, who may have no assets, rather than properly clearing your publication and getting media insurance.

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Common Pitfalls

- Text: No license from contributors of text.
- Photos or Video Footage:
 - No license from photographer, or best case we can make is implied license
 - If you want an exclusive license, it needs to be in writing!
 - No release from subject in photo
 - No license from photographer, thinking release from model covers it
 - Use exceeds scope of license, or does not comply with terms in license (“I bought it from Shutterstock, so we are all set”)
- Graphics/Illustrations/Artwork – see above
- Music
 - Use of major label music without license from (1) owner of musical composition and (2) owner of SR
 - Securing major label licenses can take a very lengthy time

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Common Pitfalls

- Finding nonprofit without ability to seek statutory damages or attorneys fees because nonprofit did not apply to register the copyright before the infringement or in the grace period.
- Assuming that posters of UGC permit commercial use of their copyrighted content.
- Finding yourself unable to send a DMCA take-down notice because you lack the appropriate rights under the DMCA to send one.

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Common Pitfalls

- Thinking license from photographer is adequate but lacking a written likeness release.
- Trying to use certain photos later only to realize you cannot reconstruct which release goes with which photo.
- Scraping UGC photos from social media and using them.
- Nonprofits retweeting a celebrity's picture or posting about a product or service when the celebrity is not a paid endorser for the company could be exposed to lawsuits.

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General Practical Tips

- Build legal review into your publication schedule so that (1) clearance lawyers have time to clear the publication and (2) if they raise issues, you have time to fix it.
- Educate your Marketing, Publication and Creative teams about the issues. Create a set of clearance guidelines. Have an internal protocol that you can point to (see Beastie Boys decision re: no real policies).
- Obtain licenses for third-party content.
- Obtain likeness releases.
- Have a checklist of issues for the client as to what they will need for each component or piece of third-party content, in questionnaire form. This prompts them as they go and then can be submitted with the request for lawyer to do to the pre-pub review.
- Run the agreements by counsel before they are signed.
- Seek fair use analysis from experienced counsel.

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General Practical Tips

- Have media insurance if applicable.
- Insurers typically expect legal review of publications.
- Do not assume that just because you have “a” stock photo license, you are set. Scope! Read the Terms!
- Track the number of copies of product that photo or other content is used in if you did not purchase unlimited rights.
- Beware of “editorial use only” photos.
- Keep a physical binder or electronic file folder with each agreement, etc. relating to this publication. Or a more sophisticated rights management system!
- Attach the photo at issue to the license agreement or model release. (1) May need it for evidence later or (2) Your agreements may permit you to make other uses of certain third-party content so you need to be able to go back and look at your license.

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General Practical Tips

- Do not use likenesses of people, celebrity or not, without written consent for the particular purpose.
- Do not retweet celebrity comments about your nonprofit or service if there is no endorsement deal.

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General Practical Tips

- Consider having participants in UGC promotions “accept” the terms of the rules or participation agreement using a “click-wrap” agreement.
- Monitor UGC submissions and posts to social media sites to ensure compliance with the rules; remove submissions that violate rules or another person’s rights.
- Before retweeting or sharing content, check platform rules for the platform; when in doubt, ask for permission.
 - You may be able to ask for third party’s permission to retweet (or less optimally, require proof of consent).
 - Don’t retweet celebrities if you don’t have a relationship!

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Publications and Journals

- Much of what we already discussed applies to those of you who have publications and journals with content written by third parties.
- Carefully review agreements with major platforms who want to publish your journal. Make sure you only give rights that you intend. And know that your nonprofit will likely indemnify them.

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Upcoming Programs



Trade Secrets are for Nonprofits Too

Wednesday, October 23, 2019

12:00 - 12:30 p.m. ET – Networking Luncheon

12:30 - 2:00 p.m. ET – Program / Webcast

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