

Maximizing the Value of Brands and Creative Works in Challenging Times

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VENABLE LLP

Top Five Facts on Venable's Trademark Practice



Part of a larger IP “Powerhouse” after merging in the Fitzpatrick Cella firm from NYC (2018) by Law360



Highly ranked by World Trademark Review (WTR), Chambers, Legal 500 and others: 2020 “Gold” ranking for DC team; “Global Leader”



Consistently a top-10 to top-20 filer of U.S. trademark applications (for approximately 20 years)



A boutique-like practice within a general practice firm, with offices in the mid-Atlantic, NYC, LA and San Francisco

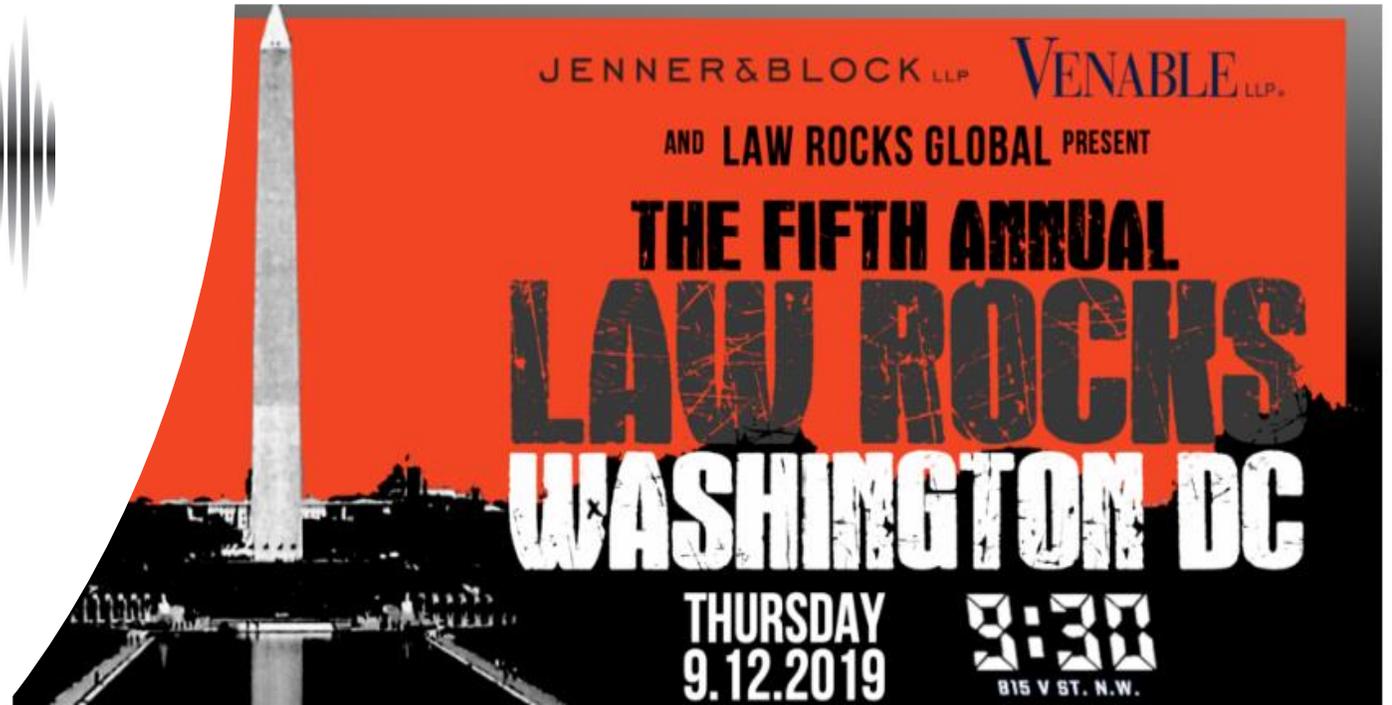


A focus on diversity and inclusion: the TM practice is a leading group at Venable in this area, from co-chairs to team members

**More than Just TMs:
\$80,000+ Raised for
Charity!**

**NOISE IN THE
BASEMENT**

VENABLE LLP

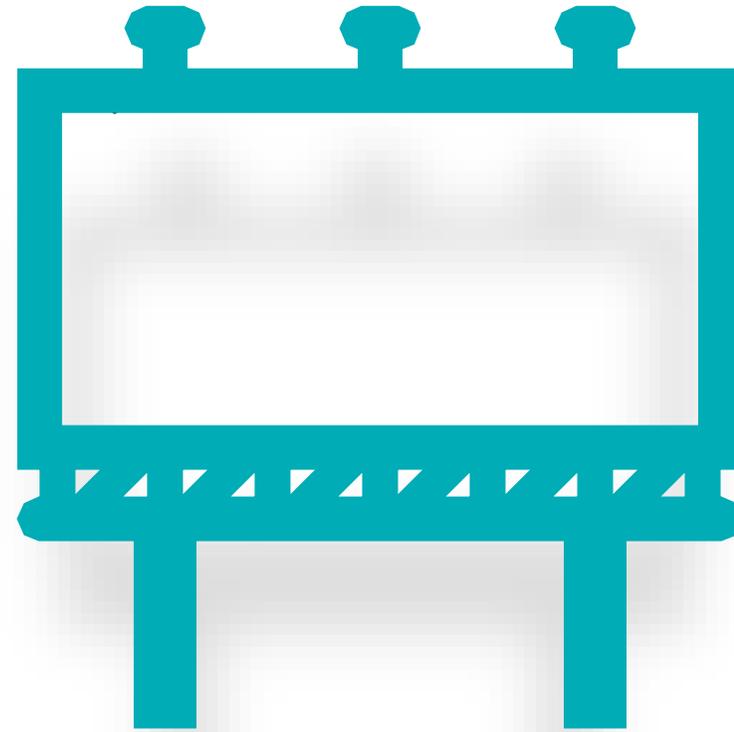


Quick Overview of U.S. Trademark Law

The Rest of the World is Not too Different!

What is a “Trademark”?

- Trademark = brand
- A trademark is something that identifies and distinguishes one provider’s products or services from those of another.



Types of Trademarks

- Trademarks / Services Marks
- Collective Membership Marks
- Certification Marks
- Trade Names
- Domain Names
- Trade Dress

Trademark / Service Marks

- A **Trademark / Service Mark** is a word, phrase, symbol or design, combination of these elements, sound, or scent.
- The term “trademark” is generally used to refer to both trademarks and service marks.



Collective Membership Marks

- A **Collective Membership Mark** is used to signify goods or services provided by a member of a collective or used to signify that the person displaying the mark is a member of the organized collective group.
 - **Virtually every association client**



Certification Marks

- **Certification Mark:** is used to certify geographic location, standards or that services were performed by a member of a union or other organization that meets certain standards.



- **Not a certification mark: most nonprofit “certification”**

PMP®

Project Management Professional (PMP)®

The PMP is the gold standard of project management certification. Recognized and demanded by organizations worldwide, the PMP validates your competence to perform in the role of a project manager, leading and directing projects and teams.

Other Types of Marks

- **Trade Name** (can become a trademark when used as a brand for goods or services, not just as a name)
 - A nonprofit's trade name is often also a trademark
 - National Community Pharmacists Association = NATIONAL COMMUNITY PHARMACISTS ASSOCIATION®
- **Domain Names** (can become a trademark when it is used as a brand for goods or services, not just as an address)
 - Booking.com is now a trademark
 - It is now possible to register **generic.com** based on acquired distinctiveness

Other Types of Marks cont'd

- **Trade Dress** is a type of trademark – it's a product's design, product packaging or color used for goods or services.
- May be protected if it is not functional
- Must prove acquired distinctiveness for product design and color, but not for packaging



Special Features of U.S. Trademark Law

Focus is on the Consumer

- Focus is consumer, not trademark owner
- Protects consumer's ability to rely on trademarks for information about the source and quality of products and services

Common-law Rights are Respected

- Unlike the rest of the world, not a first-to-file country
- Rights are established through use of a mark in commerce and extend to the goods or services offered under the mark; registration is not required
- Limited to geographical area of use

Applications may be Based on Intent-to-use and More

- Basis may also be use, foreign country registration or international registration
- Filing a federal application stating that the owner has a bona fide intention to use the mark
- Nationwide protection once registered, from the filing date

We have a Supplemental Register

Trademark Infringement

- Universal standard is **“likelihood of confusion”**
- Infringement occurs when a party:
 - uses a trademark that is identical or **confusingly similar** to an existing trademark, in connection with highly similar products or services;
 - **or otherwise** in a way that creates the impression of a false association, affiliation, connection, endorsement or sponsorship



Consequences of Trademark Infringement

Cease and Desist Letter	<ul style="list-style-type: none">-Loss of goodwill if need to rebrand
Trademark Opposition / Cancellation	<ul style="list-style-type: none">-Loss of registration-Cost is tens of thousands of dollars
U.S. Federal Court Litigation	<ul style="list-style-type: none">-Injunction on use of mark-Damages and attorney's fees: up to treble damages-Willful infringement no longer needed to get profits-Cost of litigation is high...

The High Cost of U.S. Trademark Litigation

Amount of Brand Value at Risk (U.S. Dollars)	Mean (Average) Cost of Federal Court Litigation Through Discovery and Motions	Mean (Average) Cost of Federal Court Litigation Through Trial, Post-Trial and Appeal
\$1-10 Million	\$560,000	\$1,051,000
\$10-25 Million	\$909,000	\$1,786,000
More than \$25 Million	\$1,447,000	\$3,524,000

*2019 Report of the Economic Survey by the American Intellectual Property Law Association ("AIPLA Economic Survey")



Maximizing Brand Value

More Important than Ever

A Proven Mindset: Maximize Brand Value



Nonprofit Trends to Maximize Brand Value After COVID

01

Moving faster to jettison under-performing brands

- Cost-savings opportunity
- Abandonment still seems at about 10%

02

Better protecting high-performing ones via licensing and registration

- Putting the nonprofit's "house in order"

03

Moving forward with rebranding and creating new brands as usual

- Trying to carve out more space in the market

04

Focusing more on distinctiveness and exclusivity in brand selection

- Trying to carve out more space in the market

05

Avoiding trademark litigation???

- Have risk tolerances really changed?

The Distinctiveness Continuum Has New Meaning



Fanciful



Arbitrary



Suggestive

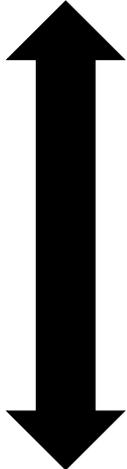


Descriptive



Generic

Strongest



Weakest

No Protection

Fanciful or Coined Marks

- Made-up terms with no meaning or translation
- Strongest and broadest protection
- **Uncommon** for nonprofits



➔ Fanciful

Arbitrary

Suggestive

Descriptive

Generic

Arbitrary Marks

- Dictionary word, arbitrarily applied
- Broad protection
- **Somewhat more common** for nonprofits; see arguable acronyms below



Fanciful

Arbitrary

Suggestive

Descriptive

Generic

Suggestive Marks

- Require “a moment of conscious reflection”
- Narrower protection
- Initialisms like NCPA, ITI and NCARB are common for nonprofits



Fanciful



Arbitrary



Suggestive



Descriptive

Generic

Descriptive Terminology

- Immediately describes a feature, function, use, characteristic or trait of the products or services, or are surnames or are geographical locales
- Protection only if acquired distinctiveness
 - Supplemental Register is a backup option

			Fanciful
			Arbitrary
			Suggestive
			 Descriptive
			Generic

Generic Terms

- No protection
- Examples: internet, aspirin, escalator
 - Nonprofit examples: association, nonprofit
- Even words that were once trademarks can become generic terms: internet, aspirin, escalator

Fanciful

Arbitrary

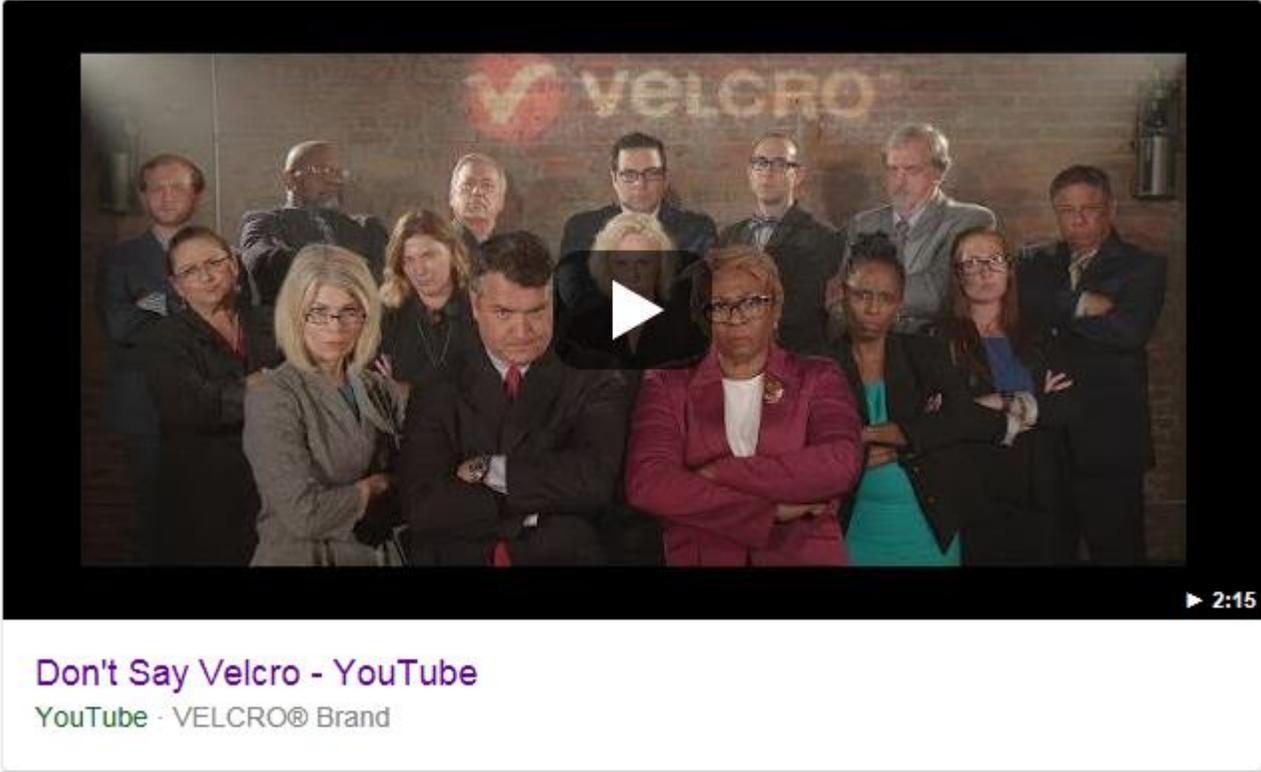
Suggestive

Descriptive



Generic

Get Creative!



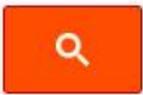
<https://www.youtube.com/watch?v=rRi8LptvFZY>

Best-in-breed Rebranding

More Important than Ever

Rebranding Success Stories





INSIGHTS

Protecting Employees From COVID-19 Through Connection

By **Michael Stallard, Katharine P. Stallard** | Wednesday, July 1, 2020



Lessons from a Successful Rebranding

Prepare for Your Timeline!

Searching and Clearance

- Preliminary searching sources include the USPTO database (uspto.gov), state trademark databases, Internet
- **Most thorough option is a “full” or comprehensive search** of registered and pending trademarks, state trademark registrations, domain names, business names and common law users

Filing for federal trademark protection

- Confers a number of benefits on the trademark holder, including but not limited to:
 - **Presumption of exclusive nationwide rights**
 - Trademark Office should refuse registration to any trademarks it deems confusingly similar to the trademark
 - Trademark owner may recover up to triple damages and lawyer fees from an infringer
 - The right to use the registration symbol (®) to deter infringement and trigger damages

Approval and issuance of registration

- Trademark application must pass examination by USPTO and survive opposition period in which third-parties may come forward to oppose the mark
- Opposition Period in which third-parties may come forward to oppose the mark
- **Use is required for a trademark registration to issue** (some exceptions)

Maintenance of trademark registration rights

- Trademark registrations require periodic maintenance filings to show that the mark is still in use (US)
- **Trademark rights can last indefinitely** as long as the owner continues to use the mark

Think Globally

- Search and register
 - key marks
 - in key countries
 - for key goods/services



Carefully Identify Services Like “Certification”



- A **moving target** from ATD’s rebranding in 2014 to today
 - Class 35: “Business services for others being testing to determine professional competency, namely, testing, analysis, and evaluation of the level of knowledge, skills, and abilities of others in the field of _____.”
 - Class 42: “Testing, analysis and evaluation of _____ to determine conformity with established accreditation standards.”
 - The USPTO has been **inconsistent** about respecting the service of “awarding credentials”

Think Beyond the Brand

Consider how to
“brand” the field



VENABLE_{LLP}

Branding the Field

T+D
TRAINING+DEVELOPMENT

JUNE 2015 \$12.99

- IN THIS ISSUE**
The Latest Web Tools for Trainers: Fast and Free!
- PLUS**
Closing the Cyber-Security Skills Gap
- AND**
Ann Herrmann-Nehdi on the Thinking Organization



Partnership
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WORLDWIDE

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Linking Talent Development to Organizational Vision

Measuring What Matters Most in Your Training

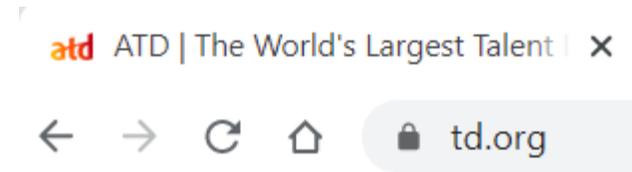
FIXING OUR leadership **crisis**

The leadership pipeline has sprung a leak; five ways to reverse the trend.

atd \$12.99

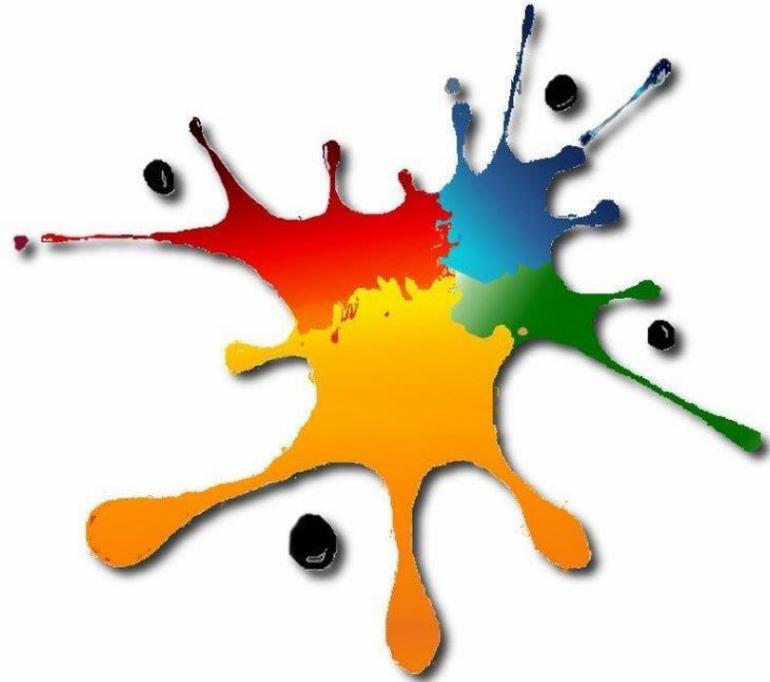
Think Beyond the Brand

Remember domain names



TD.org

Integrate Elements from House Mark into “Certification” Marks



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cptd

CERTIFIED
PROFESSIONAL
IN TALENT
DEVELOPMENT
ATD CERTIFICATION
INSTITUTE

aptd

ASSOCIATE
PROFESSIONAL
IN TALENT
DEVELOPMENT
ATD CERTIFICATION
INSTITUTE

atd

Association for
Talent Development

Don't Forget Licensing

- The pitfalls:
 - Licenses are required for third-party use
 - **Quality control is necessary**
 - **Don't forget chapters:** check bylaws, policies and agreements
 - Failure to license can result in abandonment – **“naked licensing”**

Keep the Legacy House Mark Alive



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Trademark Action Items

Maximize Brand Value

Embrace the Trademark Lifecycle



Brand Audit: Analyze Portfolio for Marks Not Already Protected and Weed Out Underperforming Brands



Brand Creation & Rebranding: Focus on **Distinctiveness, Availability & Exclusivity**



Brand Registration: File Applications Promptly for **Key Marks, in Key Countries, for Key Goods/Services**



Brand Process: Bridge the Gap Between Legal and Marketing



Brand Use: Use Trademarks Aggressively and Correctly



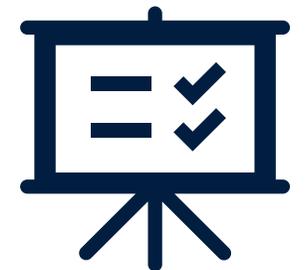
Brand Control: License Marks Properly



Brand Control: Police the Registry and Marketplace

What is a Copyright?

- Copyright protects an *original work of authorship*.
 - Books, **music**, movies, **photographs**, **text**, **graphic design**, **art**, sculpture, software, html and websites, separable design elements, architectural works.
- A copyright owner has the *exclusive* rights to:
 - **Reproduce** the work
 - To make **derivative** works of the work
 - To **distribute copies** of the work to the public
 - To **perform** the work publicly
 - To **display** the work publicly



Copyright - How the Right is Established

Copyright exists as soon as the work is *fixed in a tangible medium of expression*.



- No requirement of **notice**
- No requirement of **registration**
 - Though needed for: litigation, statutory damages, attorneys fees

Copyright last a *long time*

- Individual: Life + 70 years
- Work Made for Hire: 95 years from its first date of publication or 120 years from its date of creation (whichever expires first).
- Public Domain?
 - Works published *before 1925*

Copyright Ownership

The *creator* of the work owns the copyright in the work.

Except if a Work for Hire

- **Employee:** Employer owns the copyright if employee created the work within their scope of employment
- **Independent Contractor:** creator owns it unless there is a **written agreement signed by both parties** with appropriate work for hire language and the work falls into certain statutory categories
 - “a work specially ordered or commissioned for use as a contribution to a collective work; a part of a motion picture or other audiovisual work; a translation; a supplementary work; a compilation; an instructional text; a test; answer material for a test; or as an atlas.”

Copyright – Assignments and Licenses

Assignment

- Transfers ownership
- In writing and signed by transferor

License

- Does not transfer ownership
- Exclusive – writing and signed
- Nonexclusive – can be oral
- Implied License – conduct implied a right

Copyright Infringement and Exposure



Evaluating a claim

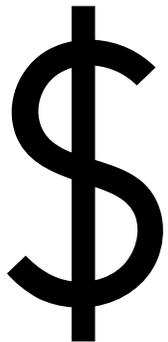
- Own a valid copyright – protectable, ownership
- **Infringed an exclusive right** – reproduce, distribute, display, create derivative

Intent is not required

- **Copyright is strict liability**, meaning that even without knowledge, you can be found liable
- Intent (innocent vs. willful) is impactful when determining the scope of damages

Damages

- Statutory damages: **up to \$150k per work infringed** + attorneys' fees
- Actual damages: actual harm; or unlawful profits attributable to infringement



Copyright – what about Fair Use?

Copying works in certain limited circumstances permitted under the fair use exception of the Copyright Act looking at four factors that are *fact specific and subjective*:

- 1. Purpose and character of the use**

- commercial, nonprofit, educational use, for purposes of commentary, and/or transformative of the underlying work; parody vs satire

- 2. Nature of the copyrighted work**

- including whether it is factual, fictional, creative, published

- 3. Amount & substantiality of the portion used**

- quantitatively and qualitatively

- 4. The effect of the use on the potential market for, or value of, the copyrighted work**

- including the market for the original and any license market

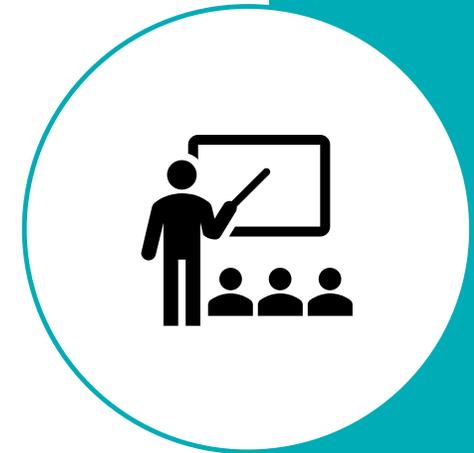
The Current COVID Environment

- Everything is online
- Events are virtual
- Things are moving more quickly and with potentially less time to prepare

Copyright Exposure in a Digital Format

Photographs, text, and other presentation content

- **The content incorporated into your materials, including ppts, presentations, etc. must be original to the author or cleared:** licensed, other permission, or as a last resort, be relying on a fair use argument.
- **This is even more important from a practical perspective:** when content is online, any infringement is much easier to find; many content owners, like photographers, use reverse image searching or other software to find unlicensed use of their content.
- **Copyright is a strict liability offense:** if you display or make copies, you infringe, regardless of whether you had any knowledge or involvement
- **Exposure can be quite high:** if a work is registered, then statutory damages are available.



Copyright: Using Images Found Online



Just because its online, it is not “public domain”

- You still need permission to use it

Social Media is not free to use

- Do not grab images from social media
- Get permission, preferably in writing

Enforcement is Common

- Photographers and others enforcing more and litigious

Creative Commons Licenses can be tricky so be cautious

- There are different types and different requirements
- Some only non-commercial; some require credit; some otherwise limited

Despite The Need For Speed, Be As Thorough As Usual With Your Speakers

Speaker agreements need to be lined up and thorough

- Want the speakers to *warrant* that their materials are original to them or properly licensed
- Want the speakers and/or the agency that is acting to line up the speakers to agree to *defend and indemnify* any claims
- Want to *articulate the license* they grant to you and the extent of your use to the digital world, including live streaming, recording, electronic access.

Copyright Exposure in Digital Environment: Music



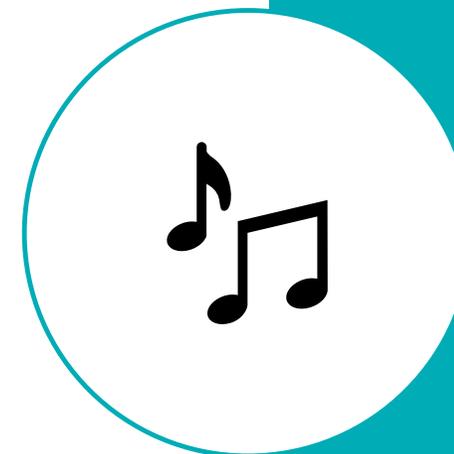
Music licensing is a whole separate complication in a digital environment

There are two primary copyrighted works for every song: the musical composition and the sound recording.

- The **musical composition** consists of the music and any accompanying lyrics. The publishing companies commonly own the rights to the musical composition, but composers and songwriters can also hold rights.
- The **sound recording** is the specific fixed, recorded version of the musical composition and is most often owned by the record labels.

Music Licenses

- **Public performance license:** is needed to **play the song to an audience** outside of small private group of friends or family. For instance, **at a conference**, uploading a song to your website, or broadcasting as these constitute public performances. These licenses are generally **obtained through Performing Rights Organization (PROs)**, which license “the public performance of nondramatic works on behalf of copyright owners of such works.” 17 U.S.C. 101.
- **Sync license:** is needed **for use of the musical composition in an audiovisual format**. That is, **when you “synch” audio with video**, such as in an advertising video or recording a presentation, you need permission from the author of the musical composition, which is usually **the music publisher**.
- **Master use license:** is needed **for use of a specific pre-recorded version** of a song, or the sound recording, **in either an audio or visual format**. For example, to use the original recording from the artist’s album in a recorded video, in addition to the sync license, you also need to reobtain the license from **the record label** for the use of the sound recording.
- **Mechanical license:** is needed to **physically reproduce a musical composition**. For instance, to record a song and reproduce the song in audio-only format (i.e., to a streaming service, a CD, MP3, etc.), you need permission from the author of the musical composition. Usually, the author will have an agreement with **a third-party mechanical license society**, such as the Harry Fox Agency, through which you can request permission.



Virtual Events and Music Licensing Considerations

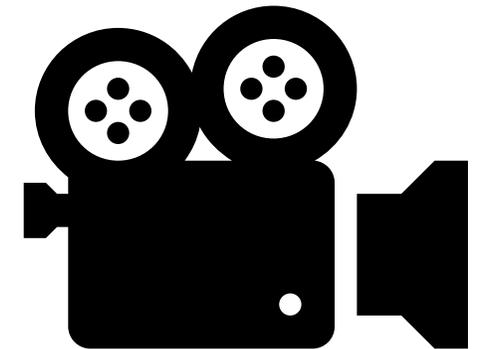


Livestreaming as a public performance

- Your new digital “venue”
- Does your PRO license cover digital use?
- Does your platform of choice have a PRO license in place?

Recording the Presentations

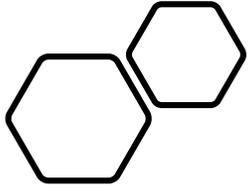
- If you are recording, your use now goes beyond public performance to an audiovisual recording, which likely requires a sync license from the publisher and a mechanical license from the label
- These licenses are negotiated on an individual basis with the labels and publishers
- Again, determining whether your platform has any pre-negotiated licenses in place will be crucial



Despite The Need For Speed, Be As Thorough As Usual With Your Platform/Venue

Venue agreements and terms of service need to be thoroughly reviewed and understood

- Understand your options for different platforms and services, including
 - Livestream versus recorded
 - Ownership of the recordings
 - Limiting access to registrants
 - Licenses the platform may have in place, such as with PROs



Music Use and Licensing Alternatives



You do not need permission to use songs that are in the **public domain**, because they are no longer protected by copyright. However, the public domain is not nearly as expansive as many believe.



Some musicians license their songs through **Creative Commons** with certain restrictions or credit requirements. Be sure to abide by the license requirements.



There are various companies that license a collection of music that has been **pre-cleared** for common media uses. These companies are a one-stop shop and have the authority to license every aspect of the copyrighted work.



You could consider commissioning **originally written music** with some advance planning.

Questions?



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