Key Copyright Guidelines to Help Your Marketing and Sales Department Stay Out of Trouble

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Speaker Bio

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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 is currently serving a three year term at a Trustee of the Copyright Society of the USA.

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What Key Takeaways Will I Leave With Today?

- Why the copyright statute is no joke: strict liability
- Key Ownership and Licensing Issues
- Proper acquisition, documentation and management of rights acquired
- Why your materials should undergo a copyright clearance review and related best practices
  - Text
  - Photos
    - Issues related to fast moving social media posts and rights of publicity
  - Music
  - Video Footage
- The significant limitations of the fair use defense
- Online Infringement: User Generated Content and the often misunderstood DMCA safe harbor
- Common mistakes and Practical advice
- How and why to protect content that you own

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What is a Copyright?

- Copyright Law Protects **Original Works of Authorship or Expression**
  - A Patent Protects the Idea Itself
  - A Trademark protects 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).
- The U.S. Supreme Court very recently 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

Companies can be held liable for the reproduction / distribution / performance /display, etc., (of a "copy") *regardless of (1) intent, knowledge of the infringement etc., & (2) and even if the company 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. Attorneys fees are also available to the prevailing party in some instances.

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Various Theories of Liability

1. Direct Liability
2. Contributory Liability
   a. Knowledge
   b. Material Contribution
3. Vicarious Liability
   a. Financial Benefit
   b. Right and Ability to Control
4. Liability Based on Inducement

Willfulness may be proven by showing (1) defendant had actual or constructive knowledge of the infringing activity, or (2) defendant's actions were either a "reckless disregard" or "willful blindness" of the copyright holder's rights.

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Isn't There a Fair Use Exception?

Fair Use Factors—limited, subjective, unevenly applied, market harm key

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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Why Do We Care About Acquiring Proper Rights?

Litigation Risk / Demand Letter for Payment	Reputational Harm	Corporate M& A Deals	Insurance Policy

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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!)	Do Not Use Others' Content Without Written Authorization
Clearance Checklists	Clear Your Copyrighted Publications	Beware of Infringement on Social Media That Can Happen in the Blink of an Eye	Rights Management Database

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Ownership Issues and Independent Contractors

- Rarely Do We See a Company's IP Rights Properly Documented
- Discussion of **Work for Hire**
  - Employee; or
  - Written agreement, falls into 9 categories of Section 101:
    - (1) contribution to a collective work, (2) as a part of a motion picture or other audiovisual work, (3) as a translation, (4) as a supplementary work, (5) as a compilation, (6) as an instructional text, (7) as a test, (8) as answer material for a test, or (9) as an atlas.
- **Assignment** of copyright--written

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Properly Document Your Licenses

- Generally, you need to prove that you had authorization (a license).
- The defense of "license" is an affirmative defense.
- A breach of a license can also create a cause of action for copyright infringement.
- Are your licenses clearly written and the scopes clear?
  - Scope—manner of use, anywhere, on website only, on one ad only
  - Media—print/digital/all
  - Territory—worldwide? US?
  - Term?
- Do you have a library of written licenses from third parties?
- Certain licenses can be implied, but risky
- Are you tracking the expiration dates of the licenses?
- Are you properly excluding third party licensed in material in your copyright application?

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Copyright Clearance Should Be Standard Practice

- Important: at same time as advertising claims review
- Text, photos, graphics, artwork, videos, music, etc.
- Review apparent ownership rights.
- Review scope of licenses.
- Have a system of filing related agreements and licenses per project in order to easily prove up rights.
- Registrations are prima facie evidence of ownership. But the burden may shift to prove up your rights in a case.
- Do you have insurance to cover IP claims against your company?

Relevant Article

Practical Tips for Clearing Intellectual Property Rights in Your Advertisements

https://www.allaboutadvertisinglaw.com/2016/03/practical-tips-for-clearing-intellectual-property-rights-in-your-advertisements.html

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Music

- When you use someone's music without their permission, absent a few extremely limited exceptions, you are infringing on their copyright.
- Two different rights (and usually rightsholders) in a recorded piece of music:
  - **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.
  - **Sound recording** is the specific fixed, recorded version of the musical composition and is most often owned by the record labels.

Relevant Articles

Conducting Your Way Through Music Licensing: The Most Common Issues

https://www.allaboutadvertisinglaw.com/2020/06/conducting-your-way-through-music-licensing-the-most-common-issues.html

Beastie Boys Win Sizeable Attorney's Fee Award

https://www.allaboutadvertisinglaw.com/2015/06/beastie-boys-win-sizeable-attorneys-fee-award-from-monster-energy.html

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Music

- **Master use license:** to use the original recording from the artist's album, granted by the record label.
- **Sync license:** to use the musical composition in an audiovisual format. That is, when you "synch" audio with video, such as in an advertising video, you need permission from the author of the musical composition (whether a cover or a recording of the song), which is usually the music publisher, in addition to the master use license.
- **Public performance license:** to play the song to an audience outside of small private group of friends or family, such as playing music at an event, bar or restaurant, uploading a song to your website, as a few examples. These licenses are generally obtained through performing rights societies (PROs).
- **Mechanical license:** to physically reproduce a musical composition, such as to record a cover of a song and reproduce the song in audio-only format (i.e., to a streaming service, a CD, MP3, etc.), you would need permission from the author of the musical composition, often obtainable through a third-party mechanical license society, such as the Harry Fox Agency.

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Music Licensing Alternatives

- Licensing of major label music takes leads time and budget. If you are short on either:
- **Public domain**, because they are no longer protected by copyright. However, the public domain is not nearly as expansive as many believe.
- **Commission** your own!
- Some musicians also license their songs through **Creative Commons** with certain restrictions or credit requirements. Be sure to abide by the license requirements.
- There are also various companies that license a collection of music that has been **pre-cleared.**

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Graphics, Videos, Movie Clips

- **Graphics**
  - Ensure people you hire give you ownership or very broad rights to graphic.
  - Company logo—often not just a trademark, but also often a copyright
- **Videos**
  - See music issues above
  - Need rights from videographer
  - Need releases from persons depicted, possibly location releases, etc.
- **Movie Clips**
  - We know they are fun to include, but generally must license

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Photos

- Paying the photographer does not mean you own it!!
- You generally need at least 2 grants for every photo
  - From the **photographer**
    - Ideally ownership
    - Or a very broad, exclusive license (so "your" photo is not showing up elsewhere)
  - From the **subject** in the photo
    - A release for rights of publicity/privacy
    - Perhaps others if a location is clearly depicted, other products, etc.

Relevant Article

A Timely Reminder to Re-Examine Your IP Clearance Protocol: Anheuser-Busch Sued by Individual for Use of a Photo She Posted to Social Media

https://www.allaboutadvertisinglaw.com/2017/03/a-timely-reminder-to-re-examine-your-ip-clearance-protocol-anheuser-busch-sued-by-individual-for-use-of-a-photo-she-posted-to-social-media.html

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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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Now You Have Properly Acquired the Content-- Rights Management Databases

- Ideally, your company can utilize a rights management database to track your rights and the key terms of your licenses. Even one you build yourself.
- Helpful internally for staff to know what they can or cannot use again. (consider red, yellow, green lights)
- 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, etc.

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Online Infringement Issues and UGC

- Strict Liability: If it is on your website or platform, without authorization from the copyright owner, you are strictly liable. Period. UNLESS:
  - It was posted by a 3rd party (user generated content) not an employee or your company and you follow the steps articulated in Section 512 of the DMCA to qualify for a safe harbor from the otherwise strict liability, and no other secondary theory applies.

Relevant Articles

DMCA 512 Report: Key Findings by the U.S. Copyright Office

https://www.venable.com/insights/publications/2020/07/dmca-512-report-key-findings

'Tis the Season: Make Certain That You Renew Your DMCA Designated Agent with The US Copyright Office or Say Goodbye to Your Potential Safe Harbor from Copyright Liability

https://www.allaboutadvertisinglaw.com/2019/11/tis-the-season-make-certain-that-you-renew-your-dmca-designated-agent-with-the-us-copyright-office-or-say-goodbye-to-your-potential-safe-harbor-from-copyright-liability.html

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Online Infringement / How to Take it Down & Protect Your Company 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 web host, and a third party (not your company) placed infringing content on the internet, you are **NOT** liable, provided you follow Section 512 to the letter, and no other theory of liability applies.
- 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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DMCA 512 Will Not Absolve You From Liability If

1. Your company posted the material, even if you thought it was authorized.
2. You do not adhere to every element of 512
3. Your company is contributorily liable for the infringement:
   - Knowledge of the infringement (even red flags); and
   - Material Contribution
4. Your company is vicariously liable for the infringement:
   - Right and ability to control the infringement; and
   - A Financial benefit from the infringement.
5. Your company induces others to infringe.

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Section 512 as a Safe Harbor for Your Company

So what should the average company 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! (or when you have a change!)**
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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Protecting Your OWN Copyrights

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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Protecting Your OWN COPYRIGHTS

Registration, M&A Due Diligence, Licensing, Enforcement

1. Registration
   - Cannot sue in federal court without a registration. Cease and desist letters sound toothless if you cannot sue
   - Prohibited from seeking (1) statutory damages and (2) attorneys fees if you prevail in a litigation (if you did not apply to register pre-infringement or within 90 days grace period).
   - No maintenance in contrast to TM
   - Need clarity that you own all rights in your Work, and what copyrighted material you licensed in but do not actually own, in order to sign the copyright application and not commit violation of law subject to fine, fraud and have an invalid copyright registration due to false statements.
     - ---Quarterly to register content—best practice, every 90 days
       - Websites
       - New versions of software
2. M&A Due Diligence
   - Good copyright ownership and records can please a buyer and keep your purchase price high, or avoid spooking the buyer altogether
3. Licensing
   - A Robust Licensing Program Can be Free Money!!
4. Enforcement
   - Is necessary to many industries to avoid too much damage from piracy: music, movies, TV, software, even photographers
   - Also can be a revenue stream in some cases.

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Sampling of Recent Cases

Beastie Boys v. Monster Energy

Beasties famous for not licensing their music for advertising. New York federal court ordered Monster Energy to pay the Beastie Boys parties $667,849.14 in attorney's fees, in addition to the $1.7 MM in damages that a jury previously awarded—all because Monster Energy ran a promotional video on its website that used portions of five Beastie Boys songs as the soundtrack and included other references to the group, without proper permission. Monster Energy sought to depict its infringement as sloppy, but non-willful, acts of two employees, ***but the court did not disturb the jury's finding of willfulness noting that Monster Energy had not performed any training of its employees related to the use of copyrighted or trademarked content. The court found that Monster Energy had no comprehensive music licensing policy, tasked unqualified and untrained employees, and protected its own IP rights with far more vigor than it did others' rights***. Case later settled.

Nolan v. Getty Images

25 year old Avril Nolan sued Getty Images for violation of privacy under New York state law because Getty licensed a stock photo of her (provided to Getty by the photographer, an acquaintance of Nolan) that was later used in an ad for HIV awareness that depicted her as HIV positive.

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Sampling of Recent Cases

Jordan v. Jewel Food Stores

Jewel Food Stores ran an advertisement in Sports Illustrated magazine containing congratulatory text about Jordan's induction in the Basketball Hall of Fame. Jordan filed suit against Jewel Foods for right of publicity violation, false endorsement under the Lanham Act, and unfair competition, seeking $5 million in damages. In response to Jewel's first amendment argument, Court of Appeals held that although the advertisement had a celebratory theme, there was an unmistakable commercial function also, because it served to enhance the store's brand in the minds of consumers. Ad was "image advertising, aimed at promoting goodwill for the Jewel-Osco brand by exploiting public affection for Jordan at an auspicious moment in his career." Reportedly settled afterward.

Jordan v. Dominick's

$8.9 million jury verdict against grocer Dominick's for running a congratulatory ad with the number 23, "You are a cut above" and a coupon for a steak. Reportedly settled afterward.

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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
  - Not planning in advance to secure major label licenses

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Common Pitfalls

- Being unable to sue in federal court, or even threaten it, until you scramble to apply for an expedited copyright registration and obtain one.
- Inability to seek statutory damages or attorneys fees because your company 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 (ie cannot be a mere nonexclusive licensee).

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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.
- 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 company or service if there is no endorsement deal.
- 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).

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