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

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# **Speaker Bio**



Linda J. Zirkelbach Partner 202.344.4410 Izirkelbach@venable.com 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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# Copyright Law is a Strict Liability Tort

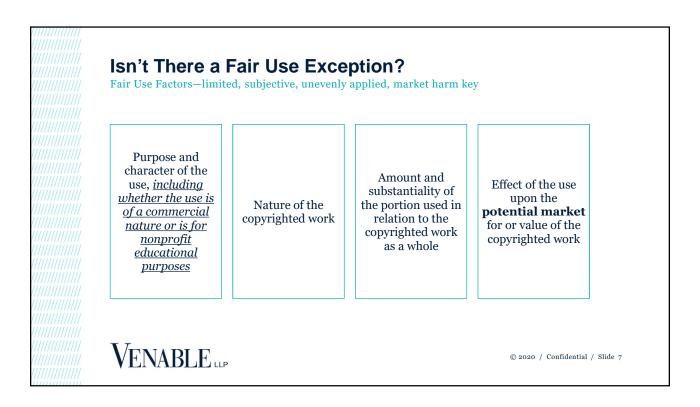
### **Key Takeaway**

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.

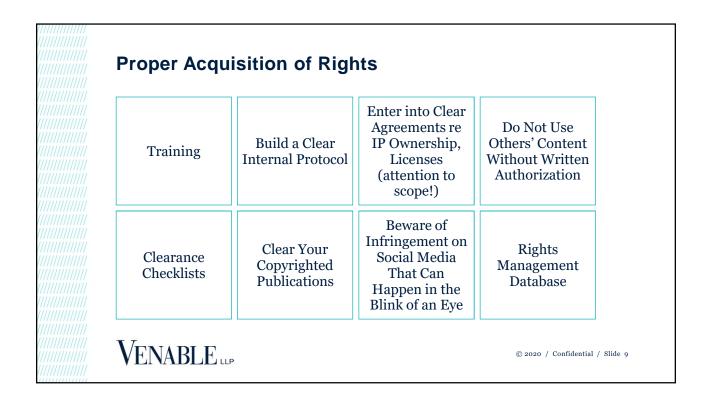
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The range of statutory damages is as low as \$750 up to \$30,000 per work infringed for non-willful conduct, and up to \$150,000 per work for willful conduct. Attorneys fees are also available to the prevailing party in some instances.

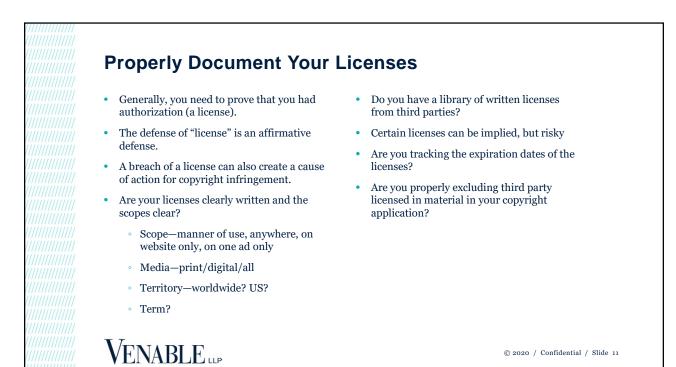
















# Music

- **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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### 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
  - $\circ~$  We know they are fun to include, but generally must license

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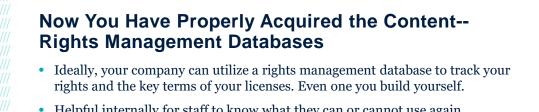
# **Rights of Privacy / Publicity / State Claims**

- 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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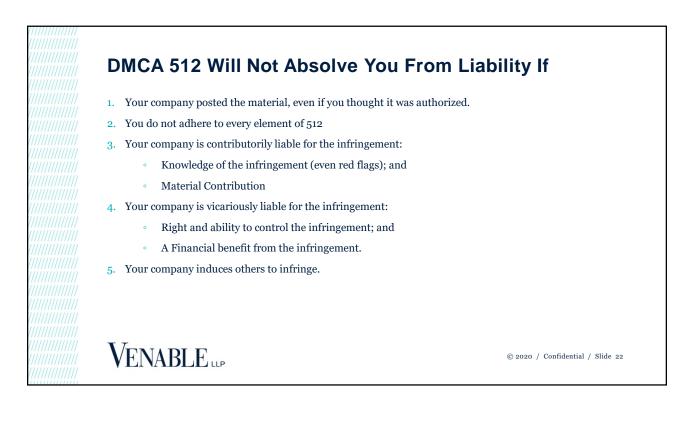


- Helpful internally for staff to know what they can or cannot use again. (consider red, yellow, green lights)
- You very likely will need to refer back to a previous agreement, such as to determine when it expires, or to prove that you really did have authorization to use a piece of third party content, etc.

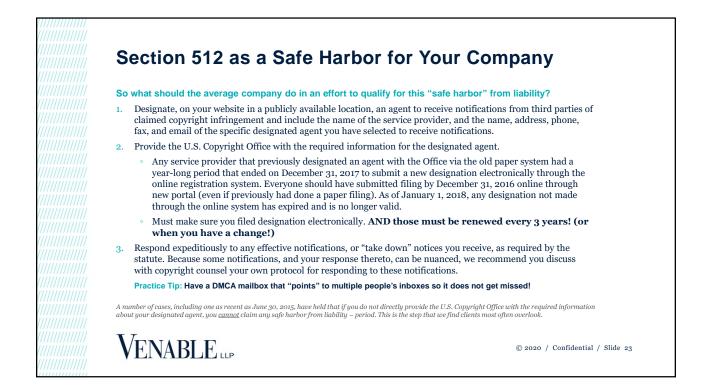
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**Online Infringement Issues and UGC** Strict Liability: If it is on your website or platform, without authorization from the copyright owner, you are strictly liable. Period. UNLESS: • It was posted by a 3<sup>rd</sup> party (user generated content) 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-theus-copyright-office-or-say-goodbye-to-your-potential-safe-harbor-from-copyright-liability.html VENABLE LLP © 2020 / Confidential / Slide 20





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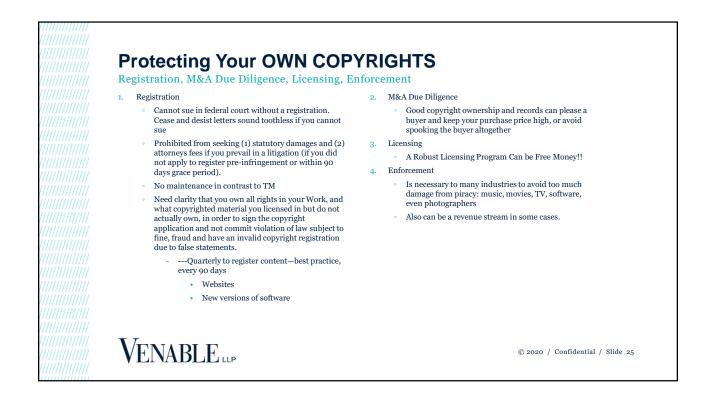


Sending a DMCA Notice Under 512

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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# 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.

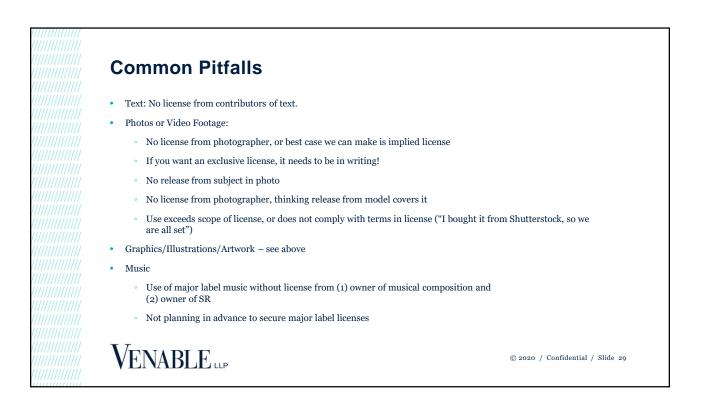
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# **Common Pitfalls**

- 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**

- 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.

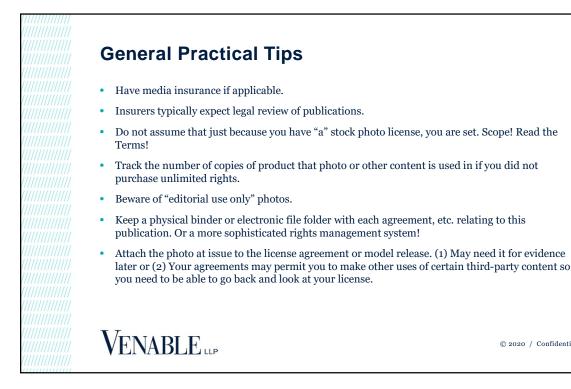
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# **General Practical Tips**

- 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**

- 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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