

An abstract graphic on the left side of the page, consisting of a large, light gray arrow pointing downwards. Inside the arrow, there are several overlapping, semi-transparent shapes in shades of blue, teal, and green, creating a layered, dynamic effect.

Key Trademark and Copyright Developments Around the World: Implications for Nonprofits in China, Europe, Cuba, and Beyond

Wednesday, August 17, 2016, 12:30 – 2:00 pm ET
Venable LLP, Washington, DC

Moderator

Jeffrey S. Tenenbaum, Esq.

Partner and Chair of the Nonprofit Organizations Practice,
Venable LLP

Speakers

Andrew D. Price, Esq.

Partner, Trademarks and Brand Protection Practice,
Venable LLP

Justin E. Pierce, Esq.

Partner, Trademarks and Brand Protection Practice,
Venable LLP



Presentation



VENABLE[®] LLP

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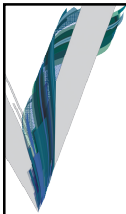
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- **November 10, 2016:** [Federal and State Regulators and Watchdog Groups Are Bearing Down on Charities and Their Professional Fundraisers: How to Prepare for the Regulatory Storm](#)



Key Foreign Trademark Developments

Implications for U.S.-based Nonprofits

Trademarks: The Basics Never Change

“Our brand is the single greatest asset
that our network has.”

Marci Marsh, COO, World Wildlife Fund
(The Role of Brand in the Nonprofit Sector,
Stanford Social Innovation Review, Spring 2012)

Trademarks: The Basics Never Change



Trademarks: The Basics Never Change

- One thing that has not changed is that registration is *king* as a mode of protection
- Trademarks must be protected on a *country-by-country* basis
- Many nations employ *first-to-file* models
- The “likelihood of confusion” standard is *low*
- The cost of trademark litigation is *high*
- *Consistent use, registration, and licensing* of unifying brand elements are critical
 - Key marks, for key goods/services, in key countries

Trademarks: The Basics Never Change



United Kingdom: Brexit or Bust?



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United Kingdom: Brexit or Bust?

- No immediate change: business as usual
 - Negotiations over UK's exit are expected to take *two years* from innovation of Article 50 of Lisbon Treaty, which has *not happened yet*
- Transitional provisions are expected
 - EUTM registration holders will likely be allowed a time for "*conversion*": i.e., to obtain UK registration (either automatically or by further application)
 - It is possible the EUIPO will continue to *honor* registrations as covering the UK
 - We anticipate holders will be able to *retain* application or priority filing dates from EUTM filings
- Cautious approach: If UK is a key market, *file both* UK and EUTM applications for new brands

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European Union: Name Change

- Old: Office for Harmonisation in the Internal Market (OHIM)
- New: EU Intellectual Property Office (EUIPO)
- Old: Community Trademark
- New: EU Trademark



European Union: European Regulation Vacation?

- The “class heading” conundrum
 - September 23, 2016 deadline (no extension)
 - The Test
 - *If* your mark registered before June 22, 2012
 - *And* your registration covers the entire class heading
 - *And* your intention was to cover all goods/services in the class, not just those in the literal class heading
 - *Then* you must file a declaration confirming the scope of registration

Class 35 Advertising; business management; business administration; office functions.

Class 41 Education; providing of training; entertainment; sporting and cultural activities.

European Union: A New Way to Make Money

- New Fees
 - More *à la carte*
 - One class = a little *lower* than before, when it was “three classes for the price of one” (€850)
 - Two classes = effectively *higher* fees (same as the cost of *three* before: €900)
 - Three classes or more = *higher* fees (€1,050 for three and then €150 each)

The image shows a currency converter interface. On the left, the 'Type a country or currency' dropdown is set to 'United States Dollar (USD)'. Below it, the 'Please enter an amount' field contains '\$ 1'. On the right, the 'Type a country or currency' dropdown is set to 'Euro (EUR)'. Below it, the 'Please enter an amount' field contains '€ 0.8975'. An equals sign is positioned between the two input sections.

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European Union: “Certify” Me

- May be registered in October 2017
- The semantic trap for nonprofits
 - Do you have a “*certification*” mark or an “*accreditation*” service mark?
 - Credentials – like a title or degree (e.g., Andrew Price, XYZ)
 - Versus a trademark used to identify personal services:

XYZTM

Services from Andrew Price

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China: A Slam Dunk?



China: A Slam Dunk?

- Ask the owner of MICHAEL JORDAN
- *Supreme People's Court of China* rejected retrial petitions to cancel JORDAN in Chinese characters
 - Michael lost at the Trademark Review and Adjudication Board (TRAB)
 - Michael had limited basis for appeal to Supreme People's Court
 - Bad influence on society
 - Deceptive or improper means
 - These were found to be "public interest" claims he could not use, despite others using them successfully in past
 - Michael still has a case pending based on "famous" name (*Shanghai Higher People's Court*) by the firm we use



China: New System = More Fun?

- TM litigation is down in the U.S. but *booming* in China
- Why? New specialized IP courts in Beijing, Shanghai, and Guangzhou
 - *Beijing IP Court*: Most used by TM holders
 - Shanghai: Most used by copyright holders
 - Guangzhou: Most used by patent holders
- More specialized judges, but quota for them
- Win rates for foreign rights holders are better
- Damages look better: e.g., \$470,000 to Moncler



China: New System = More Fun?

- Beijing IP Court:
 - Exclusive jurisdiction over challenges to TRAB decisions
 - Previously heard by Beijing No. 1 Intermediate People's Court (a good name?)
 - Important for foreign owners dealing with appeals involving *bad-faith registrations* or first-instance claims of *well-known status*
 - 8,000 cases in first year
 - 39% of caseload involved a *foreign party/nonprofit*
 - More transparency: publicizing decisions



China: A Nonprofit's Experience

- Adopt an aggressive *filing* strategy early
 - Perform a TM portfolio audit
- Remember *Chinese characters*
- Remember *Hong Kong*
- Settlement is less likely than in the U.S.
- It can take longer and cost more than projected
 - The Beijing IP Court must be pushed on scheduling
- The *U.S. IP Attaché* in China can be helpful
- Attend the hearing in person if possible



China: Alibaba's Disruption

- April 2016: Alibaba makes it possible to *file "free" or low-cost trademark applications*
- Why – to counter the perception that Alibaba's marketplace may promote counterfeiting, by enabling the protection of IP rights?
- Is this good for brand owners *or a tool for bad-faith filers?*
- *Is legal local advice needed* to file a trademark application in China?
 - A properly searched, filed, and registered trademark is the foundation of successful brand protection



China: Another Positive Development?

- Chinese Trademark Office (CTMO) established a *database* for contact persons of foreign trademark owners
 - To facilitate communications in enforcement cases
 - By Administration for Industry and Commerce
 - Marketplace violations could be more effectively policed going forward
- July 20, 2016 “deadline”
- Parties may be limited to 100 marks
- The jury is still out on whether this will be reliable in enforcement



China: A Good Place for a Joint Venture?

- Is the local party willing to *assign* any rights in domain names and trademarks and take a limited trademark *license* from the nonprofit?
- While a joint *venture* could conceivably work, avoid joint *ownership* of nonprofit trademark rights in all countries
- What happens when the joint venture ends?

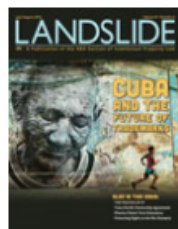
TMs in Cuba: Recipe for a Cuba Libre?



With COCA-COLA brand cola?

TMs in Cuba: Recipe for a Cuba Libre?

- Does Cuba really matter when it comes to trademarks?
- Hot topic: The ABA's Section of Intellectual Property Law featured this subject in the July/August 2016 issue of *Landslide*





TMs in Cuba: Recipe for a Cuba Libre?

- What are the owners of *well-known brands* doing here – now?
 - ABA statistic: From 1997 to 2011 only 39,000 applications were filed
 - In the first four months of 2016, the USPTO received 263,600 applications
- How do you get “in the door”?
 - Local law requires that foreign applicants be *represented by an official agent*
 - We have a mechanism
- Other challenges
 - No publicly searchable database
 - How will disputes be handled, observed, and reported?



In Other News: The Middle East Is at the Top in Cost

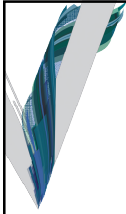
- It was already one of the most expensive regions in which to register trademarks
- The cost just went up!
 - United Arab Emirates (UAE), Kuwait, Bahrain
 - UAE: *Most expensive*
 - \$3,500 to register one mark in one class, in official fees alone
- The full cost of registration typically billed *at the time of filing*
- *Formality* requirements still exist

In Other News: Canada's Got Class

- Virtually every other country in the world classifies TMs according to the Nice system
 - 45 International Classes
- Canada now has a voluntary classification system (as of September 2015)
- It will become mandatory once legislation is approved/implemented, maybe around 2018
- Classification assists with clearance and thus deterrence: Classify!

Remember the Basics in Times of Change





Key Foreign Copyright Developments

Implications for U.S.-based Nonprofits



Copyright Basics

- Copyright protects original works:
 - Artwork and literary works
 - Musical compositions and songs
 - Images, movies, and computer programs
 - *Examples:* an educational handbook, training materials, staff manuals, promotional materials, and any artwork or photographs included in these materials
- Generally, the creator of the work holds the copyright protection and therefore “owns” the work
- However, when a work is created by an employee or volunteer, it may be the property of the nonprofit organization or it may be the property of the creator, depending on the specifics of the work’s creation



Copyright Basics

- Copyright protections come into existence at the moment the work is created – even without registering the mark with a government office or affixing a © to the work.
- In the U.S., however, registering an original work with the U.S. Copyright Office is required to bring a suit for copyright infringement against an unauthorized user of the work and creates a public record of your copyright claim.



China – Copyright Developments

- In October 14, 2015, the State Copyright Administration of the People’s Republic of China issued a "Notice of the National Copyright Administration on Regulating the Copyright Order Network Disk Service." This regulation requires that, after receiving the notice of infringement, network disk service providers should take down the infringing files within 24 hours. Implications for cloud storage.
- This is the first time the Chinese State Copyright Administration has issued a regulation regarding the restriction of cloud storage. The mechanism of this notice is very similar to the "Notice and takedown procedure" in the Digital Millennium Copyright Act of 1998.



China – Copyright Developments

- China recently established the National Alliance Copyright Trade Center to strengthen exchange and cooperation between the National Copyright Trade Center (International Copyright Exchange) and the National Copyright Trade Base.
- The National Copyright Administration established the National Alliance Copyright Trade Center in Beijing on October 28, 2015. The National Alliance Copyright Trade Center is intended to promote the creation, use, protection, and management of copyright industry development.



Europe – Copyright Developments

- The copyright law of the European Union consists of a number of directives, which the member states are obliged to enact into their national laws, and by the judgments of the Court of Justice of the European Union (including the European Court of Justice and the General Court). Directives of the EU are passed to harmonize the laws of European Union member states.
- Registration important. See EU copyright office.
- Note that ISPs can be held liable for secondary liability.



Best Copyright Practices for Nonprofits

- Nonprofit organizations should consider the value of registering their key original works where possible; registration can make it easier to protect and enforce the nonprofit's rights to its original works.
- Nonprofit organizations should have clear agreements with employees, independent contractors, consultants, and volunteers specifying who owns the rights to any works created for the organization.
- Nonprofit leaders should monitor use of their IP in key regions around the world and be aware of the boundaries of copyright protection. Reprinting promotional materials because you have mistakenly included proprietary images can be a big unexpected cost, and an unforeseen infringement suit can quickly overwhelm the finances of many nonprofit organizations.



Questions?

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Speaker Biographies



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 Antitrust
 Political Law
 Tax Controversies and Litigation
 Tax Policy
 Tax-Exempt Organizations
 Regulatory

INDUSTRIES

Nonprofit Organizations and Associations

GOVERNMENT EXPERIENCE

Legislative Aide, United States House of Representatives

BAR ADMISSIONS

District of Columbia

EDUCATION

J.D., Catholic University of America, Columbus School of Law, 1996

B.A., Political Science, University of Pennsylvania, 1990

Jeffrey Tenenbaum chairs Venable's Nonprofit Organizations Practice Group. He is one of the nation's leading nonprofit attorneys, and also is a highly accomplished author, lecturer, and commentator on nonprofit legal matters. Based in the firm's Washington, DC office, Mr. Tenenbaum counsels his clients on the broad array of legal issues affecting charities, foundations, trade and professional associations, think tanks, advocacy groups, and other nonprofit organizations, and regularly represents clients before Congress, federal and state regulatory agencies, and in connection with governmental investigations, enforcement actions, litigation, and in dealing with the media. He also has served as an expert witness in several court cases on nonprofit legal issues.

Mr. Tenenbaum was the 2006 recipient of the American Bar Association's Outstanding Nonprofit Lawyer of the Year Award, and was an inaugural (2004) recipient of the *Washington Business Journal's* Top Washington Lawyers Award. He was only a handful of "Leading Lawyers" in the Not-for-Profit category in the prestigious *Legal 500* rankings for the last four years (2012-15). Mr. Tenenbaum was recognized in 2013 as a Top Rated Lawyer in Tax Law by *The American Lawyer* and *Corporate Counsel*. He was the 2015 recipient of the New York Society of Association Executives' Outstanding Associate Member Award, the 2004 recipient of The Center for Association Leadership's Chairman's Award, and the 1997 recipient of the Greater Washington Society of Association Executives' Chairman's Award. Mr. Tenenbaum was listed in the 2012-17 editions of *The Best Lawyers in America* for Non-Profit/Charities Law, and was selected for inclusion in the 2014-16 editions of *Washington DC Super Lawyers* in the Nonprofit Organizations category. In 2011, he was named as one of Washington, DC's "Legal Elite" by *SmartCEO Magazine*. He was a 2008-09 Fellow of the Bar Association of the District of Columbia and is AV Peer-Review Rated by *Martindale-Hubbell*. Mr. Tenenbaum started his career in the nonprofit community by serving as Legal Section manager at the American Society of Association Executives, following several years working on Capitol Hill as a legislative assistant.

REPRESENTATIVE CLIENTS

AARP
 Academy of Television Arts & Sciences
 Air Conditioning Contractors of America
 Air Force Association
 Airlines for America
 American Academy of Physician Assistants
 American Alliance of Museums
 American Association for the Advancement of Science
 American Bar Association
 American Cancer Society
 American College of Cardiology
 American College of Radiology

MEMBERSHIPS

American Society of Association Executives

New York Society of Association Executives

American Council of Education
American Friends of Yahad in Unum
American Institute of Architects
American Nurses Association
American Red Cross
American Society for Microbiology
American Society of Anesthesiologists
American Society of Association Executives
America's Health Insurance Plans
Association for Healthcare Philanthropy
Association for Talent Development
Association of Clinical Research Professionals
Association of Corporate Counsel
Association of Fundraising Professionals
Association of Global Automakers
Association of Private Sector Colleges and Universities
Auto Care Association
Better Business Bureau Institute for Marketplace Trust
Biotechnology Industry Organization
Brookings Institution
Carbon War Room
CFA Institute
The College Board
CompTIA
Council on Foundations
CropLife America
Cruise Lines International Association
Democratic Attorneys General Association
Design-Build Institute of America
Erin Brockovich Foundation
Ethics Resource Center
Foundation for the Malcolm Baldrige National Quality Award
GeneSegues Therapeutics
Gerontological Society of America
Global Impact
Good360
Goodwill Industries International
Graduate Management Admission Council
Habitat for Humanity International
Homeownership Preservation Foundation
Human Rights Campaign
Independent Insurance Agents and Brokers of America
InsideNGO
Institute of International Education
International Association of Fire Chiefs
International Rescue Committee
International Sleep Products Association
Jazz at Lincoln Center
LeadingAge
The Leukemia & Lymphoma Society
Lincoln Center for the Performing Arts
Lions Club International
March of Dimes
ment'or BKB Foundation
Money Management International
National Air Traffic Controllers Association
National Association for the Education of Young Children
National Association of Chain Drug Stores
National Association of College and University Attorneys
National Association of College Auxiliary Services
National Association of County and City Health Officials
National Association of Manufacturers
National Association of Music Merchants
National Athletic Trainers' Association
National Board of Medical Examiners

National Coalition for Cancer Survivorship
National Coffee Association
National Council of Architectural Registration Boards
National Council of La Raza
National Defense Industrial Association
National Fallen Firefighters Foundation
National Fish and Wildlife Foundation
National Propane Gas Association
National Quality Forum
National Retail Federation
National Student Clearinghouse
The Nature Conservancy
NeighborWorks America
New Venture Fund
NTCA - The Rural Broadband Association
Nuclear Energy Institute
Peterson Institute for International Economics
Professional Liability Underwriting Society
Project Management Institute
Public Health Accreditation Board
Public Relations Society of America
Romance Writers of America
Telecommunications Industry Association
Trust for Architectural Easements
The Tyra Banks TZONE Foundation
U.S. Chamber of Commerce
United States Tennis Association
Volunteers of America
Water Environment Federation
Water For People
WestEd
Whitman-Walker Health

HONORS

Recipient, New York Society of Association Executives' Outstanding Associate Member Award, 2015

Recognized as "Leading Lawyer" in *Legal 500*, Not-For-Profit, 2012-15

Listed in *The Best Lawyers in America* for Non-Profit/Charities Law (Woodward/White, Inc.), 2012-17

Selected for inclusion in *Washington DC Super Lawyers*, Nonprofit Organizations, 2014-16

Served as member of the selection panel for the *CEO Update* Association Leadership Awards, 2014-16

Recognized as a Top Rated Lawyer in Taxation Law in *The American Lawyer* and *Corporate Counsel*, 2013

Washington DC's Legal Elite, *SmartCEO Magazine*, 2011

Fellow, Bar Association of the District of Columbia, 2008-09

Recipient, American Bar Association Outstanding Nonprofit Lawyer of the Year Award, 2006

Recipient, *Washington Business Journal* Top Washington Lawyers Award, 2004

Recipient, The Center for Association Leadership Chairman's Award, 2004

Recipient, Greater Washington Society of Association Executives Chairman's Award, 1997

Legal Section Manager / Government Affairs Issues Analyst, American Society of Association Executives, 1993-95

AV® Peer-Review Rated by *Martindale-Hubbell*

Listed in *Who's Who in American Law* and *Who's Who in America*, 2005-present editions

ACTIVITIES

Mr. Tenenbaum is an active participant in the nonprofit community who currently serves on the Editorial Advisory Board of the American Society of Association Executives' *Association Law & Policy* legal journal, the Advisory Panel of Wiley/Jossey-Bass' *Nonprofit Business Advisor* newsletter, and the ASAE Public Policy Committee. He previously served as Chairman of the *AL&P* Editorial Advisory Board and has served on the ASAE Legal Section Council, the ASAE Association Management Company Accreditation Commission, the GWSAE Foundation Board of Trustees, the GWSAE Government and Public Affairs Advisory Council, the Federal City Club Foundation Board of Directors, and the Editorial Advisory Board of Aspen's *Nonprofit Tax & Financial Strategies* newsletter.

PUBLICATIONS

Mr. Tenenbaum is the author of the book, *Association Tax Compliance Guide*, now in its second edition, published by the American Society of Association Executives. He also is a contributor to numerous ASAE books, including *Professional Practices in Association Management*, *Association Law Compendium*, *The Power of Partnership*, *Essentials of the Profession Learning System*, *Generating and Managing Nondues Revenue in Associations*, and several Information Background Kits. In addition, he is a contributor to *Exposed: A Legal Field Guide for Nonprofit Executives*, published by the Nonprofit Risk Management Center. Mr. Tenenbaum is a frequent author on nonprofit legal topics, having written or co-written more than 700 articles.

SPEAKING ENGAGEMENTS

Mr. Tenenbaum is a frequent lecturer on nonprofit legal topics, having delivered over 700 speaking presentations. He served on the faculty of the ASAE Virtual Law School, and is a regular commentator on nonprofit legal issues for *NBC News*, *The New York Times*, *The Wall Street Journal*, *The Washington Post*, *Los Angeles Times*, *The Washington Times*, *The Baltimore Sun*, *ESPN.com*, *Washington Business Journal*, *Legal Times*, *Association Trends*, *CEO Update*, *Forbes Magazine*, *The Chronicle of Philanthropy*, *The NonProfit Times* and other periodicals. He also has been interviewed on nonprofit legal topics on Fox 5 television's (Washington, DC) morning news program, Voice of America Business Radio, Nonprofit Spark Radio, and The Inner Loop Radio.



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AREAS OF PRACTICE

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 Trademark Litigation
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 Domain Names and Cyber Protection
 Advertising and Marketing
 Brand and Content Protection

INDUSTRIES

Consumer Products and Services
 Nonprofit Organizations and Associations
 New Media, Media and Entertainment

BAR ADMISSIONS

District of Columbia
 Virginia, Associate Member
 (inactive)

EDUCATION

J.D., Southern Methodist University, 1996
 B.A., Vanderbilt University, 1991

Andrew Price has spent 18 years at Venable with one focus: he helps clients establish, protect and profit from their brands worldwide.

Ranked five years in a row as one of the elite trademark prosecution and strategy attorneys in Washington, DC, he is noted for a "fantastic global perspective," "first-class knowledge of trademark law," and "superb understanding of clients and their needs" (*WTR 1000*, 2012-2016; *Legal 500*, 2013-2015). He is "wholeheartedly recommended" for his "smart, dedicated and extremely creative approach. His ability to infuse life into even the driest legal issues is second to none" (*WTR 1000*, 2014).

Mr. Price was one of the earliest members of Venable's trademark practice, which has been ranked Tier 1 nationally for trademarks (*U.S. News - Best Lawyers "Best Law Firms,"* 2011-2012) and most recently #7 in the U.S. for obtaining registrations (*Intellectual Property Today*, 2015). As a leading member of that group, he represents clients of all sizes, from startups and celebrities to nonprofits and multinational corporations – with a special emphasis on managing large portfolios of trademarks, exploiting IP opportunities and controlling crisis situations.

Mr. Price focuses his practice on brand strategy as well as searching, registering, licensing, and enforcing all types of trademarks worldwide (e.g., brand names, logos, slogans, trade dress such as product configuration, and non-traditional marks such as motion marks). His practice includes bringing and defending opposition and cancellation actions before the U.S. Trademark Trial and Appeal Board. He also works closely with the firm's Intellectual Property Litigation Group to bring and defend trademark-related lawsuits, including preliminary injunction motions, in U.S. federal court. Abroad Mr. Price oversees a personal network of top foreign lawyers in a full range of trademark work, from searching to litigation.

Dedicated to providing strategic counsel, client service and value, he is an "arch strategist" who achieves "the perfect balance of being detail focused without losing sight of the big picture" (*WTR 1000*, 2013 & 2015).

REPRESENTATIVE CLIENTS

Serves as chief U.S. and global trademark prosecution counsel to a leading smartphone provider, Sony Mobile; and served a second leading provider in the same way.

Serves as chief trademark counsel to a large number of clients in Venable's nationally recognized Nonprofit Organizations Practice Group, including some of the most well-known nonprofits in the world such as:

- the American Bar Association; and
- Project Management Institute.

Responsible for thousands of active trademark applications/registrations and oppositions/cancellations, including portfolios of the above clients plus the following,

MEMBERSHIPS

International Trademark Association

Intellectual Property Owners Association

American Intellectual Property Law Association

among others:

- a leading Hollywood entertainment company;
- some of the most elite independent schools in the U.S.;
- one of the world's top dance footwear and apparel companies; and
- two of the world's largest cloud computing organizations.

SIGNIFICANT MATTERS

- Represented a major association in successfully reaching a landmark trademark settlement involving its core brand indicia, through the use of mediation.
- Represented Arianna Huffington in negotiating IP aspects of the sale of *The Huffington Post* to AOL.
- Helping a *Fortune 500* company through a year-long process of rebranding itself and spinning off two public companies with new brands on a global basis.
- Helping a client manage one of the first trademark litigations in China before the new Beijing IP Court.
- Recovered a vanity social media handle for a top-ten *Fortune 500* company after three years of attempts by the client to do so.
- Provided strategic counsel to a leading Hollywood entertainment company on global brand protection and portfolio development.
- Leveraged a restaurant chain in Panama to rebrand from COZI based on our client's U.S. rights in COSI, allowing the client to open its franchise there.
- Created and managed the strategy to file 450 trademark applications worldwide for one of Interbrand's Best Global Brands, under budget.
- Registered the name of Apple's iPhone App of the Year based on acquired distinctiveness, after a personal meeting with the Examiner, months before the award.
- Created a strategy that got a large mobile client's "crown jewel" trademark approved by the USPTO in 13 business days, after it lingered at another firm for 3-1/2 years with various objections.
- Provided strategic counsel to a *Fortune 250* company on how to evolve its house brands, and filed a number of stealth applications in the process.
- Helped Sony manage the intricacies of trademark law related to its acquisition of Ericsson's 50% interest in the Sony Ericsson joint venture.
- Helped a joint venture of one of the world's top luxury automobile brands select house brands for a new "green" line of cars.
- Won a seven-year battle to register a restaurant chain's main brand in the European Community.
- Successfully defended a nonprofit against a party that claimed it jointly owned the client's name.
- Successfully defended a large investment company in an opposition, with a counterattack that caused the competitor to withdraw and phase out its own slogan.
- Worked with Venable's litigation team to defend and file preliminary injunction actions in U.S. District Court, resulting in favorable settlements.
- Developed a global strategy that led to settlement after a party demanded our client not launch a critical product-line brand.
- Managed the searching of over 500 trademarks for one client in one year.
- Worked on high-dollar licensing transactions involving major TV show names.
- Won an appeal for Sony Mobile to register a rare motion mark in the European Community, and obtained for the client one of the few U.S. registrations for a sound mark.
- Stopped Asian and European counterfeiters of the world's top-selling dance sneaker.

- Filed one of the first U.S.-based applications under the Madrid Protocol, and registered the well-known nonprofit brand MENSA worldwide through the system.

HONORS

Mr. Price was recognized in the *World Trademark Review 1000* in the category of Prosecution and Strategy from 2012 - 2016 (Silver Ranking).

Mr. Price was recognized in *Legal 500* in the category of Trademarks: Non-Contentious from 2013 - 2015.

Mr. Price is a member of American Mensa, a client he helped represent for several years.

He was privileged to intern with the Public Defender Service for the District of Columbia, widely regarded as the premier public defender office in the country.

He was one of the first recipients of the Congressional Award, which is given in part for public service.

ACTIVITIES

Mr. Price is a member of the International Trademark Association (INTA), serves on its Public and Media Relations Committee, and attends its annual meetings (named Best Dressed in Dallas by WTR for "full cowboy regalia"). He served on the Hiring Committee for Venable's Washington, DC office for the last three years (when the firm's summer associate program was ranked as one of the top in the country by Vault), and now serves on the firm's Diversity and Partnership Selection Committees. With a colleague, he won the DC office's Sir Francis Drake Bocce Tournament. In pro bono matters, he represents DC Central Kitchen and its celebrity "Food Fight" fundraiser. Outside of Venable, he mentored a promising paralegal for ten years, culminating in her graduation from law school *summa cum laude*. In his spare time, he is a guitarist of 30 years, playing in a local band and plotting his next performance at Law Rocks or the office's annual Halloween contest / talent show, which he has won and exceeded as well.

PUBLICATIONS

- March 3, 2015, Strong Brands Have Room to Flex, *Response Magazine*
- January 26, 2015, Nonprofits: Break Some Trademark Rules!
- November 13, 2014, Advertising Law News & Analysis - November 13, 2014, Advertising Alert
- October/November 2014, The Results Are In on the ITC, *World Trademark Review*
- July 7, 2014, Key Trademark and Copyright Rules for Nonprofits to Follow – and Break!
- June/July 2014, Time to Break Some Trademark Rules in 2014, *World Trademark Review*
- May 14, 2013, As Nonprofits Expand Their Global Reach, a Special Focus on Tax, Trademarks and the Foreign Corrupt Practices Act
- March 12, 2013, Top Five International Trademark Pitfalls for Nonprofits
- December 13, 2012, Advertising News & Analysis – December 13, 2012, Advertising Alert
- December 11, 2012, Understanding New Restrictions on Advertising GI Bill Benefits
- August 2, 2012, The \$60 Million iPad Trademark Lesson Applies to All Brands, *All About Advertising Law, IP Buzz*
- June 13, 2012, Ten Best Practices for Protecting Your Nonprofit's Intellectual Property
- May 21, 2012, The Trend In Top Brands – Use More Inventive Naming, *All About Advertising Law, IP Buzz, IP Frontline*
- November 1, 2011, Indian Affidavits of Use: A Tool for Effective Trademark Prosecution and Enforcement, *INTA Bulletin*

- September 27, 2011, Protecting and Licensing Nonprofit Trademarks: Key Trademark and Tax Law Issues
- September 7, 2011, The "Bet the Company" Moment: Think Trademarks, IP Buzz
- March 10, 2011, Nonprofits: Don't Get Caught Naked (Licensing), *Association Trends (and elsewhere in various forms)*
- October 12, 2010, Co-author, "Worlds Apart? How to Bridge the Gap Between Legal and Marketing Departments", *Corporate Counsel*
- May 2006, Co-author, Special Rules Apply When Extending Protection to the United States Under the Madrid Protocol, *Venable's IP News & Comment*
- May 1, 2006, Protecting Your Intellectual Property Abroad, *Associations Now Supplement*
- November 16, 2004, Trademarks and Domain Names: Some Issues Affecting Contractors in the Federal Government Marketplace, *BNA Federal Contracts Report and BNA Patent, Trademark & Copyright Journal*
- April 2004, The Madrid Protocol: King of the Road, or Hit the Road, Jack?, *Client Times*
- December 2003, Trademark Clearance and Protection, *Intellectual Property Today*
- May 2003, The Last Great Trademark, *Intellectual Property Today*
- December 1, 2002, Corporate Trademark Portfolios: Ten Steps to Effective Management, *Intellectual Property Today*
- December 4, 2001, Missing the Mark: The Proposed FAR Rule on Trademarks Presents Another Roadblock in the Path to Developing a Rational IP Policy, *BNA Federal Contracts Report*
- November 21, 1999, So You Want To Be On The Internet ®

SPEAKING ENGAGEMENTS

- August 17, 2016, Key Trademark and Copyright Developments Around the World: Implications for Nonprofits in China, Europe, Cuba, and Beyond
- December 4, 2014, Venable LLP's Brand IP Seminar Series - Washington, DC
- July 17, 2014, Key Trademark and Copyright Rules for Nonprofits to Follow – and Break?!
- July 8, 2014, Legal Quick Hit: "Key Trademark and Copyright Rules for Nonprofits to Follow – and Break!" for the Association of Corporate Counsel's Nonprofit Organizations Committee
- May 14, 2013, As Nonprofits Expand Their Global Reach, a Special Focus on Tax, Trademarks and the Foreign Corrupt Practices Act
- March 12, 2013, Legal Quick Hit: "The Top Five International Trademark Pitfalls for Nonprofits" for the Association of Corporate Counsel's Nonprofit Organizations Committee
- June 13, 2012, Ten Best Practices for Protecting Your Nonprofit's Intellectual Property
- September 27, 2011, Association of Corporate Counsel Webcast: "Protecting and Licensing Nonprofit Trademarks: Key Trademark and Tax Law Issues"
- July 13, 2010, Legal Quick Hit: "Trademark Challenges for Nonprofits" for the Association of Corporate Counsel's Nonprofit Organizations Committee
- May 12, 2009, "Legal Quick Hit: Trademark Law Basics and Pitfalls for Nonprofits" for the Association of Corporate Counsel
- December 2007, "International Clearance Strategies and Budgeting" at the INTA International Trademark Basics Forum
- March 2004, "Issues in Trademark Law and the Madrid Protocol" for Thomson CompuMark
- 2003 - 2005, Course faculty, The Government Contract Intellectual Property Institute



Justin E. Pierce

Partner

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AREAS OF PRACTICE

Advertising and Marketing
 Advertising and Marketing
 Litigation
 Brand and Content Protection
 Intellectual Property Litigation
 Trademarks and Brand Protection
 International Trade and Customs
 Legislative and Government Affairs
 Privacy and Data Security
 Technology Transactions and
 Outsourcing
 Trademark Litigation
 Copyrights and Licensing
 Domain Names and Cyber
 Protection
 Patent Litigation

INDUSTRIES

Consumer Products and Services
 Emerging Companies: Venable
 Venture Services
 New Media, Media and
 Entertainment
 Pharmaceuticals
 Toys and Games
 Digital Media

Justin Pierce's practice covers a wide range of intellectual property matters, including patent litigation, trademarks and brand protection, anti-counterfeiting, copyrights, design rights, trade secrets, licensing, rights of publicity, domain name and social media disputes, and international government affairs work relating to intellectual property matters.

Mr. Pierce has a unique combination of in-house and outside counsel experience in managing intellectual property assets and portfolios for large and small companies. Further, Mr. Pierce is a multifaceted intellectual property counsel with significant expertise in handling an array of intellectual property matters.

As a patent litigator, Mr. Pierce has represented a number of clients in a variety of fields, including apparel, consumer goods, electronics, food and beverage, footwear, media, mobile device, pharmaceutical, software and telecommunications fields. As a brand protection attorney, Mr. Pierce develops and implements global brand protection strategies for a number of companies around the world, ranging from start-ups to multinational corporations. And, as an IP transactions attorney, Mr. Pierce has extensive experience in licensing and leveraging IP assets in order to support the overall business goals of clients.

Mr. Pierce has managed complex intellectual property licensing and litigation on an international scale in matters dealing with patents, trademarks and copyrights; and handled cases in various international proceedings, U.S. federal courts and the U.S. International Trade Commission. He also has structured and negotiated a number of intellectual property licenses for organizations seeking to leverage their intellectual property assets. While serving as an in-house counsel and department head for a major multinational corporation, Mr. Pierce led a government relations initiative that enhanced company intellectual property enforcement efforts in key markets around the world. Further, drawing upon his international experience, Mr. Pierce also provides counsel regarding cross-border trade, customs, and outreach to foreign governments on intellectual property matters.

Mr. Pierce has significant experience in advising entrepreneurs and start-ups, as well as senior management, marketing, engineering, research and development teams of major corporations on how to acquire, develop and use intellectual property to achieve business objectives. Based on his in-house and management experience, Mr. Pierce has substantial knowledge of the business and strategy issues that challenge executives and their in-house legal teams. Mr. Pierce regularly speaks and writes on a number of intellectual property and brand protection issues.

Beyond his experience as an attorney, Mr. Pierce is also an inventor, with a patent and published applications dealing with mobile applications, augmented and virtual reality, gaming and anti-counterfeiting technology. Mr. Pierce is a graduate of the U.S. Military Academy at West Point, served as an infantry officer in the U.S. Army, and attained the rank of Captain prior to going to the George Washington University Law School.

GOVERNMENT EXPERIENCE

Captain, United States Army

BAR ADMISSIONS

District of Columbia

COURT ADMISSIONS

U.S. Supreme Court

U.S. District Court for the District of Columbia

U.S. District Court for the District of Delaware

U.S. District Court for the Northern District of West Virginia

U.S. District Court for the Northern District of California

U.S. District Court for the Southern District of California

U.S. Court of Federal Claims

EDUCATION

J.D., George Washington University Law School, 2000

B.S., United States Military Academy at West Point, 1992

MEMBERSHIPS

American Bar Association

American Intellectual Property Lawyers Association

International Trademark Association

SIGNIFICANT MATTERS

Managed a number of intellectual property litigation matters on behalf of a major multinational mobile device manufacturer, including management of §337 patent litigation in the U.S. International Trade Commission, and intellectual property litigation in various U.S. federal district courts.

Representing the defendants in a patent suit involving address handling within mobile devices. The case is ongoing. *Arendi S.A.R.L. v. Sony Mobile Communications, et al.*

Representing the defendant in a patent suit involving encryption and user authentication technologies found in computers and mobile devices. The case is ongoing. *MAZ Encryption Technologies, LLC v. BlackBerry Corp.*

Represented a third-party in a patent suit involving a method of securely connecting computers over a wireless network. *In re Certain Devices with Secure Communication Capabilities, Components Thereof, and Products Containing the Same*, ITC Investigation No. 337-TA-818.

Represented one of the defendants in a patent suit involving form based operating systems used in internet-connected computing and mobile devices. *Cyberfone v. Cellco, et al.*

Represented a major defense contractor and defended against an infringement action brought in the Court of Federal Claims involving a patent relating to the use of night-vision goggles in conjunction with full-color cockpit displays. *Honeywell Int'l Inc. v. U.S.*, 70 Fed. Cl. 424 (2006).

Represented a major pharmaceutical company and successfully established patent infringement by a generic drug company in a multi-month patent trial involving a multi-billion dollar anti-infective agent. 2004 WL 2973831 (N.D.W.Va.)

Represented a major wireless communications equipment provider and plaintiff in an infringement action concerning patents related to wireless technology under the IEEE 802.11 standard. *Agere Systems Guardian Corp. v. Proxim, Inc.* No. 01 339 RRM (D.Del.)

Represented a major wireless communications equipment provider and intervenor in an infringement action concerning wireless local area network technology. *In re Certain Wireless Local Area Network Cards*, ITC Investigation No. 337-TA-455.

Managed IP due diligence and review in a number of merger and acquisition transactions, including the provision of strategic advice concerning the scope and value of the target company IP, enforcement capability, infringement risks and impact of ongoing IP litigation.

Represented a major international digital publishing company in a government affairs and advocacy matter regarding international copyright law issues.

Managed international intellectual property and brand protection-related advocacy and government relations on behalf of a major multinational corporation.

HONORS

Recognized in the *World Trademark Review 1000* for Prosecution and Strategy, 2013 - 2015

Recognized in the *World Trademark Review 1000* for Enforcement and Litigation, 2015

Recognized in *Legal 500*, Trademarks: Non-Contentious, 2013

PUBLICATIONS

- May 3, 2016, Global Brand and Content Protection: Developments and Emerging Technologies, *World Trademark Review's 2016 Global Anti-Counterfeiting Guide*
- September 10, 2015, Advertising Law News & Analysis - September 10, 2015, Advertising Alert
- September 8, 2015, Keep It Clean: Ashley Madison's Lessons for Marketers, *Response Magazine*
- July 23, 2015, Advertising Law News & Analysis - July 23, 2015, Advertising Alert

- July 2015, Digital Media Link: Legal Issues in Virtual Reality, Trademarks, and Copyrights, Digital Media Link
- May 7, 2015, 3-D Printing of Medical Devices Has Many Dimensions, *Law360*
- May 7, 2015, Advertising Law News & Analysis - May 7, 2015, Advertising Alert
- April 23, 2015, Stopping unfair competition from unlawful ingredients and products at the border, *nutraingredients-usa.com*
- April 15, 2015, Shedding Light on "The Dark Web", *INTA Bulletin*
- April 14, 2015, IP Strategies for the Rise of 3D Printing
- March 26, 2015, Advertising Law News & Analysis - March 26, 2015, Advertising Alert
- March 19, 2015, Advertising Law News & Analysis - March 19, 2015, Advertising Alert
- March 12, 2015, Advertising Law News & Analysis - March 12, 2015, Advertising Alert
- March 2015, Association TRENDS 2015 Legal Review
- March 3, 2015, Strong Brands Have Room to Flex, *Response Magazine*
- February 2015, Lead Generation Legal Update - February 2015, Client Alerts
- February 2015, Digital Media Link - February 4, 2015, Digital Media Link
- January 26, 2015, Nonprofits: Break Some Trademark Rules!
- December 17, 2014, Maximize Your Business Performance – Intellectual Property Strategies for Online Lead Generators and Marketing Services
- November 13, 2014, Advertising Law News & Analysis - November 13, 2014, Advertising Alert
- October/November 2014, The Results Are In on the ITC, *World Trademark Review*
- July 7, 2014, Key Trademark and Copyright Rules for Nonprofits to Follow – and Break!
- June/July 2014, Time to Break Some Trademark Rules in 2014, *World Trademark Review*
- February 10, 2014, Hotfile Case Will Shape Copyright Law Online, *Law360*
- October 11, 2013, How Capitol Records v. Vimeo Shapes the Content Stream, *Law360*
- August 27, 2013, Trademark Litigators Should Take Care in Alleging "Use of Mark in Commerce" – The Split Between the Second and Sixth Circuits
- August 22, 2013, Advertising News & Analysis - August 22, 2013, Advertising Alert
- August 2013, New Efforts in Bilateral Brand Protection, Client Alerts
- October 2012, Chain Reaction, *Intellectual Property Magazine*
- August 23, 2012, Advertising News & Analysis - August 23, 2012, Advertising Alert
- August 16, 2012, Advertising News & Analysis - August 16, 2012, Advertising Alert
- August 14, 2012, Best Practices in Anti-Counterfeiting in the Toy and Game Industry, *Toy Industry Association*
- August 2, 2012, The \$60 Million iPad Trademark Lesson Applies to All Brands, *All About Advertising Law, IP Buzz*
- May 21, 2012, The Trend In Top Brands – Use More Inventive Naming, *All About Advertising Law, IP Buzz, IP Frontline*
- 2012, United States chapter, "Anti-Counterfeiting 2012 – A Global Guide", *World Trademark Review*
- March 2012, Working with External Counsel to Raise Corporate Profile, *World Trademark Review*
- October 14, 2011, Combating Grey Market Goods, *IP Buzz*
- September 7, 2011, The "Bet the Company" Moment: Think Trademarks, *IP Buzz*
- October 2010, Worlds Apart? How to Bridge the Gap Between Legal and Marketing Departments, *Corporate Counsel Magazine*

- August 2005, Intellectual Property Strategy Management, *Global IP Asset Management Report*

SPEAKING ENGAGEMENTS

- August 17, 2016, Key Trademark and Copyright Developments Around the World: Implications for Nonprofits in China, Europe, Cuba, and Beyond
- June 20, 2016, "Trends in Counterfeiting and Content Piracy: Rights Holder Perspectives" at the Advanced IP Enforcement Workshop on Online Counterfeiting
- May 5, 2016, "Protecting Brands & Intellectual Property (IP) in the Personal Care Industry" at the Personal Care Products Council 2016 Legal & Regulatory Conference
- January 27, 2016, "Cutting Edge Issues in Brand & Content Protection" at the West Coast Anticounterfeiting & Brand Protection Conference
- October 21, 2015, Protecting IP in Virtual Worlds
- October 5, 2015 - October 9, 2015, SupplySide West 2015
- October 1, 2015, Brand IP Seminar
- September 30, 2015, "Off the Back of the Truck: Combatting Counterfeiting" for the American Intellectual Property Law Association
- September 30, 2015, "The Impact of Printing on Intellectual Property Production & Protection in the Manufacturing Sector" for the National Alliance for Jobs and Innovation
- July 21, 2015, "The Dark Web & Other Emerging Forms of Piracy and How to Best Protect Against Them" at the Anti-Piracy & Content Protection Summit
- May 13, 2015, "Understanding the Dark Web" for the New York City Bar Association
- April 16, 2015, "IP Strategies for the 3D Printing Era" at the Inside 3D Printing Conference
- April 16, 2015, "Getting your 3D Printed Product to Market: An Insider's Perspective" at the Inside 3D Printing Conference
- April 15, 2015 - April 17, 2015, Inside 3D Printing Conference
- December 17, 2014, "Maximize Your Business Performance – Intellectual Property Strategies for Online Lead Generators and Marketing Services," a LeadsCouncil Webinar
- December 4, 2014, Venable LLP's Brand IP Seminar Series - Washington, DC
- October 22, 2014, The Inside 3D Printing Conference and Expo
- September 24, 2014, Venable LLP's Brand IP Seminar Series
- July 17, 2014, Key Trademark and Copyright Rules for Nonprofits to Follow – and Break?!
- July 8, 2014, Legal Quick Hit: "Key Trademark and Copyright Rules for Nonprofits to Follow – and Break!" for the Association of Corporate Counsel's Nonprofit Organizations Committee
- April 24, 2014, 2014 Brand IP Seminar Series, San Francisco
- February 27, 2014, 2014 Brand IP Seminar Series, New York
- February 18, 2014 - February 20, 2014, Digital Entertainment World
- January 27, 2014 - January 29, 2014, 12th Annual Anti-Counterfeiting & Brand Protection – West Coast Conference
- December 9, 2013, "Making Sound Business Decisions: Considerations in Evaluating Whether to Litigate or Settle" at the Patent Infringement Litigation Summit
- October 1, 2013, Anti-Counterfeiting & Brand Protection East Coast Summit
- January 28, 2013 - January 30, 2013, 2013 Anti-Counterfeiting & Brand Protection West Coast
- December 3, 2012 - December 4, 2012, "Managing Resources and Planning for Global Anticounterfeiting and Brand Protection Programs" at Advanced Anticounterfeiting Strategies

- September 20, 2012 - September 21, 2012, 9th Annual Anti-Counterfeiting & Brand Protection Summit
- August 21, 2012, Toy Industry Association (TIA) Webinar on Anti-Counterfeiting
- April 18, 2012, "Efficient Management of Brand Protection Resources" at the AGMA Second Quarter Conference
- January 24, 2012 - January 25, 2012, 8th Annual Anti-Counterfeiting & Brand Protection Summit
- September 26, 2011 - September 28, 2011, IQPC's 7th Anti-Counterfeiting & Brand Protection Conference - East Coast
- April 2011, "Copyright Law" for Meredith College
- January 2011, "Online Brand Protection" for the 6th Annual Anti-Counterfeiting and Brand Protection Conference
- October 2010, "Best Practices in Lobbying and Cooperating with Other Brand Owners in Pushing for IP Law Reforms," Anti-Counterfeiting Conference: A Quest for Control in Asia in the Battle Against Counterfeiting
- May 2010, "China- Trademark Law Update" at the INTA Annual Conference
- February 2010, "Best Practices in Outsourcing IP & Legal Work to External Firms" for the INTA Workshop
- October 2008, "Strategic Use of Brands in Commercial Expansion" for INTA China
- June 2008, "Increasing the Value of Your Global Brands" at the IP Law Summit
- February 2008, "Trademark Issues in Emerging Markets" for the INTA In-House Counsel Workshop
- February 2008, "Intellectual Property Enforcement" for the NC Intellectual Property Institute
- November 2007, "Trademarks & Brand Protection" for the UNC Law Student Intellectual Property Law Association at UNC Law School



Additional Information

ARTICLES

October 19, 2015

TOP TEN (ACTUALLY ELEVEN) COPYRIGHT AND TRADEMARK TIPS FOR NONPROFITS

This article was republished in the July 20, 2016 issue of Tax Exempt Advisor

AUTHORS

Jeffrey S. Tenenbaum
Armand J. (A.J.) Zottola

RELATED INDUSTRIES

Nonprofit Organizations
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2016 2012 2008
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Whether it is protecting your own intellectual property or avoiding the infringing of others', copyright and trademark law should play an important role in the typical activities of every nonprofit. Fortunately, the well-informed nonprofit can go a long way toward protecting its interests in this area without the involvement of lawyers. While the advice and guidance of counsel is recommended and encouraged in formulating and implementing your nonprofit's intellectual property policies, there are internal steps that all nonprofits can undertake without the direct involvement of counsel. The following (brief and non-exhaustive) guidelines provide the basic thinking and framework for such steps and, in particular, the implementation of effective policies and practices to manage copyright and trademark rights and avoid the infringement of others' rights:

1. **Use Copyright and Trademark Notices.** Use copyright notices (e.g., © 2015 ABC Nonprofit. All rights reserved.) on and in connection with all creative works published by your nonprofit and trademark notices on all trademarks, service marks, and certification marks owned and used by your nonprofit (e.g., TM for non-federally registered marks and ® for federally registered marks). While copyright and trademark notices are not required, their effective use can significantly enhance your intellectual property rights, including eliminating an "innocent infringement" defense. Be sure to use them prominently, consistently, and in all media.
2. **Register Your Trademarks (Both Domestically and Overseas) and Domain Names.** Register your nonprofit's name and important logos, slogans, certification marks, and other trademarks and service marks with the U.S. Patent & Trademark Office. While federal registration of your marks is not required to obtain and maintain trademark rights in the United States (common law rights are enforceable in the U.S.), it can be extremely helpful in enhancing and enforcing them nationwide. It also can be required for certain remedies or enforcement. In particular, registration is a necessary component in the domain name dispute process. It is also important to remember the national scope of trademark rights and to seek protection in foreign countries. In most foreign countries, trademark rights are based on a first-to-file system, so foreign trademark registration—as early as possible—is essential. Also, be sure to immediately obtain domain-name registrations for all current and prospective (important or material) trademarks. In sum, while the federal and foreign trademark registration processes are not simple and generally do require the use of legal counsel, they are well worth the effort and cost for enhanced rights and protection.
3. **Register Your Copyrights.** Register your nonprofit's website, publications, and all other important, original, creative works (that are fixed in any print, electronic, audio-visual, or other tangible medium) with the U.S. Copyright Office. While such registration is not required to obtain and maintain a copyright in a work, it is a prerequisite to filing suit to enforce your rights and confers other important, valuable benefits. If your works are registered either within the first three months of initial publication or before infringement of the works occurs, your organization will be able to pursue statutory damages and attorneys' fees, as opposed to just actual damages (a major difference, especially in the nonprofit setting). Copyright registration is a very simple and inexpensive process, and does not require the use of legal counsel. It also can be very helpful for protecting and enforcing your copyright rights overseas, and for getting prompt, responsive action by internet service providers, social media operators, and others where you are seeking for content to be taken down because it infringes your own copyright rights.

4. **Police Use of Your Intellectual Property.** Monitor and police the use of your copyrights and trademarks by others and enforce your rights where necessary. Use periodic web searches and outside monitoring services, among other means, to identify potential infringement of your copyrights and trademarks. Don't hesitate to send cease-and-desist letters where warranted, but understand that enforcement can involve different types of dispute resolution processes. Enforcement does not necessarily involve the filing of a lawsuit, and does not even always require the use of legal counsel. Mediation, arbitration, and simple settlement are good alternatives as well, especially where enforcement costs are a concern.
5. **Codify All Licenses from Your Nonprofit to Others in Writing.** Whenever your nonprofit lets others—such as volunteers, members, chapters, affiliates, sponsors, certificants or accreditants, or endorsed vendors—use your nonprofit's name, logos, copyrighted works, and other intellectual property, put the terms and conditions of the license in writing. Be sure to put strict limitations on how the intellectual property can and cannot be used, and what happens if those rules are violated. Typically, other important legal provisions will be included as well. The license does not have to be a signed paper document; online click-and-accept licenses are equally enforceable, as U.S. law recognizes electronic contracts and signatures. While oral or implied non-exclusive licenses can exist, they can be difficult to interpret, difficult to enforce, limiting in nature, and otherwise problematic for your nonprofit. In short, do not rely on such oral and implied agreements when a written agreement will better evidence contractual rights.
6. **Make Sure You Own or Have Permission to Use All Intellectual Property.** Ensure that your nonprofit owns or has appropriate permission to use all intellectual property (e.g., text, graphics, photos, video, trademarks, etc.) that it uses in its publications, on its website, on social media, and in all other media. Most common copyright problems arise from the issue of sufficient rights or permission. For example, you may have conceived the idea, supervised the work's creation, and paid for it, but that does not mean you own the work. You may have only a limited license for a specific, narrow use. When you wish to use the work on another project or in another medium, you may learn that a separate fee and permission are required—or that such other use is even prohibited. As such, for copyrights, obtain either an assignment (transfer of ownership; must be in writing to be valid) or a license (permission to use; exclusive licenses must be in writing to be valid, but it is strongly advisable to codify even non-exclusive licenses in writing). For written copyright or trademark licenses, be sure that they are irrevocable, perpetual, worldwide, and royalty free (if applicable); specify whether exclusive or non-exclusive (or perhaps exclusive for a certain period of time); cover all possible current and future uses of the work in all media; contain a release to use the author, speaker, or owner's name, photograph, etc. (if applicable); and contain appropriate representations and warranties (and, in limited cases, indemnification).
7. **Agreements with Independent Contractors.** Maintain written contracts for development or creation with all independent contractors to your nonprofit—such as software developers, consultants, photographers, lobbyists, and all other contractors—to ensure that your nonprofit is assigned the ownership rights (or at least sufficiently broad license rights) to all intellectual property developed or created by the contractor under the agreement. Without such a writing, the basic rule in copyright law is that the person who creates the work is the one who owns it, regardless of who paid for the work to be created. This rule does not apply to employees, ownership of whose work (that is within the scope of their employment) automatically vests in the employer. (As such, if the contractor is not self-employed, the assignment ideally should come from someone authorized to bind the employer.) If your nonprofit is a joint author of a copyrightable work with another party (e.g., nonprofit employees working side by side with an outside technology consultant to develop new software for your nonprofit), be sure to seek to obtain a copyright assignment (or at least a sufficiently broad license) from the co-author(s) if you wish to use the joint property in a manner that differs from the standard rights available to joint authors/owners (e.g., for enforcement, exploitation or profit-sharing).
8. **Agreements with Authors and Speakers.** For the same reason as stated above, obtain a written and sufficiently broad license or assignment from all (non-employed) writers and speakers for your nonprofit, including members. Be sure that, for licenses, the permission is sufficiently broad—as outlined in #6 above—and most certainly that it permits you to use both written material (such as articles and PowerPoint presentations) and audio or visual recordings of their presentations in any manner your nonprofit may choose in the future.

9. **Agreements with Officers, Directors, Committee Members, and (Sometimes) Other Volunteers.** For the same reason as stated above, obtain a written statement from all nonprofit officers, directors, and committee members (and any other volunteers helping to create copyrightable content) assigning ownership of all intellectual property that they create (within the scope of their service to the nonprofit) to your organization. Incidentally, such a form also can be, and often is, used to impose confidentiality obligations on these individuals, to require conflict of interest disclosure, and to impose any other restrictions or guidelines on their service.
10. **Protect Your Membership Database.** For membership associations, because the name, addresses and other contact information contained in your membership directory/list are generally are not protected by copyright law—as they usually do not possess the minimum level of originality required—if your organization publishes the directory or permits others to use the list, it is imperative to use a "shrinkwrap" license, click-and-accept feature, or other form of contractual commitment to place explicit, binding limits and conditions on the use of that information by members, vendors, chapters, affiliates, and others. Failure to do so may leave your nonprofit with little or no recourse to prevent unrestricted use of this most valuable information by those who obtain a copy of it.
11. **Rules for Interactive Online Services.** Many nonprofits operate listservs, chat rooms, and other interactive online services utilized by your members, supporters, or others (who are not employees of your nonprofit). This may be done directly through your website, using outside service providers, or through social media. If so, it is important to regularly distribute rules that prohibit the posting of any copyright- and trademark-infringing information or marks (along with other rules, such as prohibiting negative comments about individuals and companies, and prohibiting the advertising or marketing of products or services). In addition, be sure to maintain a compliant "take-down" policy and to immediately remove (or have removed) any material that violates these rules if it comes to your nonprofit's attention.

ARTICLES

June 16, 2015

BUSTED: NONPROFITS WILL HAVE TO PAY THE PHOTOGRAPHY PIPER

This article was republished in Association Media & Publishing's Sidebar newsletter on July 2, 2015, NYSAC's October 2015 In View newsletter and in the October 21, 2015 issue of Tax Exempt Advisor.

A nonprofit that is strapped for cash needs an image for its website. Its web designer does a quick online search, a simple cut and paste, and voilà—photographs for the website, free and easy. The nonprofit has heard that since it is nonprofit and tax-exempt, its uses are not commercial, and thus are "fair use." But not so fast—nonprofits are subject to copyright law just like any other person or entity and do not get a fair use pass simply by virtue of being a nonprofit. They must show, like anyone else, that their use is a fair use under the established tests—a very narrow and limited exception to copyright infringement.

For the last six months, I have been getting no less than three telephone calls or emails a week from clients, all of whom run legitimate businesses or nonprofits with robust websites and online publications, and all of whom have gotten letters from photographers (mostly their representatives) seeking licensing fees for photos that have been posted without permission. Many of these photos have been on these websites without incident for years.

For a long time now, nonprofit organizations have generally felt it appropriate to go onto various image search engines, find a photo for a newsletter, website, or other publication, and then cut and paste it into their publication or website. This trend did not generally apply to hard copy publications, because when you cut and paste something from the internet, the quality is not sufficient to reproduce in hard copy, as it pixilates and becomes distorted. However, because of the limited resolution of computer monitors, a cut-and-pasted image looks perfectly fine when copied to a website. As a result, based on ignorance of copyright law, believing in the myth of "it is on the internet so I can use it," mistakenly believing that their nonprofit, tax-exempt status provides a blanket exclusion from copyright infringement, or simply thinking the chances of getting caught were so minimal that it was worth the risk, hundreds of thousands of images have probably been cut and pasted without license and put on nonprofit websites and online publications.

One of the reasons this was so easy to get away with in the past was there was no effective way for photographers to find unlicensed uses of their work. When you went onto the various search engines' image sections what, in fact, they were doing was searching for text surrounding images and offering up all sorts of related and unrelated images. A search of "Ronald Reagan" would result in pictures of Ronald Reagan, the Ronald Reagan Building, Ronald Reagan National Airport, Ronald Reagan Highway, etc. Recently, photographers, wire services, and photo agencies large and small have either acquired new technology or have engaged search companies who have image searching technology. These types of entities are now searching for images themselves. If you would like to see an example of how this works, you can go to [TinEye](#) and upload an image (it's free), and you will see instantly how it scours the open internet, finds every use of the image, and gives you the website that is attached to it.

AUTHORS

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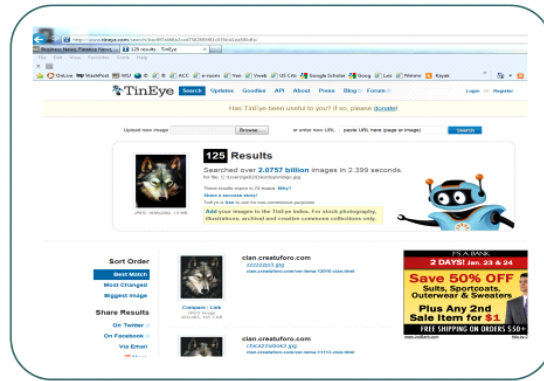
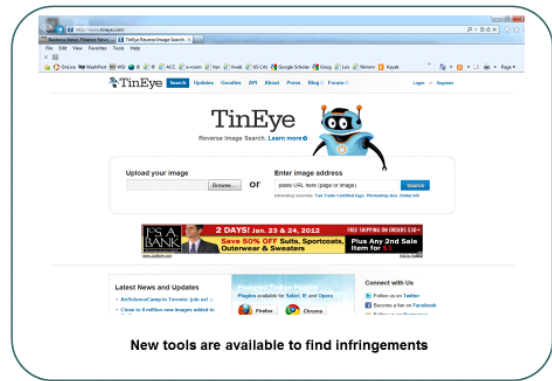
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These new technologies make it very simple to identify an images' use and then cross-check the website owner's name with the names of licensees. If there is no match, a letter is sent with a license fee/penalty demand. This is all now done in an automated fashion, which, while making the process economically viable, can cause certain problems. Particularly, it will not identify a licensee website if it does not contain the name of the actual licensee, and it certainly does not perform any fair use analysis of the works. Each of the automated demand letters that I have seen gives contact information, where a licensee or one who believes their use is valid can contact the copyright owner. The letters are being generated and going out, it would appear, without human intervention or any substantive review.

Unlicensed users are most often violating several copyrights of the underlying photographers. They are copying the works in the cut-and-paste process, making an additional copies by placing them on their servers, and then violating the right of public display when they post them on their website or in their publications. Some of my clients have told me that they got the images off "royalty-free" websites or thought they were subject to some kind of "public domain license." Unfortunately, so many of these "royalty-free" license sites are not actually royalty-free, and people just read the headlines and not the terms and conditions. Often the terms of use severely limit the royalty-free aspect of the use permitted, and have fees for commercial uses. The lesson there is not to be misled by a site that claims to be royalty-free until you actually read and understood the fine print.

Creative Common Licenses, even when they the cover photograph, may have requirements that the photo not be used in commercial context, or require attribution, copyright notices, and the like. These terms are often violated when the pictures are reposted on websites, fail to comply with the license requirements, negate any licenses that might have been available, and become infringing uses.

The letters that I have seen generally have been asked for licensing fees in the hundreds of dollars. A few have reached \$1,000, though that has been the exception. In this price range, it often makes more sense to pay the fee than to contact an attorney. The reality is having your attorney review the demand letter and discuss the situation with you is going to cost more than the demand.

The fees being charged are always more than the original license fee. If the photo agency were to simply ask for its standard license fee after they caught an infringer, there would be no incentive for anyone to ever license the work. They would simply use it without a license. Hopefully, they would not be found out. And if they were to be caught, they would just pay the license fee at that time. Therefore, we generally find the demands to be anywhere from two to ten times the normal license fee that would have been charged if the image had been properly licensed from the outset.

However, these demands represent much less than your nonprofit's possible exposure. Under copyright law, if a work has *not* been registered prior to the infringement, a copyright owner is entitled to its losses or the infringer's profits. Its losses would be the licensing fee. The infringer's profits could be the money it saved by not acquiring a license, which is the same as the licensing fee; however, one could also make various arguments for seeking *indirect* profits based on the benefits accrued as a result of the use of the infringing item. This is not always easy to prove, because it cannot be speculative, but it is a possibility. But if a copyright *had* been registered prior to the infringement (which is what most professional photographers do), the copyright owner is first entitled to recoup its attorney's fees. The owner then has the option of collecting the actual damages described above, or statutory damages, which range from \$750 to \$30,000 for a regular infringement. If it can be demonstrated that the infringement was willful, then the damages can be anywhere from \$750 to \$150,000. This is a huge range, and any resulting award is totally subjective and depends on how the judge and jury feel about the respective parties. The copyright owner is entitled at the end of a trial to choose between the higher of the two awards.

There is an interesting court case from several years ago in the Ninth Circuit ([*Perfect10 v. Amazon*](#)) which provides for a work-around where the photographs used are not actually copied from the underlying site and pasted onto the new site or copied onto the server. Rather, a framing technique is used where even though it appears on your website, what you are actually viewing is the underlying work on the original site. If you right-click on the image, go to "properties" and look at the URL, you will see the URL for the original image. If it had been copied outright, you would see the URL for the infringing website. The court found no infringement based on this type of framing.

The takeaway, of course, is that if it is on the internet, it is not necessarily free; the time of perceived free rides is over, due to the new tracking technologies. Before any photograph is used by your nonprofit, it should be properly licensed. Licensing fees are generally reasonable and there are many images that are available. If one image is too expensive, you can almost always find another that is suitable and which your organization can afford.

Save yourself grief, and attorney's fees. Don't cut and paste—license!

ARTICLES

May 21, 2015

TEN KEY COPYRIGHT ISSUES AND PITFALLS EVERY NONPROFIT SHOULD KNOW

This article was published in The Licensing Journal on July 2015.

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For many nonprofits, copyright is the often lesser-known intellectual property (IP) relative to trademark. If you use the terms *trademark* and *copyright* interchangeably, you are not alone. Read on for some useful copyright tips.

Put simply, trademarks are your "brand" and copyrights are your "content." Trademarks are most often words or symbols (or a combination of both) that are prominently used on one's goods or services and carefully protected. In contrast, copyrights are often misunderstood and overlooked. Whereas a patent can protect the idea itself, a copyright protects the *original expression of the idea*. Because only a minimum level of creativity is required for something to be copyrightable, many things are capable of being copyrightable "works." Examples include written works, websites, marketing materials, music, photos, videos, software programs, artwork, and even logos in some instances.

Copyrights can be very powerful rights. Once properly understood, copyright owners can leverage their copyrights for great value and benefit. On the flip side, those who do not understand copyrights or who misuse the copyrights of others can face significant legal exposure for copyright infringement.

Below are ten key copyright issues and pitfalls with which your nonprofit should be familiar, in connection with protecting and maximizing its own copyrights, and with minimizing the risk of infringing others' copyrights:

1. Apply to Register Your Copyrights within the 90-Day Window

It is a best practice to have an internal system to ensure that you apply to register your nonprofit's copyrights with the U.S. Copyright Office within 90 days of the publication of your "work." In contrast to federal trademark registration, copyright registration is a much simpler, and much less expensive process (the Copyright Office fee is \$35-55 for a basic application, and the forms are available on the Office's website), typically without any back-and-forth with the Copyright Office. Assistance from legal counsel is optimal for avoiding certain issues later, but registration can be done without involving counsel, if necessary. Here is why copyright registration—and when you do it—is so important:

If you (1) applied to register your work before the infringement occurred, or (2) the infringement occurred before you applied to register your work, but you still filed your application within the first 90 days after the publication of your work (which generally means when it hit the market, went live, or was first distributed), you are permitted to seek *both* statutory damages *and* attorney's fees in litigation. As background, a copyright owner who proves liability can elect either (a) actual damages or (b) statutory damages from an infringer. Actual damages (e.g., what the infringement really cost you in dollars) can be extremely hard to prove, particularly for nonprofits. Even if you can prove actual damages, they can sometimes be very low and/or very expensive to prove up in litigation. In contrast, the copyright statute sets forth the minimum and maximum statutory damages that a court can award per work infringed. Except for very unusual circumstances, by statute, a court must award an amount between a minimum of \$750 and a maximum of \$30,000 per work infringed if the infringement was "non-willful." Where a court finds that an infringement was "willful," which is often the case, the court can award up to \$150,000 per work infringed. These are powerful numbers.

Provided that either (1) or (2) above applies, you are also permitted to seek your attorney's fees in court. Attorney's fees can be significant, and an alleged infringer may be on the hook to pay both your legal fees and the infringer's own legal fees. A cease-and-desist letter pointing out the possibility of having to pay both (a) sizable statutory damages, and (b) the copyright owner's attorney's fees often will stop an infringer in his tracks. A large potential court award also can encourage a quick and efficient settlement

and/or put your nonprofit in a strong position in the event of litigation.

If you did *not* (1) apply to register your work before the infringement occurred, or (2) file your application to register your work within 90 days after publication of your work (even if the infringement occurred in that 90-day period), then you can only seek actual damages, which are very difficult and expensive to prove, and you cannot seek attorney's fees. If you do not apply in a timely manner to register your works and find yourself in a dispute, a seasoned copyright lawyer will be well aware of the significant limitations of any claim you might threaten to file—and assume that you may not follow through with any litigation.

2. Place Appropriate Copyright Notices on Your Works

Under current law, a copyright owner is not required to place a copyright notice on his/her copyrighted work. However, it is highly advisable that you place an adequate notice on your works for several reasons. First, as a general rule, if an alleged infringer had access to your copyrighted work, and this work had an adequate copyright notice, the infringer will not be found to be an "innocent" infringer, which can otherwise mitigate actual or statutory damages. Second, you make it clear to the average person that you claim a copyright in the particular content and put them on notice that they should not copy the material without your permission. Third, having a copyright notice gives others information as to whom to contact should they wish to seek a license, or permission, to use your copyrighted work (sometimes for a fee).

The copyright statute requires that a proper notice must include:

- . The symbol ©, or the word "Copyright" or abbreviation "Copr.",
- . The year of first publication of the work (Note that the year or date may be omitted where a pictorial, graphic, or sculptural work, with accompanying text matter, if any, is reproduced in or on greeting cards, postcards, stationery, jewelry, dolls, toys, or any useful articles.), and
- . The name of the copyright owner, or an abbreviation by which the name can be recognized, or a generally known alternative designation of the copyright owner.

3. The Fact That You Are a Nonprofit Does Not Necessarily Mean It Is a Fair Use

The doctrine of "fair use" is a defense to unauthorized copying and could be a means of avoiding liability for copyright infringement when you otherwise copy or use without permission. However, the fact that you are a nonprofit does *not* automatically mean that your use of another's copyrighted work is "fair use." Case law has clarified that nonprofits have no special immunity from copyright infringement liability and that the nature of the "use"—not the nature of the "user"—is what matters to a fair use analysis. The fair use defense is a very fact-specific, often very complicated defense. Many tend to rely too liberally on this defense. For that reason, it is important to obtain an analysis from a copyright lawyer of whether your particular desired use is likely a fair use before you proceed without permission.

4. Make Certain That You Have Appropriate Written Agreements in Place That Cover Ownership or Use of the Copyrights with Non-Employees Who Create Materials for Your Nonprofit

A very common misconception by nonprofits (and many for-profit corporations as well) is that if the nonprofit paid for an outside contractor to create the copyrighted material, then the nonprofit owns the copyright to that material. This is not necessarily the case. The only way that a nonprofit owns the copyright in a work created by an individual is if: (a) the individual is/was an employee of the nonprofit who created the work within and during the scope of his or her employment by the nonprofit, (b) the work created qualifies as a "work made for hire" under the fairly narrow definition within the copyright statute and you have an agreement signed by the person who created the work stating that it is a work made for hire, or (c) you have a written agreement signed by the person who created the work stating that he/she has assigned (transferred ownership of) the copyright to your nonprofit. In the absence of at least one of the above three circumstances, your nonprofit does not own the copyright.

However, you may still have an express or implied license to use the copyright. And, in some cases, that may be all that your nonprofit needs, and all you may be able to obtain from a volunteer contributor. But because the scope of the license can vary greatly, it is important that you obtain a solid license in writing with the necessary scope included. At one end of the spectrum, as to scope, is a nonexclusive license just to reproduce, distribute, or display the material for one particular purpose, such as a one-time use, only at one event, only on one date, and in one location. Toward the other end of the

spectrum is an exclusive license that is perpetual, royalty-free, worldwide, irrevocable, and for any use whatsoever. It is important that you have clear documentation of the scope of any license, otherwise you could find yourself uncertain about whether you can use the material, or worse, involved in a copyright dispute. Copyright law requires exclusive licenses to be in writing. While nonexclusive licenses are permitted to be oral and even implied, without something in writing you would be relying on memory and potentially later disputing as to what was previously agreed, with no documentation to support your understanding; this is not advisable.

5. Have Agreements Covering both Copyrights and Rights to Use an Individual's Likeness with Volunteer Authors, Speakers and Reviewers, and Releases from Attendees being Photographed or Recorded

In addition to your paid consultants, do not forget to have an agreement in writing with your volunteer authors, speakers, and reviewers, as well as other volunteers who may be creating or contributing to your nonprofit's copyrightable works. The same rules apply as above. A volunteer author or speaker, for instance, may not be inclined to transfer copyright ownership to your nonprofit entirely, but a properly drafted license generally can cover the necessary rights for your nonprofit's desired use, and it does not need to be legalistic or overly verbose. In addition, if you wish to take and use the photo, video, or voice of an individual, or obtain and use his or her testimonial or endorsement, you should have a written release from the individual permitting you to do so. (This relates to the common law rights of privacy and publicity, not to copyright rights.) When photos or videos will be taken of attendees at nonprofit events, it is a common and efficient practice to include a blanket release and permission as part of the registration process. You also would need a license (or ownership, if applicable) from the copyright holder who took the photo or shot the video of the individual, as it is the photographer or videographer who owns the copyright in the photo/video. It is a very common mistake to obtain rights from only one of the two parties.

6. Ensure That Your Organization Is Properly Licensing Rights to Use Content from Third Parties, Such as on Your Website and in Other Materials

If your nonprofit is using third-party content (*i.e.*, copyrighted material from other sources), it is important that your nonprofit obtain written permission from the third party for the permitted use. It is very common to want to use photos, video footage, or music, for example, on your website, as part of presentations or in other materials. As a general matter, absent a fair use exception, this must be properly licensed or your nonprofit has potential liability for copyright (and/or trademark) infringement. If necessary, a brief, clear email can be sufficient, although, in some cases, it is advisable to have an actual written agreement, even if it is short.

Today, everyone is repurposing content. For-profit corporations do it. And nonprofits with limited budgets may particularly feel the need to reuse or repurpose the same content in various different ways. Where your nonprofit can get into trouble is if the party that created the content gave you a narrow license to use its material in only a specific, limited way and your nonprofit unwittingly exceeds the scope of that license when reusing the material. Fully understand the terms of the licenses you have. And try and obtain a broad, written scope of use in the first place if at all possible (and it usually is very possible). Also, make sure to keep good and clear records of your licenses; one day you will need to find that license.

7. Remove Content from Your Materials (Such as Your Website, Listservs, Controlled Social Media, and Printed Materials) Immediately upon Learning That Another Party Appears to or Claims to Own the Content

Once (a) you believe that the content you are using belongs to a third party and you did not have authorization to use it in the manner you did, or (b) you are put on notice by a third party that your materials contain its copyrighted material without authorization, immediately investigate and remove the allegedly infringing materials until you can have an attorney experienced in copyright law review the issue for you. Here are a few reasons: First, if you know that you did not obtain permission from the owner of the copyright, you could later be found to be a "willful" infringer, which carries with it increased monetary damages. Second, whereas many potential claimants will be satisfied if you cease the alleged infringement upon receipt of their letter, continuing to engage in the allegedly infringing behavior can invite a lawsuit; it also does not look good to a judge or jury determining the amount of damages that you should pay. Third, copyright infringement is a strict liability tort, which generally means that, regardless of intent, if you infringed the copyright, you are liable. (Intent, willfulness and innocence become relevant only to the amount of damages the infringer must pay.) But there are secondary infringement theories where knowledge *does* become relevant. For example, one can be liable for

contributory copyright infringement if the plaintiff can prove both (1) knowledge of the infringement and (2) a material contribution to it. One can be liable for *vicarious* copyright infringement if the plaintiff can prove (1) financial benefit from the infringement and (2) the right and ability to control. Some plaintiffs also will sue the individual members of management under these secondary theories of liability.

8. Prominently List Your Digital Millennium Copyright Act (DMCA) Agent on Your Websites and Other Controlled Electronic Systems or Networks, Register Your DMCA Agent at the Copyright Office, and Implement an Internal Protocol so That You May Quickly and Fully Comply with the Copyright Statute if You Receive a DMCA Notice

As a general rule, if there is infringing content in your materials, whether print or online, your nonprofit could be held strictly liable even if a third party uploaded the infringing content to your website. However, section 512 of the Copyright Act has a very specific and very formulaic procedure that can potentially mitigate your liability by providing a "safe harbor" from the otherwise strict liability, provided that you carefully adhere to it. Put simply, section 512 of the Copyright Act sets forth a mechanism where your nonprofit can designate a DMCA Agent to receive what people typically refer to as a "DMCA Notice" and you must follow the procedure carefully. You must not only designate a DMCA Agent on your website (and other electronic systems or networks controlled by your nonprofit) and provide all of the information required by the Copyright Act; you also must file a Notice of Interim Designated Agent at the Copyright Office. In the event you receive a valid DMCA Notice, you must respond expeditiously and follow the requirements set forth within section 512 of the Act. An added benefit to the potential "safe harbor" from liability is that complainants have a straightforward, and very commonly used, method for contacting your nonprofit in the event they find content they believe to be infringing on your site, rather than going straight to a traditional dispute. If you receive a notice styled as a "DMCA Notice" or "512 Notice," or anything similar, do not ignore it.

9. Keep Good Records of Your Registrations, Publication Dates, and Licenses Granted and Received

Although your nonprofit's time and resources may be limited, it is important that you have a good recordkeeping system. You may need to rely upon it one day. First, put your Certificates of Copyright Registration in a safe place. In the event of a dispute, you may need an original to provide to a court. If you have misplaced yours, you will have to order new ones, which take time and money. Also, as explained above, because the date on which you filed your application can be critical to statutory damages and attorney's fees, you should have that information readily available. Second, keep records of when you first "published" your work (which is often when it hit the market, was first distributed, or was first posted on the Internet), because that information may be critical when it comes to establishing that an infringer had "access" to your content in order to prove liability, or to prove that you are entitled to seek statutory damages and attorney's fees based on the timeline of publication of your work, your application to register it, and the infringement. Third, keep records of the permissions or licenses you grant to third parties. You may see your content elsewhere and need to ascertain whether you granted the party in question permission to do this. A party also may contact you and ask for an "exclusive license" for some particular content; you will need to make sure that you have not already granted another party a license, or, if so, you will need to determine how long that extends or how you might terminate the license. Fourth, your nonprofit should keep records of the licenses and other copyrights that third parties grant to your nonprofit. You will likely need to determine at another point what rights you have if you want to continue using something you once licensed, or use it in another way. Of course, it also is critical evidence that you did not infringe in the event the other party alleges that you are infringing because he/she had no record of granting your nonprofit a license.

10. Be Sure That Your Current Insurance Policies Cover IP Claims

Typically, general commercial liability insurance policies do not cover IP infringement claims, but most nonprofit directors and officers' liability insurance policies do provide for some IP infringement coverage (the policies and terms vary significantly, and certain exclusions are common). This can be an unpleasant surprise if you learn, after you receive an infringement claim, that no insurance coverage is available to your organization. Check with your insurance broker or agent, and your legal counsel, whether and the extent to which your policies cover the likely types of IP claims that could be asserted against your nonprofit (those claims will differ based on your programs and activities), and make changes—be it an endorsement to one or more existing policies, switching insurance carriers for a particular policy, or purchasing an additional policy, such as errors and omissions liability insurance—as appropriate.

In sum, copyrights and copyright issues arise routinely in the operations of every nonprofit, no matter how big or small, simple or complex. If copyrights are properly understood at all levels of the organization, your nonprofit can run more efficiently and effectively, build a solid portfolio of content that can be broadly and legitimately reused and repurposed, potentially generate revenue from the licensing of your copyrights, and avoid potential liability to third parties.

ARTICLES

January 26, 2015

NONPROFITS: BREAK SOME TRADEMARK RULES!

Nonprofits should take note of the increasing practice of for-profit brand owners "verbing up" their own marks and in some cases deliberately disrupting their own logos. Strong brands can be flexible, fluid, and living – for for-profits and nonprofits alike.

Under the traditional rules of proper trademark use (also known as the ACID test), brands must be used:

- as **a**djectives;
- in a **c**onsistent manner;
- with an **i**dentification or symbol indicating whether the mark is registered; and
- in a **d**istinctive or attention-grabbing manner.

While this standard works for many brands, the first two rules – using brands as adjectives only and in a consistent manner – are too restrictive when it comes to strong brands.

Nonprofits with strong brands, especially famous ones, may break these rules when their culture, tradition, and policy allow.

Beyond Adjectives

Recent trademark usage trends suggest that there are ways that strong or well-known brands can use their marks as a noun or verb without substantial risk of genericide. A number of organizations have used their key trademarks as verbs in advertising campaigns without suffering any apparent genericide damage – this is despite having publicly displayed policies on how to properly use and refer to their trademarks (*i.e.*, use as an adjective as opposed to verb/noun). For example, investment company Vanguard used the term "vanguarding" to convey the long-term outlook of its investment products to investors, while Microsoft's chief executive officer Steve Ballmer told the New York Times in 2009 that the Bing search engine brand had the potential to verb up, and that he hoped people will "bing" a new restaurant to find its address. In the last year, Google launched its advertising campaign "Play your heart out" to entice consumers to visit its PLAY store online.

Traditionally, organizations would not use or encourage use of their brand names as verbs or as anything else beyond use as an adjective. Most feared that if a branded product or service became a verb, the brand would lose its distinctiveness and become a name for a generic category or function. A brand is lost to genericide when use of the term becomes so prevalent or generic that it is no longer associated with the brand-owning organization.

History is replete with successful brands that were lost to genericide and are now viewed as generic terms for certain products: aspirin, escalator, and zipper were all distinctive trademarks at one time. Organizations even launched advertising campaigns to encourage the public to use their trademarks properly. Consider the example of Xerox, which urged consumers to "photocopy" instead of "xeroxing" documents in an attempt to ensure that the phrase "to xerox something" did not become another way of saying "to photocopy something." If this happened, then the term Xerox would not be associated with the company's distinctive brand of copiers, but instead with the function of photocopying. This was significant because genericide of the Xerox brand would have resulted in the loss of ability to distinguish its products or services from those of competitors.

Yet in stark contrast to these historical examples, the increase in competition in nearly every product category – along with greater consumer sophistication today – has reduced the risk posed by a brand name becoming a verb. Moreover, ever-shortening product lifecycles and the fleeting attention spans of most internet users mean that brands must focus on gaining a market share and voice in a short period of time.

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As a practical matter in today's market, when a brand becomes popular and its use widespread, there is low risk of genericide if the brand is verbed up. The public's use of the Google brand is one of the best examples of this. People often say that they will "Google" something on the Internet to mean that they will look up some information online using the Google search engine, rather than just any search engine.

Given the pace of change evident in today's internet-fuelled markets, there is clear marketing value associated with the verbed-up use of brands. To mitigate any risk of trademark genericide, we suggest that nonprofits who want to engage in this practice:

- 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., "Google Play, play your heart out");
- Register the verbed-up brand or the tagline, slogan, or logo containing the verbed-up brand;
- Create and publish online verbed-up brand use guidelines (and/or update trademark guidelines) that reinforce the first point, above;
- 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;
- Work with dictionaries to ensure that any verb listings are consistent with your new verbed-up brand policies, if necessary; and
- Monitor 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.

Fluid and Living Brands

Traditional thinking says that a mark should be represented in a consistent manner (*i.e.*, the same way each time). Brand owners fear the loss of rights that can occur when they cannot "tack" rights from an updated version of a mark onto rights from the original mark. Tacking requires that two marks make the same continuing commercial impression, which can prove a high bar. However, can a rights holder act strategically to get the best of both worlds: a mark that is protected, yet flexible?

Google did something disruptive and innovative when it started morphing its GOOGLE logo on a regular basis. The so-called "Doodles" are, as the search giant notes, "fun, surprising, and sometimes spontaneous" (see example below). Initially, the Doodles startled consumers. Now demand is so great that Google has a team of dedicated illustrators and has created over 1,000 variations of its brand. The innovation worked: the Doodles have helped Google to attract consumers, keep them interested, and build brand loyalty.



Some call brands such as this fluid trademarks. However, this may be a misnomer. It might be more accurate to call these brands "living" trademarks. Like a time-lapse video of a person ageing, these brands transform in appearance over time, but retain their essence; but unlike such a video, these marks are not really fluid – that word calls to mind motion marks, which have a stream of movement that is missing here.

Why do living trademarks work for Google? The brand is strong enough to avoid getting lost in the Doodles. The underlying famous brand, in effect, shines through. Over time, the Doodles have arguably enhanced goodwill in the Google brand by making it come to life in the eyes of consumers, and Google has conditioned consumers – for the benefit of all brand owners – to believe that strong brands can change, yet remain consistent source indicators.

Google notably continues to use its classic GOOGLE logo (see below) and maintains registrations for both that logo and the word GOOGLE in standard characters. Moreover, Google has played it safe on the PR side by not attacking Doodle parodies and becoming a trademark bully.



Tinkering with a major brand was once unthinkable. Google's experiment has changed consumer expectations of what it means for a strong brand to be consistent. It should therefore change how brand owners – including nonprofits – and trademark offices view strong brands: they have the ability to morph and at the same time to build goodwill.

Trademark offices should develop a way to register living trademarks and give them special status. Offices could require brand owners to submit evidence of a mark's strength and examples of the mark in varied form. In exchange, registrations could provide rights in the part of the mark that is consistent and confer two special legal presumptions. First, the logo may change in more than a material way without loss of rights in the underlying design or stylization. Second, the underlying design or stylization is entitled to broader protection than a typical design or stylization, in the same way that the root word of a family of marks is entitled to broader protection by virtue of the family. (Trademark offices could note that this does not mean the mark is a phantom mark, such as LIVING XXXX FLAVORS, where XXXX is a variable signaling that the applicant seeks to register multiple marks through one application.)

When breaking the traditional (ACID test) rule of using marks in a consistent manner, we suggest that nonprofits who want to engage in this practice:

- Make sure the subject design or stylization is strong, with substantial goodwill;
- Gauge how much to play with the design or stylization based on the relative strength of the mark (*e.g.*, famous marks can be changed the most);
- 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, above);
- Make sure that the essence of the logo is retained (*e.g.*, the stylization of the word mark GOOGLE is regularly discernible);
- Continue regular trademark use of the original design or stylization;
- Maintain trademark registrations for the original design or stylization and underlying word mark standing alone;
- Not be a bully when others do parodies;
- Refer to fluid trademarks as "living" trademarks; and
- Advocate for trademark offices to register living trademarks as such and give them special status.

Trademark law and practice must evolve to keep pace with changing consumer sophistication and expectations. As it does, nonprofits should not be afraid to break the old rules of proper trademark use when it comes to strong brands, especially famous ones, when their culture, tradition, and policy allow.

ARTICLES

March 10, 2011

NONPROFITS: DON'T GET CAUGHT NAKED (LICENSING)

Association Trends (and elsewhere in various forms)

This article also appeared in the Annual Legal Review section of the March 17, 2011 issue of Association TRENDS. To read the entire section, visit the [Association TRENDS website](#).

Additionally, this article was published in the American Association of Medical Society Executives (AAMSE)'s Hotline on March 4, 2011; Final Proof, an e-newsletter by Association Media & Publishing, on March 15, 2011; the Summer 2011 issue of Chamber Executive; the July 21, 2011 edition of ASAE's Dollars & Cents; and the July/August 2011 issue of Taxation of Exempts.

Nonprofit organizations often allow others to use their trademarks – such as their logos – without much control. This was not a major problem years ago when nonprofits were less aggressive in disputing trademarks and had charitable missions that made courts more tolerant. Today's nonprofits are different.

The Wall Street Journal noted the rise in trademark battles among nonprofit organizations in a page-one story on August 5, 2010. As I told *The Journal*, "The days are probably over when nonprofits just said, 'We'll just get along with anybody who's a nonprofit because we're all trying to do good here.'"

More recently, in November 2010, a federal appeals court, in a case called *Freecycle*¹, found that a nonprofit abandoned its trademarks because it engaged in what is called "naked licensing." Simply said, naked licensing is when a trademark owner allows another party to use its trademarks without sufficient control. All trademark rights are lost when abandonment occurs.

The amount of control required to avoid naked licensing depends on the circumstances, though *Freecycle* provides some guidance. The big-picture mistakes of the trademark owner in *Freecycle* would apply to most trademark owners. In *Freecycle*, the court found the owner failed to have an overall system of control. Specifically, the owner (1) failed to retain express contractual control over use of the marks by its members, (2) failed to exercise actual control over use of the marks by its members, and (3) was unreasonable in relying on the quality control measures of its members. Thus any trademark owner should establish control in writing, exercise actual control, and not rely on members to control themselves, as discussed further below.

To determine what type of control is needed within this system, it is useful to understand the type of mark being challenged in *Freecycle*. In *Freecycle*, the marks (e.g., FREECYCLE) appeared to be traditional trademarks (*i.e.*, marks that identify the source of goods/services); the owner sought to register its logo as such. The marks did not appear to be certification marks (*i.e.*, marks that certify the quality of goods/services) or collective membership marks (*i.e.*, marks that just signify membership in an organization).

Arguably collective membership marks require less – or at least a different type of – quality control compared to traditional trademarks and certification marks. This is because collective membership marks just signify membership in an organization. These marks do not signify that goods/services come from a particular source (like the traditional trademark THE NATURE CONSERVANCY on a magazine) or that a product is of a certain quality (like the certification mark UL on an electronics device, which shows approval by the nonprofit Underwriters Laboratories). This distinction is important in considering how to treat marks used by the members and chapters of nonprofits. It may help to treat such marks as collective membership marks to avoid naked licensing.

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Often a nonprofit wishes to allow members and chapters to use the nonprofit's primary logo as a sign of membership, though the nonprofit does not wish to manage a certification program like UL or a traditional trademark license (e.g., as used in merchandising). In that case, the nonprofit should take three steps.

First, the nonprofit should ensure the mark does not make the impression of a certification mark or traditional trademark, but instead makes the impression of a membership mark. An effective way to convey this to the world is to add the word "MEMBER" (for members) or "CHAPTER" (for chapters) to the mark and apply to register the mark as a collective membership mark with the U.S. Patent and Trademark Office (USPTO).

Second, the nonprofit should change its bylaws and/or policy manual in such a way that will license the mark to members and chapters, and automatically bind them to specific controls for use of the mark. The specific controls would include a requirement not to use the mark other than as a sign of membership (except that chapters could provide limited services the nonprofit expects from a chapter). The controls would also require members/chapters not to change the mark, and to stop using the mark when member/chapter status is lost.

Third, the nonprofit should actively enforce the trademark terms of the bylaws and/or policy manual. (Note that, barring an instance of a nonprofit's members agreeing to be bound by the terms of a policy manual as a condition of membership, only a nonprofit's bylaws are contractually binding on members of the nonprofit – if the organization has *bona fide* members – so that if the provisions are included in a policy manual, you will want to cross-reference that fact in the bylaws. For non-membership nonprofits, there will need to be some affirmative agreement to the terms and conditions, such as an online click-and-accept feature.)

As a final point, it is important to note that the trademark owner in *Freecycle* alleged that a 1993 case called *Birthright*² stood for the principle that loosely organized nonprofits, which share "the common goals of a public service organization," should be subject to less stringent quality control requirements. The court in *Freecycle* said that even if it were to apply a less stringent standard, the trademark owner in *Freecycle* would not meet the lower standard (and that even a lower standard would still require some monitoring and control, consistent with *Birthright*). The court did not take the chance to say whether the "less stringent" requirements should still apply to nonprofits in today's world, though the court seemed skeptical.

We would expect a modern court that takes a position on the *Birthright* issue will say the "less stringent" requirements for quality control do not apply to nonprofits in today's world – especially nonprofits without charitable missions. The party in *Birthright* provided charitable, emergency services for women with crisis pregnancies. Many nonprofits today are not focused on charity but are more like businesses. Many nonprofits today have the size, professional staff, and resources to manage their trademarks like any for-profit company. Thus, nonprofits today should be prepared to be viewed like for-profit companies for trademark law purposes.

Even if nonprofits happen to be subject to "less stringent" requirements, they should be prepared to face aggressive adversaries in trademark disputes. Thus nonprofits should rise to meet basic quality control requirements by establishing control in writing, exercising actual control, and not relying on members to control themselves. In any case, it may help nonprofits to treat certain marks as collective membership marks and take appropriate steps to ensure the marks are treated that way by consumers, the USPTO, and courts – or risk getting caught engaged in naked licensing.

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This article is not intended to provide legal advice or opinion and should not be relied on as such. Legal advice can only be provided in response to a specific fact situation.

¹ *FreecycleSunnyvale v. Freecycle Network*, 626 F.3d 509 (9th Cir. 2010).

² *Birthright v. Birthright Inc.*, 827 F.Supp. 1114 (D.N.J. 1993).