



Presentation to:
American Advertising Federation

ALL THINGS LEGAL – What You Need to Know About Intellectual Property

February 15, 2024

Presented by: Stephen Hall

Legal Disclaimer & Limitation of Liability

The logo for Bradley, featuring the word "Bradley" in a bold, black, sans-serif font. A thick red horizontal line is positioned directly beneath the letters "a", "d", "l", and "e".

Bradley

- *No representation is made that the quality of the legal services to be performed is greater than the quality of legal services performed by other lawyers.*
- *The materials in this presentation have been prepared by us for informational purposes only, do not constitute legal advice, do not necessarily reflect our opinions or the opinions of any of our attorneys or clients, and are not guaranteed to be correct, complete, or up-to-date. This presentation is not intended to create, and receipt or review of it does not create or constitute, an attorney-client relationship between you and us, and you should not act or rely on any information in this presentation without seeking the advice of an attorney.*
- *Nothing contained in this presentation is intended to compare our services to the services of any other law firm or lawyer or to imply specialization or certification by any organization not previously approved by the Alabama State Bar Board of Legal Specialization.*
- *Bradley is not liable for any damages, including in contract, warranty, tort, product liability, or any other theory of liability, relating to your use of or inability to use the information.*

Have you ever heard?

Bradley

“You’re fine without a written agreement.”

“We have a handshake deal – we don’t need it in writing.”

“We can use open-source works however we want.”

“If you find it on Google, you have permission to use it.”

“Our client gave us permission to use it. We’re off the hook.”

“You don’t need permission to use a photo you’re not using it to make money.”

About Bradley

Eleven Offices in Six States and the District of Columbia

- Atlanta, GA
- Charlotte, NC
- Houston, TX
- Jackson, MS
- Nashville, TN
- Washington, D.C.
- Birmingham, AL
- Dallas, TX
- Huntsville, AL
- Montgomery, AL
- Tampa, FL

The Best Lawyers in America®

- 350 attorneys from across all offices are listed in *The Best Lawyers in America*®, 2024 edition



Best Lawyers/*U.S. News & World Report* “Best Law Firms”



- Top-ranked for the thirteenth consecutive year in *U.S. News & World Report*

Chambers USA: America’s Leading Lawyers for Business

- 140 attorneys and 38 practice areas across all offices are listed in *Chambers USA* 2023 edition.
- Of the 50 U.S. law firms with the most individual attorney rankings, Bradley has **the most attorney listings per capita** in the 2023 *Chambers USA* Guide.*



**Based on Bradley’s 152 attorney rankings in Chambers USA for 2023 (as of 6/1/23) compared to the 2023 Am Law 200 list of total lawyers (as of 5/23/23)*

Types of Intellectual Property

01

Trademarks / Service Marks

02

Who Owns What?

03

“Work for Hire” – What Does It Mean?

04

What is Intellectual Property?

The protection of ideas and expression of ideas



IP = Idea Protection



Types of Intellectual Property

- **Copyrights**
- Trade Secrets
- Patents
- Trademark and Services Marks



Copyrights

- Subject Matter:
 - Works
 - Of original authorship
 - Fixed
 - In a tangible medium of expression
 - From which they can be perceived, reproduced, or otherwise communicated
 - Directly, or with the aid of a machine or device
- Proper © Notice – “Copyright” or ©, Owner Name, and Year Created
 - © ACME, Inc. 2023

Copyrights

- Works of authorship include:
 - Software
 - Literary works
 - Pictorial, graphic, sculptural works
 - Motion pictures, other audiovisual works
 - Sound recordings
 - Architectural works

Examples

- Source code
- Company brochures
- Employee training guides
- Marketing plan
- TV advertisements
- Audiovisual display
- Website
- Product videos
- Product pictures
- Radio “jingle”

Copyright Law Will NOT Protect

Ideas

Procedures

Processes

Systems

**Methods of
operation**

Concepts

Principles

Discoveries

Copyright: Pre-Infringement Registration Advantages

- Winning plaintiff – attorney’s fees are potentially available
- Statutory damages
 - \$750 to \$30,000 per work
 - up to \$150,000 if “willful infringement”
- U.S. Customs impounding of infringing goods
- What works are most likely to be copied:
 - (a) by competitor; or
 - (b) departing employee?

Types of Intellectual Property

- Copyrights
- **Trade Secrets**
- Patents
- Trademark and Service Marks



Trade Secrets

- Think: “Trade” **PLUS** “Secret”
- Information used in trade or business.
- Included in formula, pattern, compilation, computer software, drawing, device, method, technique, or process.
- Has significant economic value.
- Not publicly known.
- Not generally known to trade or business.
- **Has been subject to efforts to keep it secret.**
- Can’t be derived from publicly available sources.

Examples



- Software source code
- Vendor and supplier information
- Production or process information
- Cost and price data
- Specifications
- Production know-how

Types of Intellectual Property

- Copyrights
- Trade Secrets
- **Patents**
- Trademark and Services Marks



What Is a Patent and What It Is Not?

- A patent is the ***right to exclude*** others from making, using, selling, or offering to sell the patented invention during the term of the patent

A patent is *not* the exclusive *right to practice* (make, use, or sell) the patented invention.

In some cases, such as with improvement patents, you may need a license from others to practice your own invention.

Patentable Subject Matter

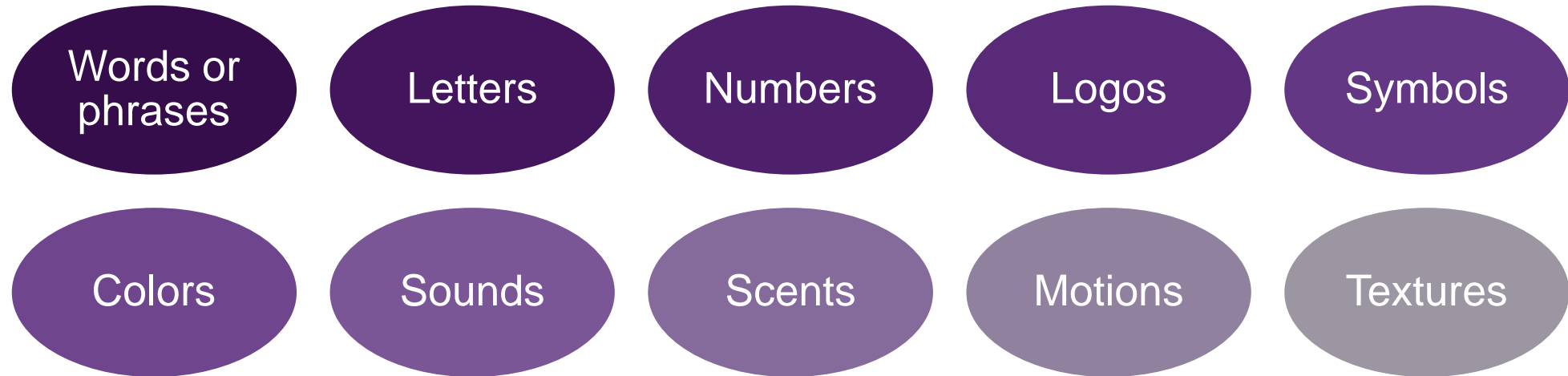
- What Is Patentable?
 - “Any new or useful process, machine, manufacture, or composition of matter, or any new and useful improvement therefor”
- New, Useful, Non-obvious
- What is Not Patentable?
 - Laws of Nature, Natural Phenomena, Purely Mathematical Algorithms, Abstract Ideas
 - In the US, anything that was sold, offered for sale, publicly disclosed, or in a printed publication more than 12 months ago
 - In the US, software is patentable, but faces enhanced risk of “abstract” rejection

Types of Intellectual Property

- Copyrights
- Trade Secrets
- Patents
- **Trademark and Services Marks**

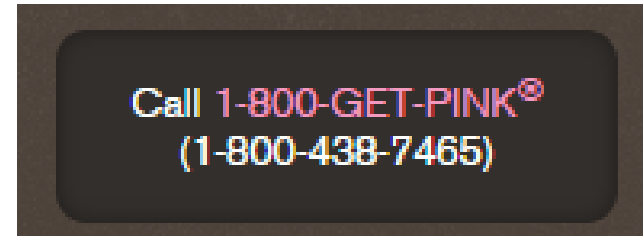


What Is a Trademark?



Source Indicator

Color Marks



Color Marks



Sound Marks



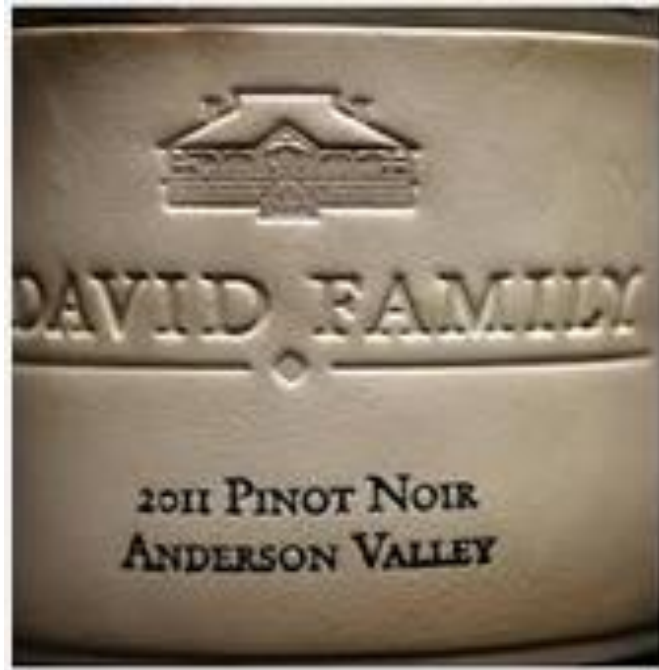
Scent Marks



Motion Marks



Texture Marks



What is Trade Dress?

- Product shape or design
- Product packaging
- Interior and exterior décor and design
- Combinations of elements

Product Design, Shape



Product Design, Shape



Product Packaging



Product Packaging



Design, Decor



Design, Decor



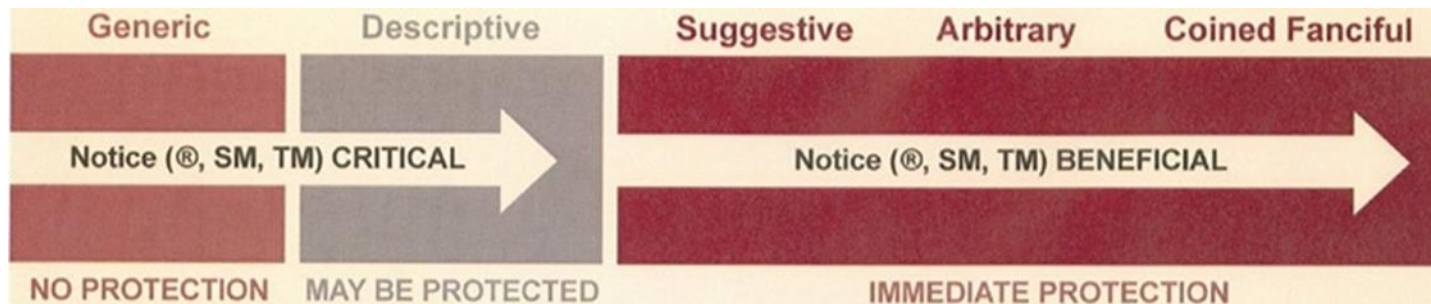
Choosing a Trademark

- Will the mark meet your business needs?
- How well can you protect the mark?
- What risk do you have in adopting the mark?

How Strong is Your Mark?

- Strength = uniqueness.
 - The stronger the mark, the easier it is to protect.
- Hierarchy, from weakest to strongest:

Generic	a common term for the product	"apple" for apples
Descriptive	describes the product or its attributes	"The Weather Channel"
Suggestive	suggests an attribute or benefit	"Sheer Energy" for pantyhose
Arbitrary	a term used out of context	"Apple" for computers
Fanciful	a term with no dictionary meaning	"Exxon" for gasoline

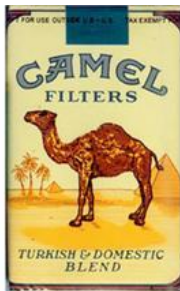


Select the Right Mark

- From most to least protectable
- **Fanciful** or "coined" – meaningless

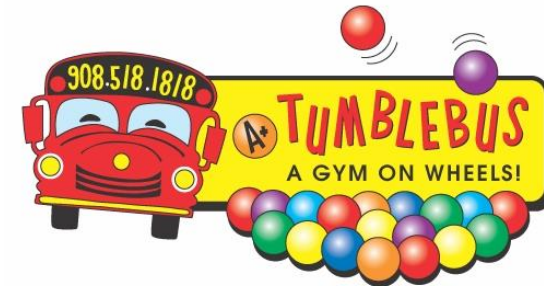


- **Arbitrary**
 - well-known words - arbitrary use



Select the Right Mark

- **Suggestive** - Suggests something about the product, but does not describe it
- Requires imagination, thought, and perception



Select the Right Mark

- **Descriptive** - A characteristic, element, function, of the product
- Not protectable until it acquires "secondary meaning" in consumer's mind. "So associated with the product that it identifies the source of the product and distinguishes the product from those of others". Jeld-Wen v. Dalco Industries (8th Cir. 11/10/99)



- **Generic** - Common names (pizza, house, automobile)

Clearing the Right Mark

- When selecting a mark, brainstorm
- Evaluate strengths of options
- Conduct search
 - Clearance
 - Knockout
 - Full Search
- Search recommended, but not required
- Test is whether there is a “likelihood of confusion”
 - similarity of sight, sound, and connotation
 - similarity of goods/services
 - laundry list of other factors

Registration

- File application with USPTO (Washington DC)
 - Trademark attorneys often represent geographically diverse clients
- Seek registration in one or more of 45 classes
- \$350/\$250 per class filing fee
- Specimen of use
- Drawing of mark
- State registration also available

Why Register?

- Nationwide priority
- Presumption of exclusive right to use



REGISTER NOW!

Timing

- Initial office action 8-9 months
- Often completed in 14-16 months



Filing Considerations

- “Use” or “Intent to Use” application?
- Goods/Services associated with the mark (think about specimens)
- Most common rejections
 - Likelihood of confusion with existing mark or prior pending application
 - descriptiveness rejection
- Descriptive marks can be registered on Supplemental Register

Big Picture Considerations

- Relatively inexpensive (compared to patents)
- “Common law” protection available in zone of geographic use (not recommended)
- Works well across borders, cultures and languages
- Asset that can be assigned, pledged, or licensed

Is Your Mark Already in Use?

- The first party to use a mark has superior rights in the mark
- A “junior user” can be liable for infringement
- Searching for prior uses is critical:
 - Avoids legal risks
 - Avoids wasted investment
- Searches should focus on:
 - Similarity of marks
 - Similarity of goods or services



Registering Your Marks

- If your mark is strong enough and not already in use, you may register it with the U.S. Patent & Trademark Office.
- Important benefits:
 - Exclusive right to use the mark nationwide on the goods and services registered
 - A "presumption of validity" that makes your mark harder to challenge
 - An effective tool for preventing infringement
 - "Registration" with online marketplaces (like Amazon) and delisting of infringers
 - Listing with US Customs and seizure of counterfeit products

How To Use Your Marks

- Use in the marketplace is key to protecting your rights in your mark and maintaining a registration
 - Use in the same form as your registration:
 - FLEET FEET, *not* FLEET FOOT
 - CHANGE EVERYTHING, *not* CHANGING EVERYTHING
 - Use a trademark notice:
 - Before registration
 - **TM** (for products) or **SM** (for services)
 - After registration **®**
- Marking is not required but recommended
- Can be on product, packaging, or advertising

How To Use Your Marks

- Use your mark as an adjective, not a noun or verb
 - “Please hand me a KLEENEX tissue,”
NOT “Please hand me a KLEENEX.”
 - “Use the XEROX copier,”
NOT “XEROX these papers.”
 - “I’m dying for a STARBUCKS dark roast,”
NOT “If I don’t get my STARBUCKS soon, I think I’m gonna die.”

How To Use Your Marks

- Use your marks in ways that make them stand out:
 - “We believe that RUNNING CHANGES EVERYTHING,” or
“We believe that **RUNNING CHANGES EVERYTHING**,”
not “We believe that running changes everything.”
- Use your marks consistently:
 - If you have a color mark, always use the same shade of that color.
 - If you have a specified font, always use the same font.
 - If you have a specified spacing, always use that spacing.

How Can You Protect Your Marks?

- You can lose your trademark rights if you fail to use your marks properly or fail to prevent others from using them. To prevent this:
 - Monitor all uses of your marks in all media
 - If you learn of infringing uses, take action
 - Monitor and oppose any applications to register marks confusingly similar to yours
 - If you license your marks to others, make sure you maintain control over how they are used
 - Watching service(s)

Dead Trademarks

- Escalator
- Trampoline
- Cube steak
- High octane
- Raisin bran
- Cornflakes
- Shredded wheat
- Dry ice
- Lanolin
- Linoleum
- Mimeograph
- Yoyo
- Kerosene

International Trademark Considerations

- US federal registrations protects in US and its territories only
- Some streamlined registration available in foreign countries through Madrid Protocol (filed from US)
- Some countries allow regional filings (Community Trademark)
- May require local counsel
- Many foreign countries do not actually require “use”
- Consider foreign meaning/interpretation of marks

Common Trademark Mistakes



- Failure to search (properly) before selection
- Failure to register
- Failure to obtain domain/Ownership of domain, but not trademark
- Assumption that Ad Agency “cleared” the mark

Common Trademark Mistakes - Continued

- Selecting a mark that is not protectable (i.e., a “weak” descriptive mark);
- Not policing or monitoring “authorized” use;
- Not obtaining assignment of “rights” to artwork/logo/design from artist/agency



Who Owns What?

Bradley

Default Rights

- Patents – inventor is the default owner; employer may have “shop rights”
- Copyright – author is the default owner unless created as employee within line and scope of employment, then employer owns, or a specially commissioned work designated as “work for hire”, then commissioning party owns
- Trademark – the person/entity that uses the mark on the product or service, or authorizes/licenses such use, is the default owner

Transfer of Rights

- Default rights are often transferred or assigned via written assignment
- Often employees sign employment agreement with blanket assignment of IP rights
- Contractors often asked to assign IP rights
- Many contractors retain IP rights if not expressly assigned

Work for Hire – What Does It Mean?

Bradley

Work for Hire

- If a “work for hire”, it overrides default rule that author owns the rights
- A “work for hire” exists in 2 general circumstances: (a) certain employees; (b) certain specially commissioned works expressly designated in writing
 - Works prepared by an employee within the scope of his or her employment
 - Work **specially commission** for use as contribution to a collective work, as part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instruction text, as a test or answer for a test, or as an atlas, **if the parties expressly agree in a written and signed agreement that the work be considered a work for hire.**

Questions?



Stephen Hall
shall@bradley.com
256.517.5140
Huntsville, AL