



Association
TRENDS

How To Protect Your Intellectual Property Online And Avoid Legal Pitfalls

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How Can You Get Into Trouble Online?

- Using clip art without checking terms of use,
- Cutting and pasting third party articles into blogs,
- Forwarding an email newsletter to a colleague without checking terms of license,
- Using third party marks on your website without permission,
- Promoting a new conference without first searching the name of the conference,
- Sending blast emails without an opt out,
- Promoting a contest on Facebook without checking policies,
- Sharing computer software programs,
- etc., etc.



Top Legal Risks Online



- Trademark Infringement
- Copyright Infringement
- Patent Infringement
- Defamatory Content and False Statements
- False and Misleading Advertising/Consumer Protection
- Promotions and Sweepstakes
- Blogging, Endorsements and Testimonials
- Privacy
- Publicity
- And many more....



What Is Intellectual Property?

- A **Trademark** is a word, phrase, symbol or design, combination of these elements, sounds or scents that identifies and distinguishes one provider's products or services from another. Trademarks can include Trademarks, Service Marks, Trade Names, Trade Dress, Domain Names.
- A **Copyright** is the exclusive right to make copies, license, and otherwise exploit a literary, musical, or artistic work, whether printed, audio, video, etc.
- A **Patent** is an exclusive right granted to the inventor of a new, useful, and non-obvious process, machine, article of manufacture, or composition of matter, or any new and useful improvement thereof.



How Can You Protect Your IP?

- Trademark—Common law rights and Federal and State Registration.
- Copyright—Rights exist with creation but owner must register to sue for damages.
- Patent—Federal Registration.

Trademark Infringement

- Trademark Infringement is using a trademark that is identical or confusingly similar to an existing trademark in connection with similar products or services (among other factors).



- \$305 million awarded to Adidas for infringement of its three stripe design against Payless for using two and four stripe designs on shoes (Oregon, 2008) (award was later reduced by the presiding judge to \$65 million).
- \$26.5 million awarded to Sands, Taylor & Wood infringement of its mark THIRST AID against Gatorade for using the mark GATORADE IS THIRST-AID.

Trademark Infringement on the Web



- Tiffany v. eBay—eBay was not liable for selling counterfeit Tiffany products since it took action every time Tiffany complained.
- Hasbro vs. RJ Software over a Facebook version of its game Scrabulous which had more than 500,000 users.
- Oneok (a Natural Gas Company) sued Twitter over a misappropriated user name.

Trademark Infringement and Domain Names

- Domain Names: gTLDs, ccTLDs, new gTLDs
- Int’l Arbitration Under ICANN Rules
 - DN is identical or similar to a prior mark,
 - Owner has no legitimate interest in the DN,
 - DN was registered and used in **bad faith**.
- ACPA (Federal Court)
 - Registering, trafficking in, or using a DN with **bad faith** intent to profit from the goodwill of a trademark belonging to someone else.



How to Avoid Trademark Infringement

- Don't Copy Third Party Trademarks And Logos,
- Don't Use Third Party Marks To Imply, Affiliation, Sponsorship, Or Endorsement,
- Don't Use Third Party Marks In Keyword Advertising*, Domain Names, User Names,
- But, Fair Use?

Copyright Infringement

- Copyright Infringement occurs when a copyrighted work (e.g., song, software, article, clip art) is reproduced, distributed, performed, publicly displayed, or made into a derivative work without the permission of the copyright owner.

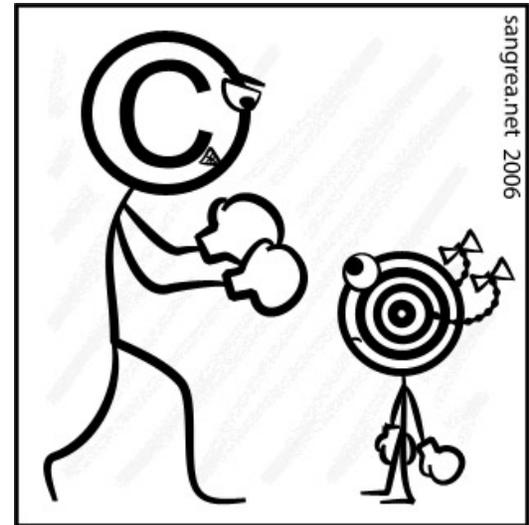
Test is “Substantially similar”,

Actual damages,

Statutory damages and Attorney’s fees if registered,

Can be subject to criminal penalties.

- DMCA (Digital Millennium Copyright Act)-- Complain to Site Host not the user; Safe Harbor from liability for Host if it takes action once it gets notice.
 - Before you send a “take down” notice, be sure use is not “Fair Use” b/c the Complainant could be subjected to damages, penalties, perjury if use is fair use.
 - e.g., Toddler Dance and YouTube.





How to Avoid Copyright Infringement

- Don't "Cut And Paste",
- Be Careful Using "Free" Images Online—Be Sure To Check Terms Of Use,
- Don't Copy Third Party Content,
- Linking To Third Party Articles Is OK; But Deep Linking Is Not,
- Framing Third Party Content Is Not OK,
- Don't Forward Subscription Based Newsletters Or Articles,
- Don't Share Software Unless License Allows Sharing,
- But, What About Fair Use?

Patent Infringement

- Patent Infringement is any unauthorized making, using, offering to sell, selling or importing into the United States any patented invention.
 - Difficult to avoid patent trolls.
 - Make sure contracts have reps, warranties and indemnifications.



Protecting Your IP Online



- **Register** Trademarks, Domain Names, Copyrights and User Names.
- Give Notice of Rights Including Appropriate Symbols - ©, ®, ™.
- Be Mindful of Copyright Ownership:
 - Work-made-for-hire doctrine,
 - Assignments of rights must be in writing,
 - Consider Web designers and Logo designers—make sure you get a written assignment of rights.
- **Monitor** for Misuse – Watch Services Are Available.
- **Enforce** Your Rights:
 - Enforce with Policy Statements, DMCA, Demand Letters, and Legal Proceedings,
 - Many social media sites have trademark and copyright infringement policies,
 - Balance IP Protection with Reputation Protection.
 - Many times, it's an Innocent Infringer

Defamation

- **Defamation** is the act of damaging a person's reputation by making untrue statements. The remarks are considered libel if printed or broadcast over the media and slander if made orally.
 - @abonnnen had a public Tweet and 20 followers: “Who said sleeping in a moldy apartment was bad for you? Horizon realty thinks it’s ok.”
 - Horizon sued for defamation: "We're a sue first, ask questions later kind of an organization"; case was ultimately dismissed.



- Comments made by others can be attributed to the organization:
 - Cisco and former Cisco lawyer were sued for defamation after it was revealed that the lawyer was the author of an infamous blog. Case settled.
 - Whole Foods former CEO wrote anonymously in YAHOO Finance Forums criticizing rival Wild Oats Markets before Whole Foods purchase of the company (FTC and SEC investigations ensued).



How to Avoid Defamation

- Use Disclaimers and Terms of Use,
- Enforce a Take Down Policy,
- Refrain from Commenting on Third-Party Posts,
- Remain Mindful of Trade Secrets and Confidentiality,
- Federal Communications Decency Act - § 230,
- Consider Available Screening Capabilities for Third-Party Hosts.

False and Misleading Advertising/Consumer Protection

- False Advertising is a material representation, omission, or practice that is likely to mislead the reasonable consumer.
 - e.g., No Astroturfing—Lifestyle Lift for cosmetic surgery was fined \$300,000 by the NY AG for directing employees to pose as satisfied customers.
- All product or service claims on social media are advertising.
- “Green claims” –New Green Guides issued by the FTC.

Endorsements and Testimonials

- FTC Guides Concerning the Use of Endorsements and Testimonials in Advertising
 - All Product or Service Claims on Social Media and Network Marketing are Advertising.
 - Requires Disclosure of Connection.
 - Applies when there is a “material connection” between advertiser and endorser, e.g.:
 - Bloggers or “word of mouth” marketers who receive money or in-kind payment must disclose connection,
 - Celebrities must disclose connection when making endorsement outside of “traditional” ads,
 - Potential for Blogger and Entity Liability,
 - Entity Doesn’t Have to Request Endorsement,
 - Entity needs to have policy/procedures to make sure bloggers disclose and monitor compliance.





Promotions and Contests

- **Sweepstakes and Contests are Heavily Regulated**
 - Many contests are governed by state law,
 - Social media sites have terms and conditions for contests,
 - UGC Promotions require special considerations for IP issues, defamation, etc.
- *Quizno's v. Subway TV Ad Challenge*: UGC promotion that asked viewers to make an ad showing why Quizno's subs were superior to Subway's
 - Subway sued for false advertising; the parties ultimately settled.
- **Requiring a Donation to Enter = Lottery Under Most State Laws**
 - Payment, chance & prize,
 - Registration is required.
- **Soliciting Donations Is Regulated By States And Requires Registration**
 - In many states, a "Donate Now" button will trigger registration requirements.

Privacy



- **Informational Privacy: Limit on Collection and Publishing of Personally Identifiable Information**
 - Consider use of privacy notices describing data collection,
 - Remember disclosure and consent requirements,
 - Be mindful of privacy policies of 3rd party platforms- make sure you are not inadvertently violating (or requiring visitors to violate) facebook's, etc.'S terms of use,
 - Develop terms of use for consumers posting on websites (e.G., No posting of defamatory or infringing content),
 - Develop terms of use for visitor's use of content (e.G., Notices regarding your IP).
- **Can-Spam Act**
 - Applies to all commercial email messages,
 - Don't use false or misleading header or deceptive subject lines, identify message as ad, use valid physical postal address, include opt out and honor opt out requests, monitor third party email marketers,
 - Penalties up to \$16,000 per email.



Right to Publicity

- Individual's Right To Control His/Her Name, Image And Likeness Including:
 - Appropriation of name or likeness for *commercial* benefit,
 - Intrusion of physical privacy,
 - Disclosure of embarrassing facts,
 - Placing in false light in the public eye.
- Applies To Advertising And Promotion, But Not News Reporting.
- Applies When Plaintiff Is Identifiable (e.g., Celebrities).
- Does Not Apply To Incidental Use w/ De Minimis Commercial Value.
- Many States Have Their Own Rights Of Publicity/Privacy Laws.

Take Aways: What questions should you be asking?



- How will you *protect your IP*?
- What should your *terms of use* be?
- How will you make sure you are *complying with other sites' terms of use*?
- How will you make sure all *advertising and marketing* online is truthful, nonmisleading, and follows all relevant laws?
 - Are you going to run *sweepstakes and user-generated content* promotions?
 - Are you going to make *green claims*?
 - Are you asking for *donations*?
 - What about *blogs and endorsements or testimonials*?
- How will you ensure that there is no *defamation, obscenity*, etc. posted on Facebook, Twitter or other social media about your organization?
- How will you address *privacy and data security concerns*?
- What will your policies be with respect to *employee use of social media*, on company time or otherwise?

These are just SOME of the legal issues related to Intellectual Property on the Web...

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the road ahead