

Fair Use and the Internet

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December 9, 2009



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Today's Agenda

- Introduction
- Trademarks – Doug Masters
- Copyright – Nerissa McGinn
- Right of Publicity – Jon Seiden
- Q & A

Administrative Reminders

- **After today's presentation, we will email to you an evaluation form. CLE rules require that you return the evaluation form before we can send you the CLE certificate.**
- **You can ask questions throughout the presentation by using the chat feature that is in the bottom left corner of your screen. We'll also have Q&A at the end of the presentation.**
- **For New York CLE credit, you'll need to write down the code you'll see about half way through the presentation (we'll remind you when it appears).**

Trademarks and Fair Use

Goals

- **Identify limits to trademark protection**
- **Explain circumstances in which others can and can not use your trademarks**
- **Sensitize you to relevant legal doctrines regarding trademarks and fair use**

Scope of Trademark Rights

- **Right to prevent third parties from using marks likely to confuse consumers about the relationship of the parties or the source, sponsorship, or association of goods/services**
- **Available for both registered and unregistered marks provided mark is distinctive**
- **For famous marks, right to prevent third parties from using marks likely to dilute the distinctiveness of the mark or tarnish its reputation**

Limits to Trademark Protection

- **Likelihood of confusion**
- **Fair and permitted uses of someone's trademark**
 - Use of a trademark in a non-trademark manner to refer to your product or service = **Fair Use**
 - Use of a trademark to refer to another's product or service = **Nominative Fair Use**
 - **News reporting**
 - **Parody**
 - **Comparative advertising**
 - **Selling/Reselling/Repairing/Reconditioning**

Likelihood of Confusion

- **Similarity of marks**
- **Similarity of products/services**
- **Channels of trade**
- **Type and level of sophistication of purchasers**
- **Care exercised in purchasing decisions**
- **Overall strength of the mark**
- **Evidence of actual confusion**
- **Intent of defendant in adopting mark**

Fair Use

Lanham Act definition:

*“That the use of the name, term, or device charged to be an infringement is a use, **otherwise than as a mark**, of the party’s individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is **descriptive of and used fairly and in good faith only to describe the goods or services** of such party, or their geographic origin”*

15 U.S.C. §1115(b)(4)

Fair Use

Three Key Elements:

- 1. Not used as a trademark but to describe your product or service**
- 2. Used fairly**
- 3. Used in good faith**

Not Trademark Use, But to Describe

- Analyzed in relation to your product or service, not trademark holder's
- Fact that owner's mark can be used descriptively is accepted consequence of nature of trademark selected
 - Apple
 - One A Day
 - Very Funny

Not Trademark Use, But to Describe

- **Descriptive uses tell consumer something about product or service**
 - **Feature**
 - **Quality**
 - **Purpose**
- **Courts will look for other branding**
 - **What is the mark?**
- **Don't use Tm, apply to register without disclaimer or otherwise depict as a mark through emphasis**

Used Fairly

- No need to prove absence of confusion
- But existence/extent of confusion is relevant
- Courts look for
 - Accuracy
 - Commercial justification
 - Strength of plaintiff's mark

Good Faith

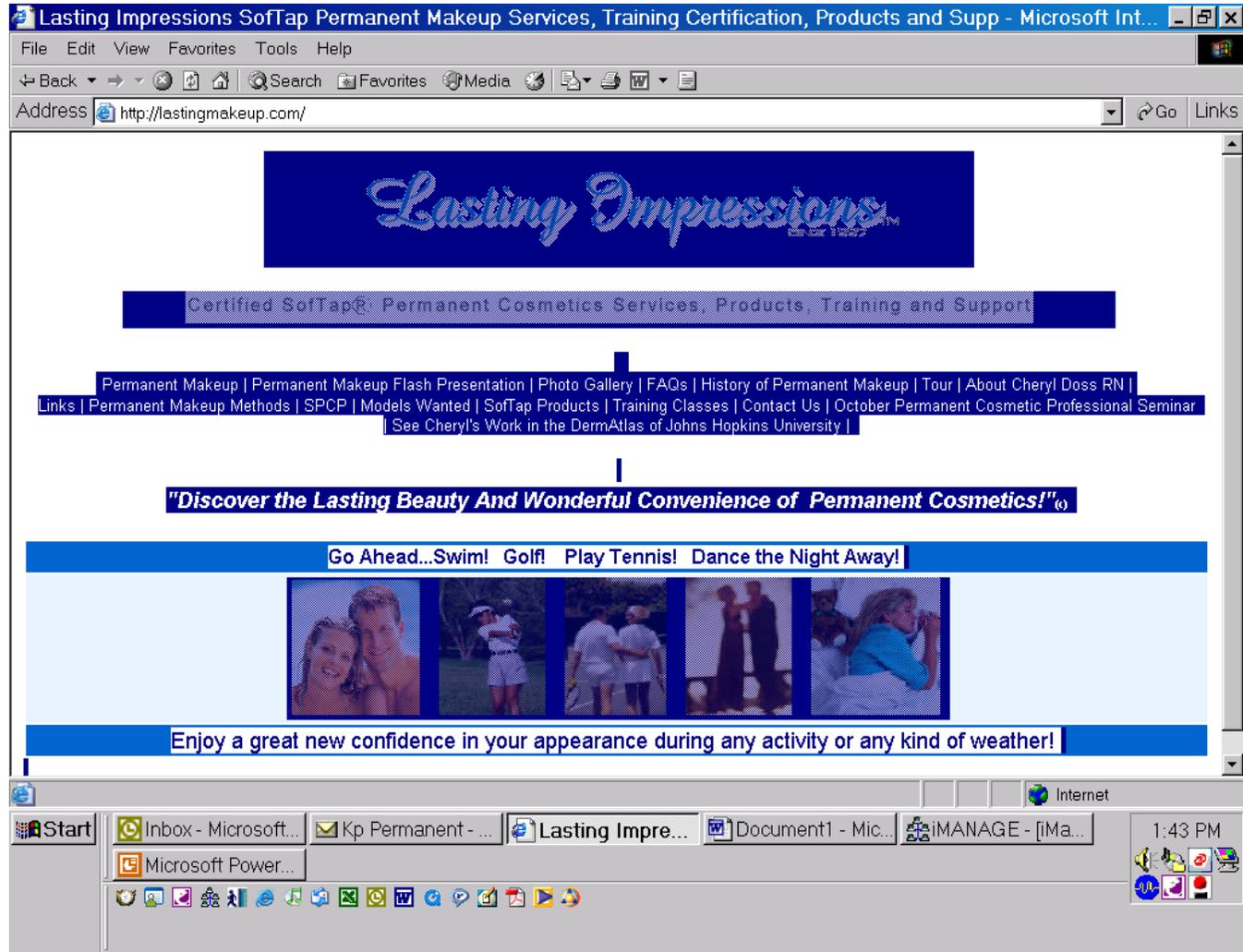
- **Focus is on subjective intent**
- **Inferences drawn from manner of use**
- **Be careful about emails, communications with ad agencies**

Is it Fair Use?

- **Why are you using the Mark?**
 - Describe or distinguish and brand
- **How are you using it?**
 - Prominence, accurate, reasonable
- **What will consumers think?**
 - Given nature of the mark and use, will consumers be confused?

KP Permanent Make-up, Inc. v. Lasting Impression, Inc.
543 U.S. 111 (2004)

- Parties are competitors in permanent makeup industry
- KP used “microcolor” to describe its product since 1990 on bottles and 1991 on flyers
- Lasting reg’d MICRO COLORS in 1993; incontestable in 1999
- In 1999, KP creates 10-page brochure with “microcolor” in large stylized typeface
- KP receives C&D and files declaratory judgment action



KP Permanent Make-up, Inc. v. Lasting Impression, Inc.
District Court Ruling

- **Granted SJ in favor of KP**
- **“micro color” is generic or descriptive**
- **Neither party had secondary meaning**
- **KP protected by fair use defense**
 - **Lasting conceded KP’s use was descriptive**
 - **KP’s use went back to 1990, therefore, fair**
- **Does not need to make LOC determination**

KP Permanent Make-up, Inc. v. Lasting Impression, Inc.
Ninth Circuit Ruling

- Reversed D. Ct. and remanded
- D. Ct. erred in requiring secondary meaning
- D. Ct. should have conducted likelihood of confusion analysis
- KP's use did not constitute fair use
 - Cannot have confusing and fair use
 - KP must show absence of confusion

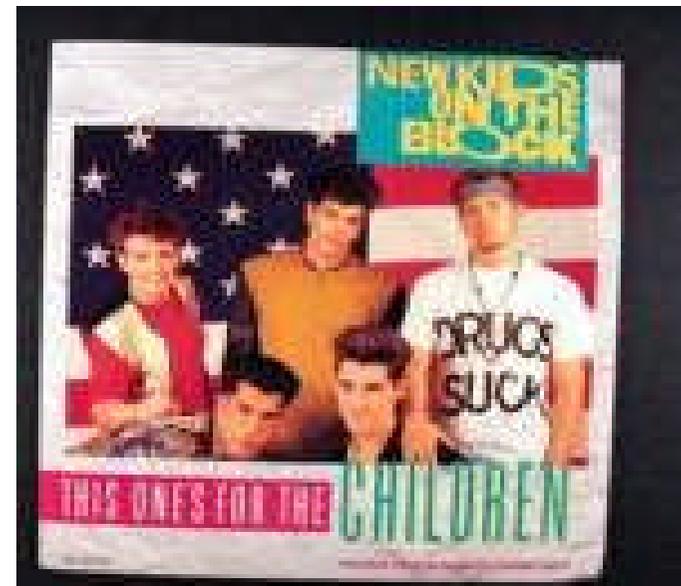
KP Permanent Make-up, Inc. v. Lasting Impression, Inc. Supreme Court Decision

- **Overtured 9th Circuit and remanded**
- **Defendant does not bear burden to negate likelihood of confusion**
- **Likelihood of confusion showing is plaintiff's burden**
- ***Some possibility of confusion compatible with fair use***
- ***Plaintiff's risk when adopting descriptive term as trademark***
- **Exclusive right in secondary meaning of descriptive term, not term itself**

New Kids on The Block v. News America Pub, Inc. 971 F.2d 302 (9th Cir. 1992)

Nominative Fair Use

- Newspaper poll about favorite New Kids band member through 900 phone number
- NK have competing 900 number (and 500 other products)
- Trademark Infringement claim defeated because use of NK mark defensible as necessary and fair



Nominative Fair Use

Three Key Elements:

1. the product or service in question must be one not readily identifiable without use of the trademark
2. only so much of the mark may be used as is reasonably necessary to identify the product or service; and
3. the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder

Need to Use the Mark

- **Are there other ways to refer to the product or service without using the mark?**
- **Is the reference gratuitous or necessary?**
- **You don't have to make awkward or oblique references**

Take Only What You Need

- **Avoid logos or stylized presentations**

Avoid Implying Affiliation

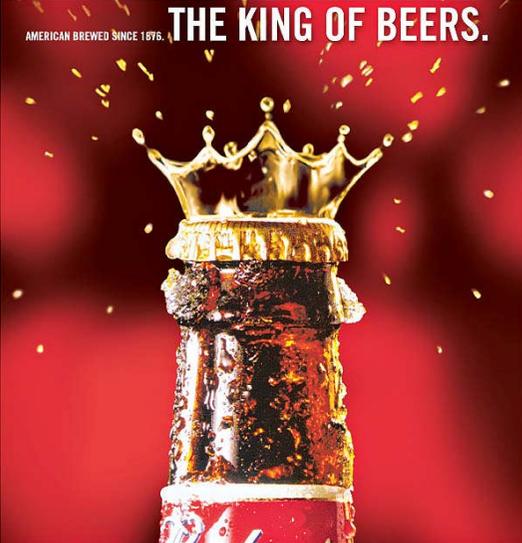
- **Manner of presentation should not imply affiliation or sponsorship**
- **Note relative size and prominence of marks**
- **Context should be clear as to nature of use**

Fair or Foul?



THE QUEEN OF CARBS. SOUTH AFRICAN OWNED.

AMERICAN BREWED SINCE 1876. **THE KING OF BEERS.**



We'll let Miller Lite spend all their time talking about carbs. At Budweiser, we'll continue to spend all our effort making great beer.

When you want a real beer, nothing tastes better than a Budweiser.

Budweiser

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Fair or Foul?

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Is it Nominative Fair Use

- Why are you using the mark?
- How have you used it?
- What will consumers think?

Parody

- **Evokes trademark owner's mark – but also communicates that user is not owner**
- **Not really a defense to infringement claim but a counterweight to confusion analysis**
- **Implicates First Amendment concerns with protecting expression**
- **Need to be able to articulate relationship between mark/product and object of parody**

News Reporting

- **Clearly media can use marks to present newsworthy information under First Amendment**
- **Are all uses by media non-commercial?**
- **Sponsorships of advertiser's marketing activity?**
- **Its own promotional activities?**

Packman v. Chicago Tribune Co., 267 F.3d 628 (7th Cir. 2001)

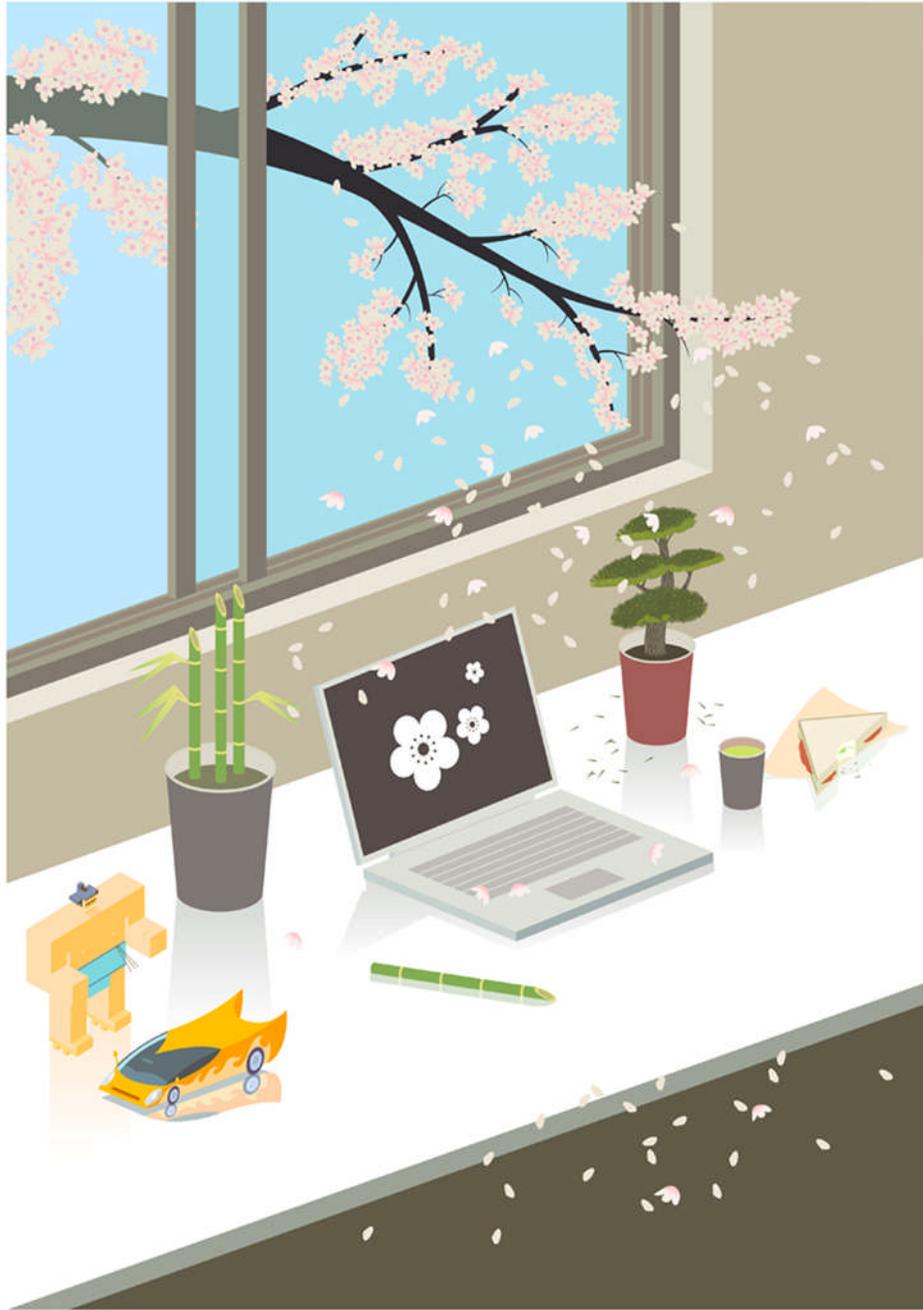
- Chicago Tribune used trademarked phrase “joy of six” to describe anticipated Chicago Bulls sixth NBA championship
- Plaintiff trademark owner used term to promote outings for football and basketball games, was aware of its use by the paper, and even sent a letter to the paper encouraging its use
- Phrase “Joy of Six” appeared in banner headline after Bulls won championship; newspaper contracted with printer to reproduce front page with “Joy of Six” headline on promotional memorabilia



Packman v. Chicago Tribune Co., 267 F.3d 628 (7th Cir. 2001)

■ Fair Use

- Defendant's prominent display of its distinctive masthead is both on the front page and on each piece of memorabilia, clearly identifying the Tribune as the source and the masthead as its trademark
- Use was descriptive of a newsworthy event and the joy associated with the championship and there was no secondary meaning of the phrase connecting it to the plaintiff since it was not used commercially
- No intent to pass off product as plaintiff's; phrase was used in good faith as descriptive



NY CLE code: LL1209



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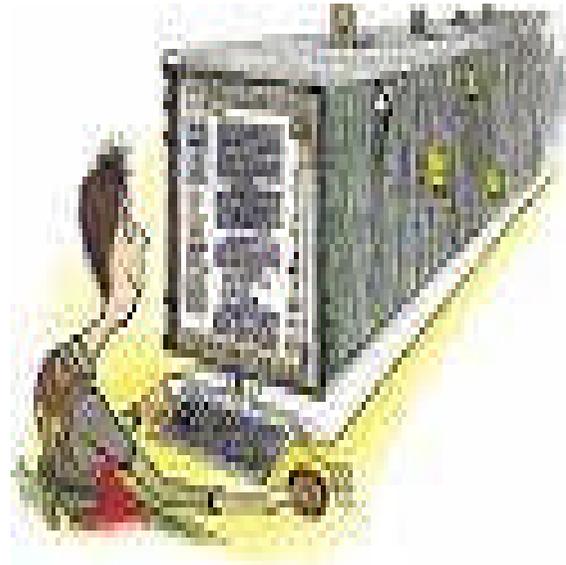
Copyright, Fair Use, and the Internet

1.  **Book Settlement**

2.  **Hot News Misappropriation**

What was the Proposed Google Library Project?

- Scanned entire printed books from libraries throughout the world
- Google users could search the index free of charge
- Search results would display only a few sentences around the search term or a “snippet”



Hurdles For Creating Digital Libraries

1. **Cost of scanning books**
2. **Cost of finding rights holders**
 - 30 million books
 - 6 million in public domain
 - 24 million possible rights holders



Copyright Fair Use Factors

- 1. The purpose and character of the use, including whether such use is of a commercial nature or is for non-profit educational purposes;**
- 2. The nature of the copyrighted work;**
- 3. The amount and substantiality of the portion used in relation to the copyrighted work as a whole; and**
- 4. The effect of the use upon the potential market for or value of the copyrighted work.**

Google's Fair Use Defense

- ***Kelly v. Arriba Soft*, 336 F.3d 811 (9th Cir. 2003)**



- ***Perfect 10, Inc. v. Amazon.com*, 508 F.3d 1146 (9th Cir. 2007)**



Timeline of Library Project

- **December, 2004 – Library Project Announced**
- **August, 2005 – Opt-Out Policy: current copyright owners could opt-out or participate in the Google Partner Program**
- **September 20, 2005 – Authors Guild and several authors brought class action copyright infringement action against Google**
- **October 19, 2005 – 5 publishers sued Google and the case was eventually consolidated with the Authors Guild case**
- **October 28, 2008 – First settlement**
- **November 13, 2009 – Second settlement**

Settlement I

Google will offer 3 primary services:

1. **Preview**
 - For out-of-print books, Google may display up to 20% of the book in response to a particular search query (no more than 5 pages for works of non-fiction; 5% book or 15 pages, whichever is less for works fiction)
 - Only bibliographic information for in-print
2. **Consumer Purchase – only out-of-print books or in-print books that have opted-in**
3. **Institutional Subscriptions**

Settlement II

- **Applies to fewer books**
 - **No longer applies to books published outside the U.S. unless (1) the books were published in Canada, Australia, or the UK before January 5, 2009; or (2) the books were registered with the Copyright Office before January 5, 2009**
 - **Google will still include “snippets” of all books**
- **Adjusts pricing structure and how money is spent by the Books Rights Registry**

Advantage: Google™

		 
Preview	Displays up to 20%	Possibly display snippets
Consumer Purchase	Can sell on-line versions of out of print books Receives 37% of purchase price	Cannot sell books
Institutional Subscriptions	Receives 37% of subscription rate	Cannot have institutional subscriptions

Hot News Misappropriation



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Hot News Misappropriation

- ***International News Service v. The Associated Press*, 248 U.S. 215 (1918)**
- **“Hot News” is “quasi property”**
- **Allowing one news agency to appropriate and profit from the work of another would “render publication profitless, or so little profitable as in effect to cut off the service by rendering the cost prohibitive in comparison with the return”**



NBA v. Motorola, 105 F.3d 841 (2d 1997)

- What is “hot news?”
 1. The plaintiff generates or collects information at some cost or expense
 2. The value of the information is highly time sensitive
 3. The defendant’s use of the information is in direct competition with a product or service offered by the plaintiff
 4. The ability of other parties to free-ride on the efforts of the plaintiff would so reduce the incentive to produce the product or service that its existence or quality would be substantially threatened



NBA v. Motorola, 105 F.3d 841 (2d 1997)

“Hot News” theory not applicable to real-time scores

- **No competitive effect on people attending game**
- **Motorola not free – riding off of NBA**
 - **Motorola has its own network for collecting information**



Scranton Times LP v. Wilkes-Barre Publishing Co., 92 USPQ 2d (MD Pa 2009)

- **Wilkes-Barre “copied” obituaries from the Scranton Times**
- **Facts from obituaries**
 - The facts were time-sensitive
 - Wilkes-Barre was “free riding” on the Scranton Times work product
 - But did NOT threaten Scranton Times’ existence
- **Misappropriation claim is preempted by Copyright Act**
- **Case settled in November, 2009**



The Associated Press v. All Headlines News

(S.D.N.Y. February 17, 2009)

- All Headline News does no original reporting. Republishes stories found on the Internet by rewriting text or publishing entire story.
- Hot News Misappropriation Claim and State Law Unfair Competition Claim
 - Pre-emption challenge
- June, 2009 Case settled



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Gatehouse Media v. New York Times Company

- **New York Times was reproducing, displaying and distributing verbatim copies of headlines and first sentences of articles with links**
- **Not a “hot news” case**
- **Settled – Parties are not allowed to copy content, but can link to content**



Not Hot News

- ***NBA v. Motorola*, 105 F.3d 841 (2d 1997)** (basketball game statistics are not hot news)
- ***Scranton Times v. Wilkes Barre Publishing Co.*, 92 USPQ 2d (MD Pa 2009)** (copying of obituaries was pre-empted by Copyright Act)

Hot News

- **Systematic copying of facts from news stories, *The Associated Press v. All Headline News*, (S.D.N.Y. February 17, 2009)** (ruling on motion to dismiss that hot news misappropriation claim not pre-empted)
- ***Gatehouse Media v. New York Times Company*,** (settlement which stopped copying and RSS feeds, but allowed linking)

Right of Publicity

“Commercial Fan Club”

The screenshot shows the website **ElvisMatters** in a Windows Internet Explorer browser window. The address bar displays <http://www.elvismatters.com/index.php>. The page layout includes:

- Header:** "ElvisMatters - uit eerbied en respect voor the King - Windows Internet Explorer" and "739416 visitors."
- Left Navigation Menu:** English, bookmark us!, home, news archive, events, membership, magazine, mailinglists, forum, guestbook, links, clubshop, contact, Q & A, about ElvisMatters, search.
- Main Content Area:**
 - latest news:** "Thanks to the visitors of the X-mas Show" (December 8th 2009). Text: "Last Sunday, we welcomed hundreds of visitors to Cultural Center 'Westrand' in Dilbeek (near Brussels) for the annual Elvis Christmas and Gospel Show. We'd like to take this opportunity to thank the many fans and music lovers, as well as Gilbert De Ridder who had put this event together. Judging by ...[read more](#)".
 - news archive:** "Vote for Your Favorite Birthday Cake Design" (celebration of Elvis' 75th Birthday).
- Right Sidebar:** "members area" with a login form, "JOIN US!" banner, "big fonts small fonts" toggle, an email subscription form with a "submit" button, and advertisements for "shopElvis.eu", "GRACELAND TOURS", and "The Presley Radio".

The Windows taskbar at the bottom shows the Start button, several application icons, a system tray with a 99% battery indicator, and the time 8:21 PM.

ClubShop

ElvisMatters - uit eerbied en respect voor the King - Windows Internet Explorer

http://www.elvismatters.com/index.php?pagina=clubshop

739416 visitors.

Elvis Matters

English

- bookmark us!
- home
- news archive
- events
- membership
- magazine
- mailinglists
- forum
- guestbook
- links
- clubshop
- contact
- Q & A
- about ElvisMatters

search

ELVIS SOUVENIRS ELVIS

Benefiting AURALLY HANDICAPPED CHILDREN OF LAS VEGAS

1. Elvis Luncheon \$5.00
2. Elvis Luncheon \$2.00
3. Elvis Luncheon \$5.00
4. Elvis Luncheon \$2.00
5. Elvis Luncheon \$5.00
6. Elvis Luncheon \$2.00

Visit the largest 100% Elvis shop in the wide area!

On December 3rd 2004, ElvisMatters opened the first 100% Elvis Shop in Turnhout, Belgium (close to the Dutch border). The stock is overwhelming: T-shirts, CD's, DVD's, FTD's, gold records, wall plates, Graceland souvenirs, books, ... You'll find all the latest products and releases here, for the best price. Don't forget your membership card for extra discounts! Our staff members are glad to help you, or to take down special orders.

The shop is part of the service of the non-profit organisation ElvisMatters, making it a bit easier for us to offer Elvis products for the best prices possible. Fans for fans, that's our motto. And the profit we do make, is re-invested in concerts and shows, or given to good causes.

So, don't forget to drop by at the ElvisMatters Store, or combine a visit to the shop with a visit to the lovely town of Turnhout.

Address
Otterstraat 98
2300 Turnhout - België

members area

JOIN US!

big fonts small fonts

Please enter your e-mailaddress to receive the ElvisMatters-newsflash in your mailbox!

subscribe

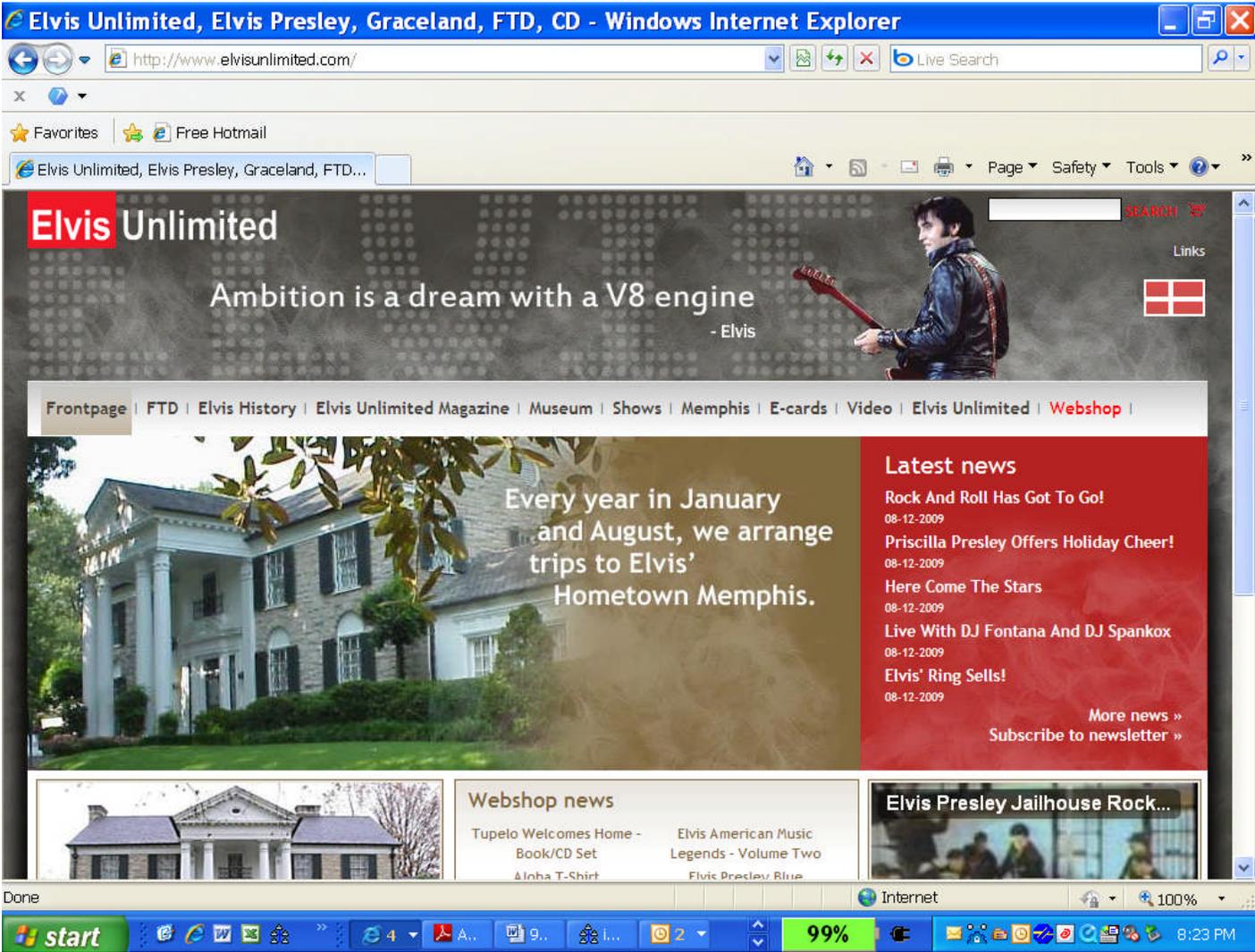
submit

shopElvis.eu
POWERED BY ELVISMATTERS

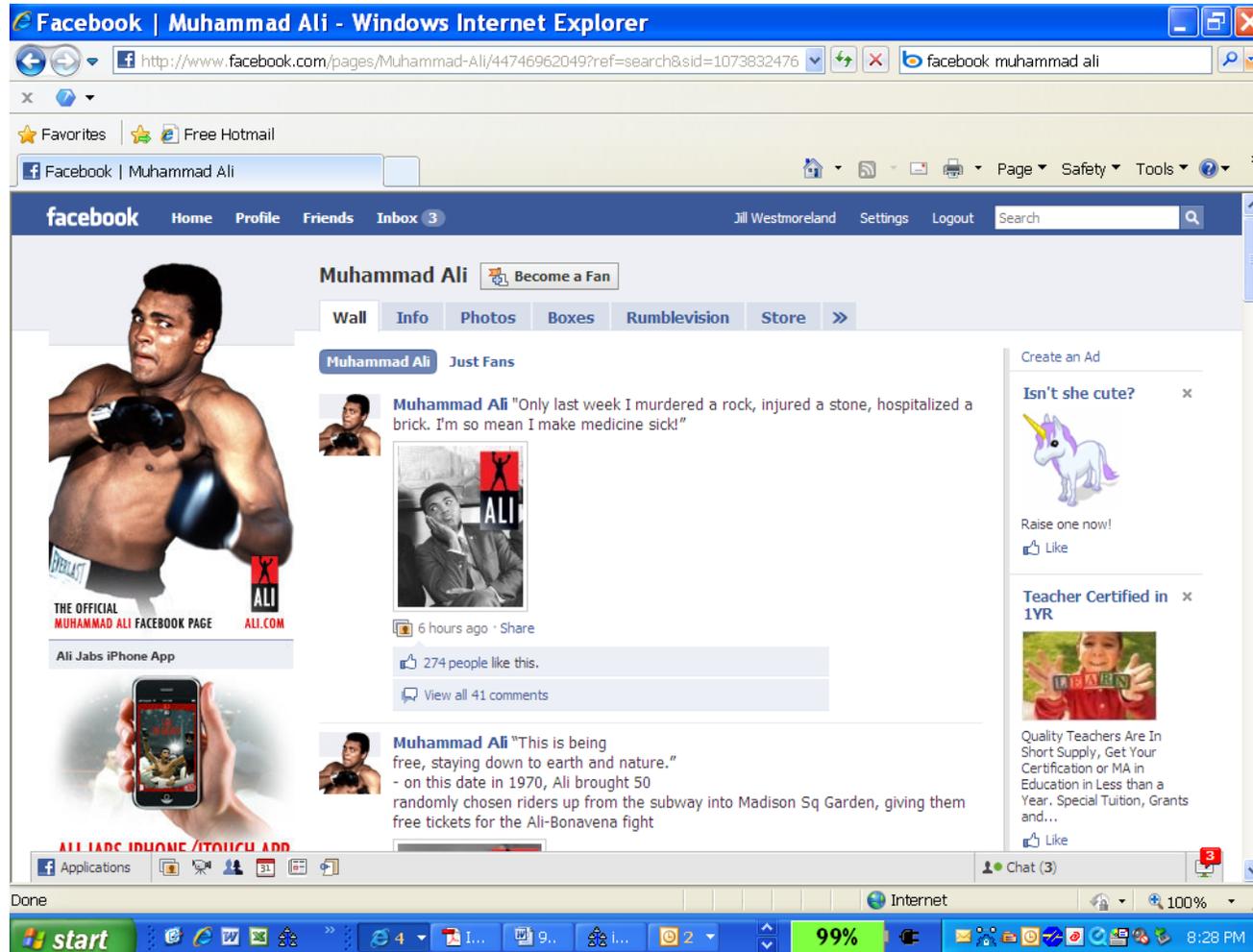
GRACELAND TOURS
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The Presley Radio
24 HOURS A DAY LIVE RADIO

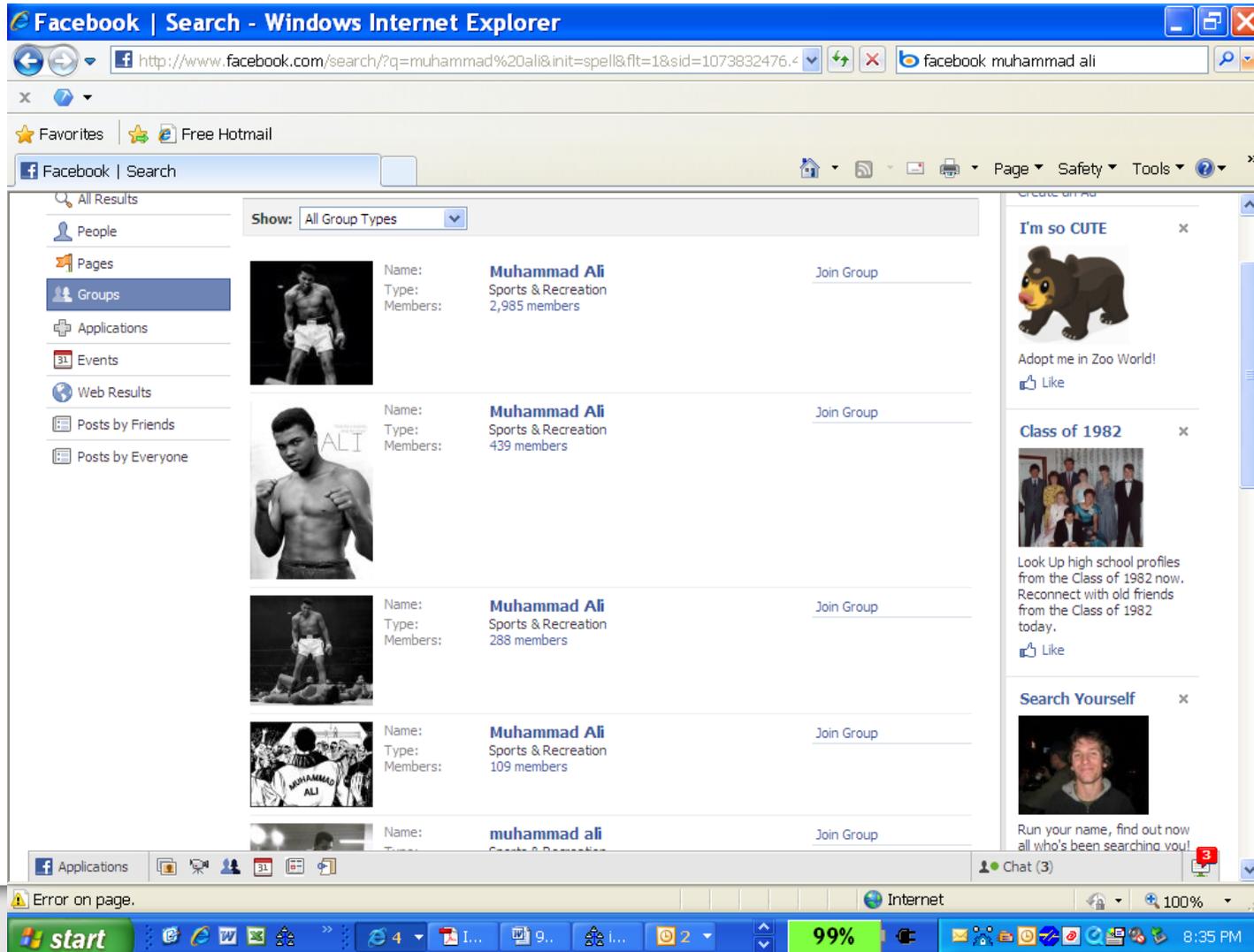
Commercial Web Site



Official Muhammad Ali Facebook Page



Unofficial Muhammad Ali Fan Pages



Questions & Answers



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