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# IP INSIGHTS

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## Copyright and trademark law

### Ignorance of the law can lead to liability

(Part two of two parts)

Promoting your products and services inevitably involves your business in the world of copyrights and trademarks.

"Familiarity with copyright and trademark laws helps businesses to recognize problems *before* they become costly mistakes," said **Shelley J. Safer**, an intellectual property attorney at Lathrop & Clark LLP.

Safer said the following hypotheticals raise common misconceptions:

**Q. One of our competitors is using the trademark EASYGUARD for home security systems. Is it okay if our company uses the trademark E-Z GARD for similar security systems?**

**A. No.** You cannot avoid trademark infringement simply by altering the spelling of your competitor's trademark. The test is whether the accused infringing mark is "likely to cause confusion, or to cause mistake, or to deceive." Courts often consider the degree of similarity between marks in sound, appearance and meaning. You should resist the temptation to adopt a trademark that is the phonetic equivalent of your competitor's mark.

**Q. Our company owns a state trademark registration for NOSTALGIA for "oldies" compact discs. Does that mean we can use the symbol "®" on our labels, packaging and advertising?**

**A. No.** The registration symbol, "®" or "Registered in U.S. Patent & Trademark Office," may only be used if your company has obtained a federal registration from the U.S. Patent and Trademark Office. However, anyone claiming trademark rights may use the "™" (trade-

mark) or "SM" (service mark) designation to alert the public to possible trademark rights. In other words, it is not necessary to own a trademark registration, or to have filed an application for trademark registration, or to ask anyone for permission in order to use the "™" or "SM" designation.

**Q. Our company is interested in marketing its products in Europe and would like to obtain trademark protection in France, Germany, Italy, the Netherlands and Spain. We've heard that obtaining trademark registrations internationally can be costly and time-consuming. Do we have to file a separate trademark application in each of the listed countries?**

**A. No.** As of April 1, 1996, you can file a single application for a Community Trademark Registration that covers the 15 countries of the European Union, including each of the above. The main advantage is that the acquisition and maintenance of trademark rights in Europe should be considerably less costly. However, there may be some disadvantages. For example, third parties with prior rights in any of the 15 countries may oppose the application and potentially prevent registration.

**Q. We have just learned that our company's trademark has been registered as a domain name by a cybersquatter (someone who registers a domain name with the intention of selling it back to the rightful trademark owner for a profit). We are concerned that we will be unable to litigate this matter in court because of the time and expense. Is litigation our only option?**

**A. No.** Domain name disputes can now be resolved

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using the online arbitration process established by the Internet Corporation for Assigned Names and Numbers (ICANN). The new process reportedly can provide a quick resolution at a fraction of the cost of litigation.

***Q. Our company obtained a license from an artist that allows us to use his artwork on packaging for one of our products. Now we would like to use the same artwork as a graphic element on our company's web site. Do we need to obtain another license from the artist for this new use?***

**A.** Yes. If the first license was limited to a particular use, such as packaging for a product, you cannot rely on that license for a new and unrelated use. You should contact the artist and obtain a license to use the artwork on your web site or perhaps a blanket license that would cover any future use by your company.

***Q. I have written a book including several verbatim paragraphs from an article written by a recognized authority in my field. Since I have***

***given credit to the author, may I dispense with obtaining her permission to use the material in my book?***

**A.** No. Simply giving credit (attribution) to another author is not a substitute for obtaining copyright permission. Your unauthorized use of the copyrighted material may violate the rights of the author as well as the publishers, and you could be sued for copyright infringement.

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*During her more than 20 years of practice, Shelley J. Safer has counseled software developers, manufacturers, insurance and financial institutions, advertising agencies, authors, publishers and artists on copyright and trademark issues.*

*Her practice focuses on the development and management of domestic and international trademark portfolios, trademark selection, registration and enforcement of trademarks and copyrights, Internet domain name issues, the licensing of intellectual property and litigation involving infringement.*

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