IP INSIGHTS

Vol. 1, No. 2 November 2000

Copyright and trademark law

What businesses don't know can cost them

(Part one of two parts)

Failure to understand and adhere to trademark and copyright laws could result in expensive mistakes for businesses.

"Ignorance of the law is no excuse," said ***Shelley J. Safer***, an intellectual property attorney at Lathrop & Clark. "Unfortunately, even an inadvertent violation of trademark and copyright laws can be costly."

Safer said the following questions point to some common misunderstandings:

Q. ***I found an excellent article that was published without a copyright notice in 1992. I would like to make copies to send to my business clients. Can it be copied without risking liability for copyright infringement?***

A. No. For works published on or after March 1, 1989, use of a copyright notice is no longer required to maintain copyright protection. Therefore, you should assume that the article is copyrighted. It should not be copied and disseminated without first obtaining the author's permission. The "fair use" doctrine allows for limited exceptions, but generally, it is not safe for a business to rely on them.

Q. ***Our company hired a programmer as an independent contractor to create a computer program unique to our business. We would like to market the software to similar businesses nationwide. The programmer says he owns the copyright and refuses to let our company license the program. Can he do that?***

A. Yes. The independent contractor, as the author, can prevent you from licensing the program, *unless* he agreed in writing to assign ownership of the software to your company. Whether you intend to license software or use it in your business, you should always have independent contractors sign a written agreement, granting all copyrights to the company.

Q. ***We're about to launch a costly ad campaign for our company's new product. We've searched the Yahoo® and Alta Vista® search engines and have found no exact hits for our new product name. Does that mean the name is available for use and trademark registration?***

A. No. While an Internet search may give you some indication of third-party use, it will not answer a key question–whether the trademark is registered with the U.S. Patent & Trademark Office (USPTO) or any state. The records of the USPTO may be searched free online at http:// www.uspto.gov. Currently, there appear to be no free searching resources covering the trademark registrations of all 50 states. Therefore, before making a substantial investment in a new product name, a full search should be conducted by an attorney or a recognized trademark search firm.

Q. ***For many years, our corporation has owned a federal trademark registration for NOVATAR for a migraine medication. Recently, we decided to begin selling our products on the Internet, but we have found that one of our competitors has already registered our preferred Internet domain name, "novatar.com." Since our competitor beat us to the punch, is there anything we can do?***

A. Yes. The Anticybersquatting Consumer Protection Act (ACPA), enacted in November 1999, provides trademark owners with a remedy against anyone who,

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with bad faith intent to profit from another's trademark, "registers, traffics in, or uses a domain name" that is "identical or confusingly similar" to the trademark owner's mark. Under the ACPA, your corporation may be entitled to injunctive relief, actual or statutory damages from $1,000 to $100,000, and attorney's fees and costs. In addition, a court may order the transfer of the domain name to your corporation.

Q. ***Our agency is creating an advertising campaign for a client's new line of cookware. To stimulate sales, we would like to use a photograph of Martha Stewart, but we have not asked for her permission. May we use the photograph as long as we do not state that Ms. Stewart endorses the cookware?***

A. No. The "right of publicity" prevents unauthorized commercial use of one's name or likeness. For example, in Wisconsin, statutory law prevents anyone from using another's name, portrait or picture for advertising or business purposes without *written consent.* To obtain Martha Stewart's consent, payment of an endorsement fee may be required.

Q. ***Our firm would like to use the voice of professional singer Willie Nelson in a radio spot to promote our business. Since we cannot afford the endorsement fee, would it be risky for us to use a singer who can imitate Willie Nelson's distinctive voice?***

A. Yes. The use of a voice imitation may violate Willie Nelson's right of publicity. While the law is uncertain in some states, the Ninth Circuit Court of Appeals, reviewing California law, has found that use of a "sound-alike" in a commercial infringes the celebrity singer's right of publicity.

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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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(Part two will appear in the December newsletter.)

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