

ANA MASTERS OF ADVERTISING LAW CONFERENCE

Intellectual Property Issues in Advertising

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Introduction

- Intellectual property rights are an inherent part of the creation of advertising materials, so creative teams need to know issues that may arise.
- Trademarks and copyrights are among the most common forms of intellectual property implicated by creative materials.



Trademarks, Copyrights and Other Intellectual Property Rights

Understanding Trademarks

- A form of intellectual property used to identify the source or origin of a product or service. Trademarks and service marks can include:
 - Brandnames, business names, logos, product names, slogans, sounds, colors, certain product designs and trade dress.



Understanding Trademarks



The strength of trademark rights exists along a spectrum:

- Fanciful
- Arbitrary
- Suggestive
- Descriptive
- Generic

Understanding Trademarks

- The Lanham Act prohibits the use of "false designations of origin" in connection with goods (or their packaging) and services that may cause confusion, a mistake, or deception regarding:
 - the **affiliation, connection, or association** of the goods or services with another person or entity; or
 - the **origin, sponsorship, or approval** of the goods, services, or commercial activities.



Fair Use of Trademarks

A license or permission to use another party's mark may be unnecessary if the use qualifies as a "fair use," including certain:

- Uses of the mark in a descriptive (non-trademark) sense.
- Nominative uses. For example, in editorial reporting to identify the third party or its product or service.
- Comparative advertising uses.

For comparative advertising uses, also ensure that the third-party mark:

- Appears only to the extent necessary to reference the competing product or service.
- Is used properly, including without modification, alteration, or exaggeration.

Fair Use of Trademarks



Any use of third-party marks should not be deceptive or false. The FTC considers an advertisement to be deceptive if:

- It includes a representation, omission, or practice that is **likely to mislead** the consumer acting reasonably in the circumstances.
- The representation, omission, or practice is **likely to affect the consumer's conduct or decision** regarding a product or service.
- The advertiser does not possess a **reasonable basis**, or substantiation, for believing any representation it makes is true when the representation is made.

Understanding Copyright

A form of intellectual property that gives certain exclusive rights to authors of original creative works, for a limited time. In particular, copyright holders have the exclusive right to:

- (i) **reproduce**;
- (ii) **create derivative works**
(i.e., sequels, translations etc.);
- (iii) **control distribution**;
- (iv) **publicly perform**; and
- (v) **publicly display**.

In some countries, moral rights are important. These are rights to protect the reputational value of creative works.



Understanding Copyright

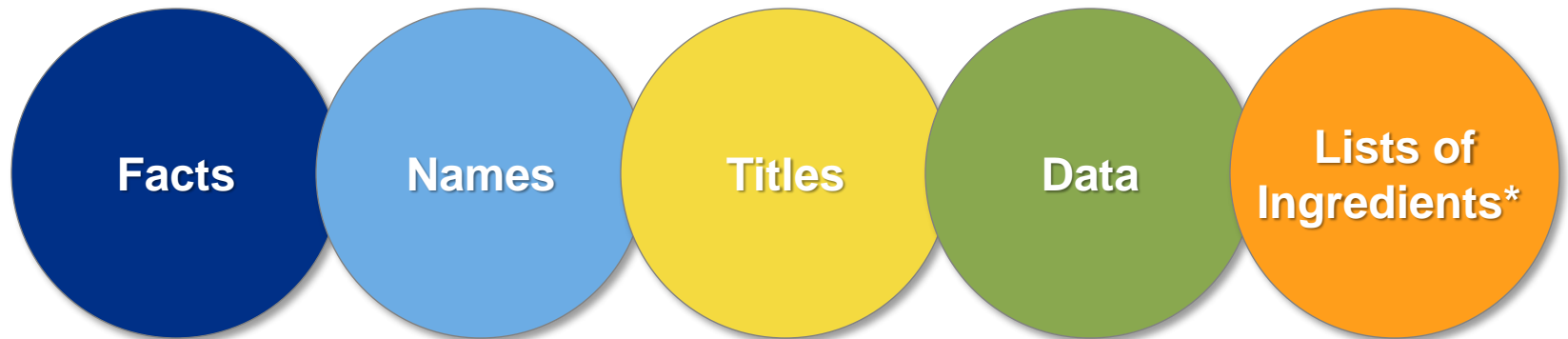


To be eligible for copyright protection, creative works must be:

- (i) **original** (independently created by an author/authors);
- (ii) **creative** (the required level of creativity is minimal); and
- (iii) **fixed in a tangible medium of expression** (which could be paper, canvas, stone, film, digital files, video or audio files of various kinds, etc.)

What Is NOT Protected by Copyright?

Ideas that are not expressed in tangible form:



* A simple list of ingredients is not copyrightable, but if a recipe is accompanied by directions, explanations, stories and other text, it may be protectable.

Fair Use of Copyrighted Material

Fair use is a defense to copyright infringement, based on some combination of four factors:

- the purpose and character of the disputed use;
- the nature of the copyrighted work;
- the amount and substantiality of the copyrighted work used; and
- the effect of the use upon the potential market for the copyrighted work.



Intellectual Property Risks in Advertising

Trademark Risks in Advertising



Under the Lanham Act, liability may arise if an advertising claim is:

- Expressly or implicitly suggests that your product or service is associated with the third-party brand.
- Suggests any endorsement.
- Creates confusion as to source with other materials included in the work.
- Disparages or tarnishes the mark or brand owner
- Factually false or the necessary implication of the claim is false.
- Literally true or ambiguous, but likely to deceive consumers because of an implied message.

Copyright Risks in Advertising

To prove copyright infringement under the Copyright Act, a plaintiff must show that:

- the plaintiff owns the copyright in a protectible creative work;
- the defendant had access to the plaintiff's work; and
- the defendant's work is **substantially similar** to protected aspects of the plaintiff's work



Copyright Risks in Advertising

Copyright infringement analysis focuses on:

- what elements of the plaintiff's work are protected by copyright;
- what evidence exists that the defendant had access to the plaintiff's work; and
- how similar the plaintiff's work is to the defendant's work.



Unfair Competition, Privacy/Publicity and Defamation



Unfair Competition: False Advertising

Deceptive packaging

Dishonest promotions / sweeps and contests

“Free” claims and “negative options”

“Health” claims / Green and environmental claims



Privacy Rights

Right of Privacy

Right of Publicity



Defamation

A false statement, made publicly, that injures a party's reputation

Where Do Risks Arise in Advertising Materials?

- Written text or scripts.
- Reposted or republished material on social media platforms.
- Photographs and videos (including, potentially, photos and videos in which certain artworks or buildings are visible).
- Voice recordings.
- Images featuring people.
- Drawings and other graphics.
- Music: songs, lyrics, recordings.
- Any reference to existing creative material, whether used as “inspiration” or cited explicitly.

Use of Artwork

Use of Artwork in Advertising

General Motors launched “The Art of the Drive,” an advertising campaign for its Cadillac line featuring images of Cadillac vehicles with scenes from Detroit in the background. One of the images included a large mural by a Swiss graffiti artist professionally known as "Smash 137," who had been commissioned by a Detroit art gallery to create an outdoor mural. He sued GM for copyright infringement. GM prevailed on its motion for summary judgment.

Falkner v. General Motors, 393 F.Supp.3d 927 (2018)



Use of Likeness

Use of Likeness in Advertising



Singer Tom Waits successfully sued Frito-Lay for imitating his distinctive voice in a Doritos commercial.

***Waits v. Frito-Lay, Inc.* 978 F.2d 1093 (9th Cir. 1992)**

“ It's part of an artist's odyssey... discovering your own voice and struggling to find the combination of qualities that makes you unique. It's kind of like your face, your identity. ”

Source


<https://www.nytimes.com/2006/01/20/arts/music/20wait.html>

Use of Likeness in Advertising

Actress Katherine Heigl filed a lawsuit in 2014 against Duane Reade for posting a paparazzi photograph on social media that showed her carrying the drugstore chain's shopping bags. The Tweet stated: "Love a quick [#DuaneReade](#) run? Even [@KatieHeigl](#) can't resist shopping [#NYC](#)'s favorite drugstore bit.ly/1gLHctI pic.twitter.com/uGTc3k1Mii"

↩ Reply ↻ Retweet ★ Favorite ⋮ More

Love a quick [#DuaneReade](#) run? Even [@KatieHeigl](#) can't resist shopping [#NYC](#)'s favorite drugstore bit.ly/1gLHctI pic.twitter.com/uGTc3k1Mii



RETWEETS 82 FAVORITES 198

1:47 PM - 18 Mar 2014

Flag media



Use of Likeness in Advertising

Former NBA Hall of Fame basketball player Dominique Wilkins sued insurance company AmeriHealth Partners in May 2024 for unauthorized use of Wilkins' name, likeness and image in its marketing materials for the nausea supplement, PeptideVite. Wilkins claimed to have granted the drug manufacturer rights to use his likeness, but not AmeriHealth.

Wilkins v. Amerihealth Partners, LLC, Case No. 1:24-cv-01972 (N.D. Ga. 2024)



Use of Trademarks

Use of Trademarks in Advertising



The U.S. Olympic and Paralympic Committee filed a lawsuit in federal court in 2024 against energy drink company Prime, alleging infringement of the committee's trademarks on drinks featuring Olympic gold medalist and NBA forward, Kevin Durant. The Committee never had an agreement with Prime.

United States Olympic & Paralympic Committee v. Prime Hydration LLC, Case No. 1:24-cv-02001 (D. Colo. 2024)

Use of Trademarks in Advertising

Recent Courts of Appeal precedent suggests that using a competitor's trademark as a keyword in paid search advertising may not infringe that competitor's trademark rights.

On October 8, 2024, the Second Circuit affirmed the Southern District of New York's ruling that Warby Parker's purchase of keywords containing trademarks owned by 1-800 Contacts did not infringe upon 1-800's trademarks. "The mere act of purchasing a search engine keyword that is a competitor's trademark does not alone, in the context of keyword search advertising, constitute trademark infringement."

***1-800 Contacts, Inc. v. JAND, Inc.*, -- F.4th --, No. 22-1634, 2024 WL 4439136(2d Cir. Oct. 8, 2024)**



Use of Trademarks in Advertising

On October 22, 2024, the Ninth Circuit granted summary judgment, finding that the purchase of a competitor law firm's name as an advertising keyword was not infringing. "The familiarity of sponsored ads to those navigating internet platforms makes the likelihood of confusion inquiry difficult, if not impossible, to satisfy."

***Lerner & Rowe PC v. Brown Engstrand & Shelly LLC*, -- F.4th --, No. 23-16060, 2024 WL 4537915 (9th Cir. Oct. 22, 2024)**



Hypotheticals

What IP
Issues Do
You See in
this Ad?

 OneStopSchoolShop™

Everything you need
for back-to-school
guaranteed!



September
to remember

©2013 OneStopSchoolShop, LLC. All rights reserved.

OneStopSchoolShop, LLC and OneStopSchoolShop.com are trademarks of OneStopSchoolShop, LLC. All other trademarks are the property of their respective owners.

What IP Issues Do You See in this Ad?

The image is a screenshot of an Instagram post. At the top, the status bar shows signal strength, 79% battery, and 07:00 AM. The Instagram app header includes a camera icon, the word "Instagram", and a notification badge with the number "7". Below the header is a row of five circular navigation icons: "Me" (pink), "my_band" (blue), "good_movie" (purple), "business" (green), and "waterfire" (orange). The post is from the account "OneStopSchoolShop", indicated by a red bullseye icon and the name. The main content is an advertisement with a red and yellow background. It features a large orange bow, a small black and white photo of Albert Einstein sticking his tongue out, and the text "Raise the next Einstein!". The OneStopSchoolShop logo is at the top left of the ad, and a tagline "Everything you need for back-to-school guaranteed!" is at the top right. At the bottom of the ad is an "eco FRIENDLY" logo and the text "September to remember". Below the ad are the standard Instagram interaction icons: heart, comment, share, and bookmark. The caption reads "Like by good_morning and 102 other samuel_band WOW.. Amazing!" and "view all 58 comments". At the bottom of the post is a comment input field with a "Me" icon and the text "Add comment...". The bottom navigation bar of the app is visible at the very bottom, showing icons for home, search, post, activity, and profile.

What IP Issues Do You See in this Ad?

The screenshot shows an Instagram post from the account 'OneStopSchoolShop'. At the top, the Instagram interface is visible with the status bar showing 79% battery and 07:00 AM. The post features a photograph of Taylor Swift standing next to a yellow school bus. The bus is filled with school supplies, including a large set of colorful pencils in the back and a stack of colorful pencils in the front. A red banner with white text reads 'I'M FEELING BACK TO SCHOOL'. Below the photo, the caption reads: 'Even Taylor loves us! #TaylorApproved. Does your kid approve, too? Show us and tag us for a chance to win a lifetime supply of free supplies!'. The post has 102 likes and 58 comments. The user 'good_morning' and 'samuel_band' are mentioned in the comments. The bottom of the screen shows the Instagram navigation bar with icons for home, search, post, activity, and profile.

Instagram

You my_band good_movie business waterfire

OneStopSchoolShop

I'M FEELING BACK TO SCHOOL

Even Taylor loves us! #TaylorApproved. Does your kid approve, too? Show us and tag us for a chance to win a lifetime supply of free supplies!

Like by good_morning and 102 other samuel_band WOW.. Amazing!

view all 58 comments

Add comment...



What IP Issues Do You See in this Ad?

The screenshot shows an Instagram post from the account 'OneStopSchoolShop'. At the top, the Instagram interface is visible with the status bar showing 79% battery and 07:00 AM. The post features a photograph of Taylor Swift standing next to a yellow school bus. The bus is decorated with a large orange bow and filled with colorful pencils. A white text box with a red border is overlaid on the image, containing the text 'I'M FEELING BACK TO SCHOOL'. Below the image, the caption reads: 'Even Taylor loves us! #TaylorApproved. Does your kid approve, too? Show us and tag us for a chance to win a lifetime supply of free supplies!'. The post has 102 likes and a comment from 'samuel_band' saying 'WOW.. Amazing!'. There are 58 comments in total. The bottom of the post shows the 'Me' profile icon and a text input field for comments.

Instagram

You my_band good_movie business waterfire

OneStopSchoolShop

I'M FEELING BACK TO SCHOOL

Even Taylor loves us! #TaylorApproved. Does your kid approve, too? Show us and tag us for a chance to win a lifetime supply of free supplies!

Like by good_morning and 102 other samuel_band WOW.. Amazing!

view all 58 comments

Add comment...

**What IP
Issues Do
You See in
this Ad?**

 **OneStopSchoolShop™**

**GET MORE.
SPEND LESS.**

than at

STAPLES



September
to remember



What IP Issues Do You See in this Ad?

OneStopSchoolShop™

GET MORE. SPEND LESS.



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