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Inspiration vs. Duplication: *How to Capture Trends Without Crossing the Legal Line*

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Always exceed expectations through teamwork and excellent client service.

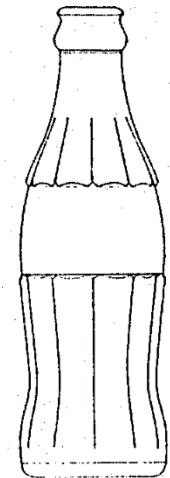
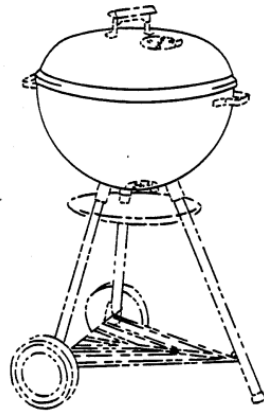
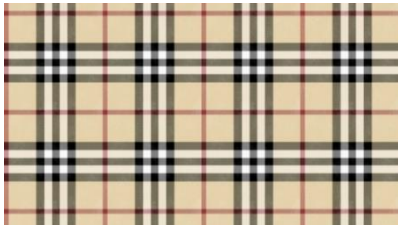
Pathway to Success

- **Identifying Your Intellectual Property**
 - Trademarks / Trade Dress
 - Copyrights
 - Trade Secret / Patents
- **Using your IP / Best Practices**
 - Licensing
 - Social Media / Internet
 - Marketing
 - Influencers

What is a Trademark?

- A trademark is a word, name, phrase, symbol, device, slogan, package / product design, or combination thereof used to designate a source of origin, identify one's product, and distinguish it from the products and quality of others.
- Trademarks are more than a name.

Energizer[®]



Google[™]

Differences between Trademarks, Service Marks and Trade Names

- **Company/Trade/Business Name:** used by a company in its business activities.

The Coca-Cola Company

- Cannot be registered as a trademark unless it also functions as a trademark.
- Even if the Secretary of State's office advises that a corporate name is available, the same name may not be available as a trademark or service mark.
- **Trademark:** identifies the source of goods.



- **Service Mark:** identifies the source of services.
 - In many countries (including the U.S.), “trademarks” and “service marks” may be used interchangeably.

How Do You Use Your Mark?

What are your products?

- e.g., clothing, shoes, jewelry, handbags, furniture that bear your mark / label

What are your services?

- e.g., brick and mortar stores, e-commerce websites, wholesaler services, design services offered under your mark

Nontraditional Trademarks

- Sound



- Color



- Pattern

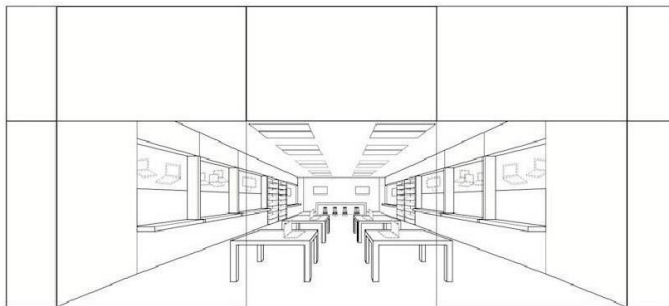
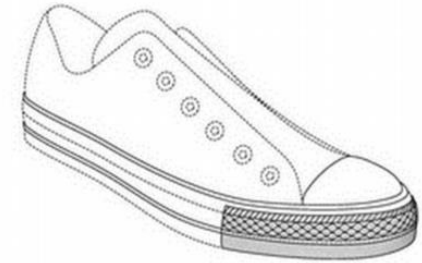
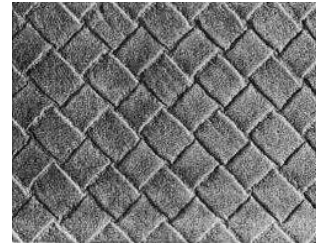


- Fragrance



What is Trade Dress?

- Trade dress is defined as a product's **"total image"** or **"overall appearance"** and "may include features such as **size, shape, color** or **color combinations, texture, graphics** or even certain **sales techniques.**"
- Must be distinctive and non-functional.
- Trade dress allows customers to recognize the source of the product through the **look and feel** of the product itself or its packaging.



What is a Copyright?

- A copyright is a bundle of legal rights granted in connection with an **original work** of **authorship**.
- Grants the copyright owner six exclusive rights.
- The work must be:
 - Original
 - Fixed in a Tangible Medium

“Bundle” of Rights:

- Reproduce
- Create derivative works
- Distribute copies
- Perform publicly
- Display publicly
- Digitally transmit

Assessing Potential Copyrights

■ Items that can be copyrighted:

- Graphics
- Photographs
- Marketing ads
- Packaging artwork
- Website copy
- Software code
- Original audio / video content



What is a Trade Secret?



Trade secrets protect confidential information or proprietary information of commercial value.

Typically, a trade secret protects recipes, processes, formulas, patterns, methods, compilations (such as customer lists), or techniques that are maintained in secrecy.

Trade secrets grant owners the right to prevent proprietary information from being used or disclosed without consent by others in a manner that is contrary to honest commercial practice.

What is a Patent?

- **Utility patents** cover any "new and useful process, machine or composition of matter."
- **Design patents** cover any "new, original and ornamental design for an article of manufacture."

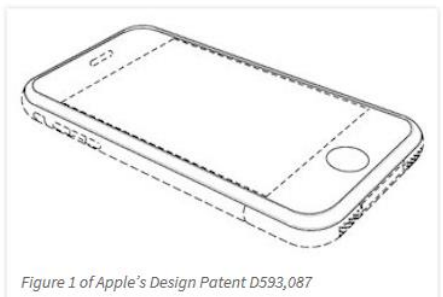
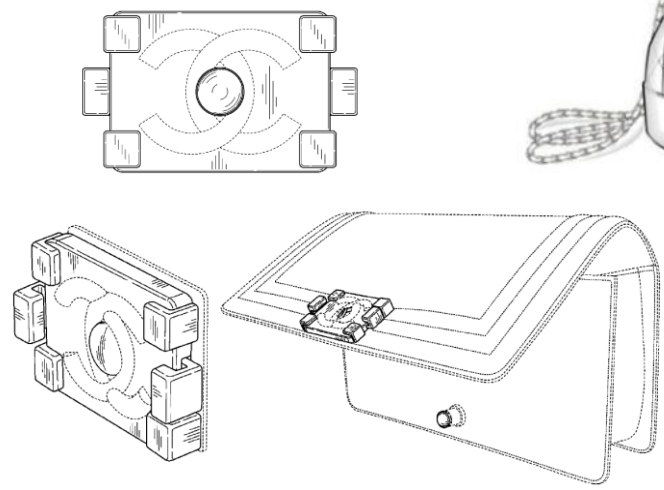


Figure 1 of Apple's Design Patent D593,087



Copyrights and Fashion

U.S. Supreme Court 2017 Decision: Star Athletica, LLC v. Varsity Brands, Inc.



- March 2017 decision announced a two-part test for determining the copyrightability of pictorial, graphical, and sculptural elements of useful articles like clothing.
- A feature incorporated into the design of a useful article can be eligible for copyright protection only if the feature:
 - can be perceived as a two- or three-dimensional work of art separate from the useful article; and
 - would qualify as a protectable pictorial, graphic or sculptural work - either on its own or fixed in some other tangible medium of expression - if it were imagined separately from the useful article into which it is incorporated.

Copyrights and Fashion

Post Star Athletica – Silvertop Associates

Silvertop Assocs., Inc. v. Kangaroo Mfg., Inc., 319 F. Supp. 3d 754 (D.N.J. 2018)

- Silvertop (d/b/a Rasta Imposta) alleged that Kangaroo copied the design of its banana costume.
- Viewing the banana costume as whole, **the court found a reasonable probability of success that ownership of a valid copyright in the design of a banana costume would be proven.**
- Court-identified features of the banana costume that had a pictorial, graphic, or sculptural quality:
 - the overall length of the costume
 - the overall shape of the design in terms of curvature
 - the length of the shape both above and below the torso of the wearer
 - the shape, size and jet-black color of both ends
 - the location of the head and arm cutouts which dictate how the costume drapes on and protrudes from a wearer (as opposed to the mere existence of the cutout holes)
 - the soft, smooth, almost shiny look and feel of the chosen synthetic fabric
 - the parallel lines which mimic the ridges on a banana in three-dimensional form
 - the bright shade of a golden yellow and uniform color that appears distinct from the more muted and inconsistent tones of a natural banana.

RASTA IMPOSTA



KANGAROO ITEM 10477

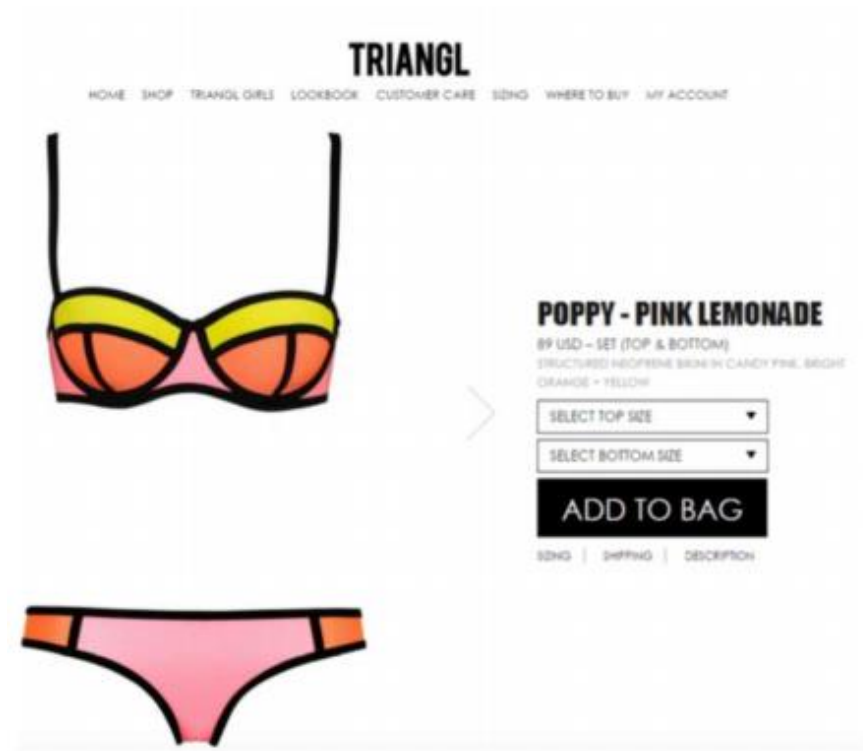


Copyrights and Fashion

Post Star Athletica – Triangl Group

Triangl Grp. Ltd. v. Jiangmen City Xinhui Dist. Lingzhi Garment Co., No. 16 CIV. 1498 PGG, 2017 WL 2829752 (S.D.N.Y. June 22, 2017)

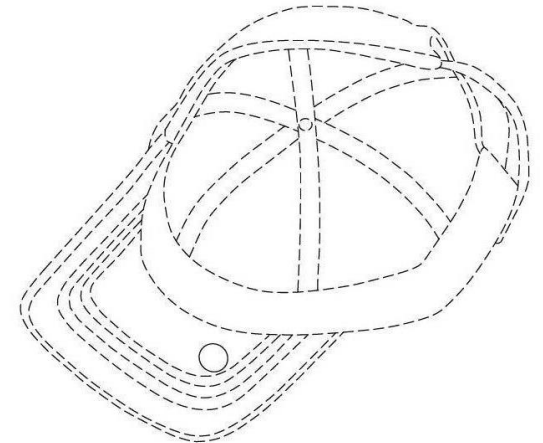
- District Court granted a motion for default judgment and permanent injunction involving alleged infringement of swimsuit designs.
- In view of Star Athletica, the court noted that it appears most of plaintiffs' designs are copyrightable because the decorative black trim and T-shape are physically separable and demonstrable as works of art.



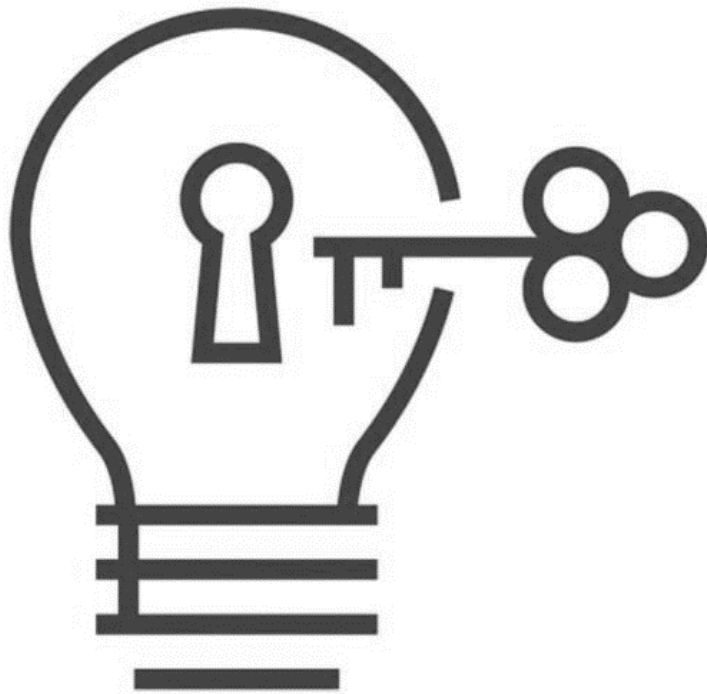
Identifying Intellectual Property



Lusso



Using Your Company's IP: Best Practices



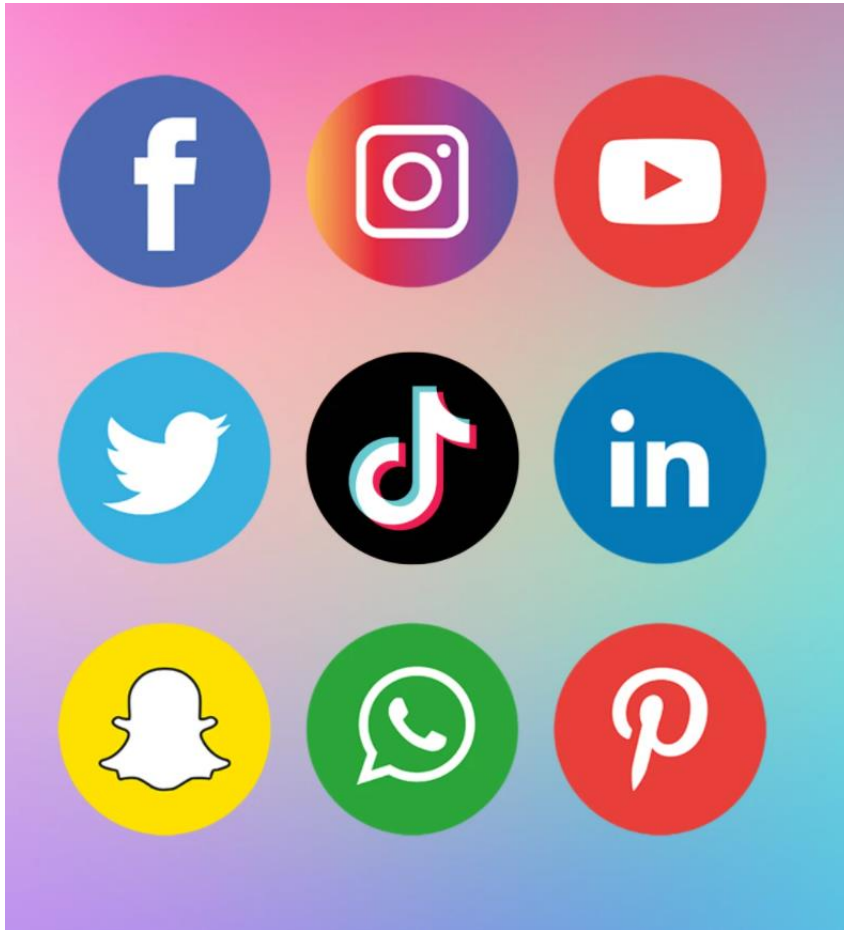
Licensing

Social Media / Internet

Marketing

Influencers

Social Media / Internet



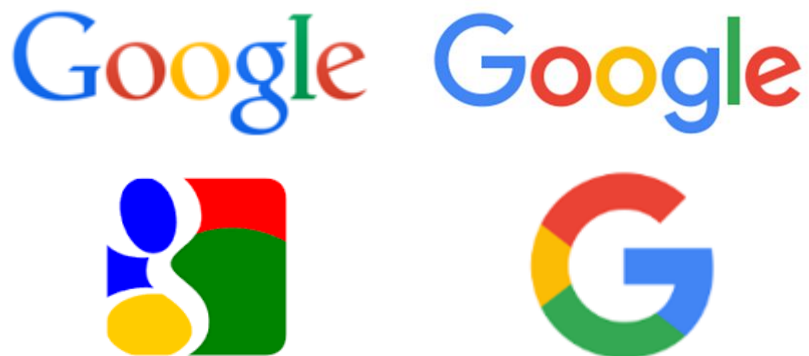
Make registration of domain names and social media accounts a priority, even if you don't plan on being active.

Consider trademark and/or copyright protection for graphic design of mobile app icons.

Purchasing competitor's trademarks as keywords for search engine optimization (SEO) may be risky.

Developing and Protecting a Brand in the Internet Age

- Consistent use of your trademark.
- High % of users on smartphones.
- Create a logo that stands out not only on a computer screen or tablet but also on a device that fits in the palm of one's hand.



Bold colors, letters and simple images make for easy-to-read marks, but distinctive marks that are enforceable may be harder to create.



Marketing

- Promotions
- Real-Time Marketing

PROMOTIONS

- Sweepstakes and Contests
- “Follow, tag a friend, and use the hashtag for a chance to win!”



REAL-TIME MARKETING

- Used to capitalize on current events when consumers are likely to be engaged in social media (high-profile sporting events, award shows, breaking news)
- Commercialization / Corporations vs. Individuals / Private Use
- Engaging is OK but don't imply endorsement / affiliation.
- Avoid using trademarks / trade dress of others (disclaimers can help).



Marketing

- Nominative Fair Use
- Claims vs. Puffery



NOMINATIVE FAIR USE

COMPARATIVE ADVERTISING

- Comparing your products or services to a competitor's.
- Per the FTC, must have a reasonable basis for any express or implied claims.
- Permissible if the comparison can be substantiated.
- Only use as much of the third-party mark as is necessary to identify your product or service.
- Do not prominently or position competitor's mark in a manner that implies an affiliation.

"COMPATIBLE WITH"

- Using a third-party mark to inform consumers that your product is compatible with a third-party product.
- Fair Use if:
 - ✓ your product is actually compatible with the other product.
 - ✓ your product cannot be readily identifiable without using the mark.
 - ✓ you only use as much of the mark as is reasonably necessary to identify your product.
 - ✓ you do not do or say anything that suggests endorsement by the third-party.

CLAIMS VS. PUFFERY

- Express Claim
 - My product works better than Product X
- Implied Claim
 - Do you want to feel like you are walking on air?
- Puffery
 - Ultra soft

Claim	Puffery
"Whiter is not possible"	"100 times better"
"Super absorbent"	"Ultra soft"
"Taste the difference"	"The best in entertainment"

Influencers / Native Advertising

- Per FTC: “content that bears a similarity to the news, feature articles, product reviews, entertainment, and other material that surrounds it online.”
- Brand owners are prohibited from misrepresenting that an influencer is an ordinary consumer when / if the influencer has been paid to promote your brand.
- Your partnership with the influencer must be disclosed in a “clear and conspicuous” manner.
- FTC penalties have been assessed for failing to disclose the paid nature of the content.



Example Guidelines

- <https://www.ftc.gov/tips-advice/business-center/guidance/native-advertising-guide-businesses>
- https://www.ftc.gov/system/files/documents/public_statements/896923/151222deceptiveenforcement.pdf

When to Engage an Attorney?

- **Entity Formation**
- **Protection of IP Rights**
 - Expanding your product line
 - Launching a new brand
- **Licensing**
- **Marketing / Packaging Review**
- **Internet / Social Media Advice**
- **Website Terms and Conditions / Privacy Policy**
- **Sweepstakes and Contests**
- **Enforcement / Cease and Desist Letters**
- **Acquisitions or Divestitures**

Questions?



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