

EPISODE 5

[00:00:00.3] AWB: You are listening to the Legal Road Map Podcast, episode five. Today, we are diving into a series of episodes which will cover intellectual property for your business; copyright, trademarks, patents, trade secrets, all the good stuff that you need to know to make sure you are protecting your business's assets and also not infringing other people's rights.

[INTRODUCTION]

Welcome to the Legal Road Map Podcast with lawyer Autumn Witt Boyd. She's bringing creative entrepreneurs the copyright, trademark, and business info you need. Learn how to navigate legal issues for your business and protect your rights so you can confidently build your dream business.

[00:00:49.6] AWB: Hi everybody, Lawyer Autumn Witt Boyd here today. If this is your first time joining us, I'm so excited you're here. We are diving in today to the intellectual properties section of this first season of the podcast. So the podcast is 12 episodes in this first season to help you get all of your creative business' legal ducks in a row. We'll have show notes for every episode on my website. Today's can be found at awbfirm.com/podcast5.

You can always click on the podcast link at the top of the website if you can't remember which episode number you're looking for. We'll have a transcript and links to all the resources that are mentioned in every episode there, and also a super useful downloadable for every episode, so be sure to go check that out. Now let's dive into intellectual property.

[EPISODE]

[00:01:34.6] AWB: Hi everybody, standard disclaimer before we jump in. Everything I am talking about today is information. It's not legal advice. I am a lawyer licensed in Tennessee, but I am not your lawyer unless you hire me and we decide to work together one-on-one. Everything that I am talking about today is based on US copyright and trademark law, and I am going to give a disclaimer, I am taping this in October 2016. US laws change all the time. So if you are listening

to this quite a bit down the road, I would definitely double-check anything that I have said today before you act on it, because I can't guarantee that the laws have not changed.

So let's get started. As a creative business, one of your biggest assets is probably going to be your intellectual property. So what does that mean? Intellectual property in the United States just means things that are what we call "intangible properties".

You may have created something, but it's not a piece of equipment on your warehouse floor. It is something that you use to do things, or maybe even sell it, but you can't put your hands on it. Often — some of it you can, like a book or a movie, but often we think about it as those intangibles. So when we think about intellectual property for your business, I'd like to go through and think about what do you have that is worth protecting.

So we'll start with copyrights, and in this episode, I'm really just going to give a really high-level overview of the different kinds of intellectual property. What they protect, things you need to know or think about, and then we're going to dive in deeper in future episodes to copyrights and trademarks. Those are what are most relevant to most creative businesses.

A copyright protects what are called "original works of authorship". Think about this as creative works, so things like photographs and music, books, movies, art works, sculptures or paintings. It also protects software, so it protects code and other kind of creative work. It can protect things like the content on your blog or your website. It can protect an e-course, it can protect a PDF worksheet or workbook that you've created. Anything that you think of as a creative work.

It does not protect facts or ideas, so it can only protect the way you express facts or ideas. So a common question I get is, "Oh I've got this process or this system that I use in my business. Can I protect it with a copyright?" That's something that may be protectable by patent, and we'll talk about that in a second, but as far as copyrights go, if you have a system that you use in your business, you may be able to protect it with copyright if you have written it out, or if you have created a guidebook that you use in your business, or you've got some sort of flow chart that you use.

There's different ways that you could protect it, but copyright is only going to protect the way it's expressed. It's going to protect the words that you use to describe it. It's not going to protect you from someone learning your process and going and writing their own guidebook that describes the process. So it's going to protect the way that you express things. It's not going to protect underlying ideas. This is also true for things like stories.

People often say there are no new stories, it's just different ways of writing them. If you look back at Shakespeare, all of the very common story lines have already been written. What's new and interesting is the way that people write them, the kinds of characters they use, the way they structure their stories, the wording that they use, and that's what we talk about when we mean the way an idea is expressed. So you could protect those words, but you can't protect the idea of a Romeo and Juliet type story, where you got star-crossed lovers whose families don't want them to get together. That idea is not protectable, but the way that it's written, in Shakespeare versus a modern adaptation, those would be protectable.

So copyright gives you what copyright lawyers call a bundle of rights. So you get lots of different things that you can do if you're the owner of a copyright, and that you can keep other people from doing with your stuff. So you get the right to use the work. You get the right to distribute the work; to send it out. You have the right to display the work, so to hang it in a gallery or to project it on a wall. For things like plays or music, you have the right to perform the work, and you have the right to create derivative works.

Now this is a funny way of saying it. What a derivative work is; it's just a work based on another work. So let's say I create a painting of the beach and it's my own creative work. I was at the beach, I painted it, it's gorgeous, I love it. I decide that I want to create another painting that is based on the first painting. So maybe it has the same scene, but I use different colors, or I decide I want to make it more abstract. I, as the creator of that first work, am the only one who can create another work based on that first work. I get a lot of questions, "Well if I change it 10%, is that okay?" There is no magic number that you can change it and be okay.

The person who created the work is the only one who has the right to create other works based on it, and to permit other people to do that. Now the interesting thing with copyrights is it is an exclusive right that you have as the copyright owner, but you could have 10 people stand in the

same spot on the beach and take a picture, and I say this, it makes the most sense with photos than with paintings. Every painting is going to be a little bit different. But you could have 10 people stand in the exact same spot, take the exact same picture, and each of them would own the copyright to the one that they created.

So it doesn't have to be unique. There is no requirement that it be individual or different than other things. There is a minimal level of creativity that is required, but that bar is pretty low. So as long as you are making some judgements and some choices as you are creating that photograph, you would own the copyright to that, and the person who stood in your same spot five minutes later and took the exact same photograph, they would own the copyrights to that photograph.

So if you created it, then you own it. Words that you will hear me use as we're going through this: use without permission is called infringement. So I know that is a big weird word. All that means is that someone is using your stuff without permission. Infringement. So when you hear me use that word throughout, that's what it means.

Copyright registration. So in the US, you get automatic protection as soon as what's called you fix something in a tangible medium. I'm not going to get too into the weeds here, but I just want to let you know that it is automatic protection in the United States. The second that you either write something down, record it, put it on a computer file, scribble on a notepad; any of those ways, as soon as the idea is out of your head and expressed on something that you can see or access at a later date, like a computer file, then you are protected.

Now, if you register, you get additional protections. Again, we'll go into those on another episode more in detail, but I just want you to know that you don't have to register in the US to get protection. You can get extra benefits by registering, and if you want to register a copyright there, you can do it on the copyright.gov website. It's a very low filing fee, it's \$35 to \$55 depending on the kind of work, and the law is pretty generous if you make a mistake.

It is written to be encouraging to people to register. They want you to register your work, because they are basically trying to create a giant catalog of work. They want to get the copies that you have to send, and they want those in the Library of Congress. You're basically donating

a copy of your work to the Library of Congress. So they try to incentivize that by making it pretty easy, and the law being pretty friendly. So if you make a mistake, it's pretty generous. We'll talk more about the pros and cons of registering in a later episode.

So let's move on to trademarks. A trademark — or a service mark, as they're sometimes called — is anything that identifies the source of a product or a service. So think about a company name, a slogan, a company logo, anything that identifies a company or a service, so that when you see it, like when you see the golden arches at McDonald's, you immediately — even if you see it and there's no word with it, you see it and you immediately identify that with McDonald's.

Those are the kinds of things that can be protected by trademarks. It is supposed to show that the particular company or provider is the source of a product or service. So it's not enough to just have something catchy, it has to be connected with a provider of goods or services. You can also protect things like product packaging with — under trademark law. Those are called trade dress. So it's a little bit different from a trademark, but it's the same concepts. You can protect things like colors that identify a business. So when you think of the color Tiffany Blue, that is protected by trademark law. Or the red on the bottom of Louis Vuitton shoes. There's currently some litigation going on about that, but those things, when you see them, you immediately think of the brand. Those are the things that can be protected by trademark law.

The most important thing that I want you to think about as a creative business with trademarks is that when you're choosing the name for your business, or your products or services, you must check to make sure that no one else has already used the name. The reason for that is that in the United States, our trademark law is based on use. So you get rights to use a trademark or you get rights to keep other people from using the trademark by using it in your own business.

So you can't have an idea of this great business name and keep other people from using it if you haven't actually started that business and started using it in your business. There is a little exception in the trademark registration system that we'll talk about more, but the general rule is, it's a race system. The first person to use a name, or a word, or a logo, or a slogan in their business is the winner. They get all the rights.

So when you are choosing your business name, it's not enough to just make sure that the domain name is available. You have to check and see if there's another business that is already using that name. I get a lot of clients who come to me in their second or third year of business, and all they did was a domain search when they were setting up their business, and then they are ready at that point. They've built up a brand, and they have the resources to register their trademark — which is an expensive process and we'll talk about that in a second — but they get to that point, and I do a trademark search, because I never file a trademark registration without making sure it's clear, and I find another company that is already been using that name.

Maybe it's registered, maybe it's not. It doesn't matter in the United States whether it's registered or not. If someone else is using it with their business, and its similar products or services to yours, then you cannot use that same name without infringing their rights. There's that infringement word again. It is so critically important, because you are basically a sitting target for a lawsuit if you chose a name that someone else is already using. You are a target definitely for a cease and desist letter, and potentially a lawsuit.

What you don't want is for you to be building a brand, and you are investing a lot of resources in your marketing, and product awareness, and brand awareness, and you get to a point — it's never in the beginning when you are a small fry. It's usually after you get big and you have something that is actually worth protecting that then someone sees you as a target to come after.

So if you take nothing else away from this episode, I want you to go do a search right now, if you haven't already, and find out if there's another company in your geographic area, or if it's an internet business. It's really across the United States as long as they're doing business across the United States. Same geographic area and similar products or services. That could be a big problem for you. Then you could talk with a lawyer and figure out do you need to rebrand, or you can evaluate the risk.

Maybe it's a company that is not likely to sue you, and you can evaluate. You can look at their history and figure out what the probability is that you would be sued, but you definitely need to know. Then if it does look like you are a sitting target for being sued, it's probably going to be a

good time to go ahead and think about a different business name, or pivoting a little bit in your marketing so that you are not going to get in trouble.

How do you search for a trademark to find if somebody else is already using it? Here are the things that I usually do. I always start with Google, and that's the simplest and easiest way, but you want to get past the first couple of pages. So it's not good enough to just look at the first page of results. Go ahead and dig a little deeper to see. I always will try some different spellings or different combinations of words. Let's say like, when I did a trademark search before I chose my podcast name.

So when I was looking at Legal Road Map, I also did roadmap together, and I did road and map as separate words. I changed around the order to see if they would come up a different way. I used quotation marks and I used no quotation marks. I used lawyer roadmap in addition to legal roadmap. So with trademark law, even if it's not an exact match, if it's similar it could still be a problem. The standard with trademark infringement is going to be whether a potential customer would be confused about the source of the goods or products.

So you always want to think if someone — I get people who ask me all the time, “Is this too close or would this be trademark infringement?” There's never a black and white answer. The question to ask yourself is if somebody saw my thing, and the other thing that I am worried about maybe infringing, if they saw them side-by-side on a shelf, or side-by-side on a website, would they be confused about whether they came from the same company?

If they would be confused, then that's trademark infringement. If they wouldn't be, if it's really clear either they're a totally different product, or the marketing is just aimed at different customer, there's ways that you can distinguish yourself where it wouldn't be trademark infringement, but it's very much a case by case analysis. You have to look at all the different factors for your particular issue.

So you could have a case where even if it's not the identical name, it's really close. Or it's a different spelling, but it sounds the same. There's ways that you can infringe without having an exact match. I have a client right now who is fighting an infringement battle, and her business has two names, and the infringer has the same — or two words, and the infringer just flipped the

words, but the overall impression is exactly the same. It's still totally confusing. If you look up her business name, the other one pops up from a Google search even though the words are transposed, they're in a different order.

So it's not always a simple analysis. Sometimes, if you do find that you're questioning whether you are too close to someone else, it's definitely a good time to sit down with a lawyer and figure it out. They will know all the rules and how to figure that out for you, but if you find an exact match and it's the same products, same geographical area, that is definitely going to be a problem for you.

So in addition to Google, Google is going to be your first one, the next one is — and especially if you're a really local business, or if you have a physical location, you definitely want to check your state websites. Wherever they have a database of business names, you want to check that, because there are businesses that operate with no online presence, and you could still have a potential trademark issue. So definitely look up in your state's registry of businesses, that's where people will register. You can register a state trademark, and then also if they have set up an LLC, or a corporation, or registered as a sole proprietorship or a partnership.

Which I talk about in episode four, if you need more info about that. It's usually your Secretary of State's website is going to be where you find that database, and you can just type in different words. With those, they usually don't have as robust searching as Google. So you're typically just going to be looking for an exact match for that, but you again might want to try some different variations on the name that you want to use. Like I said, Legal Road Map versus Lawyer Road Map, different ways to look for that so that you can make sure there is not a business with no online presence, but it still is using that trademark.

The third thing to do is to check the US Trademark database. It's called TESS, and you're going to go to uspto.gov to find that then. I wish I could give you a more direct link. There's no good short direct link, but if you go to uspto.gov and you click on trademarks, then you have to do a couple more clicks to get to the actual database. It's called TESS, is that database. It's a free search. It's very easy, and again, you can search for exact matches or you can do... there's different ways that you can search for similar words, or you can use some wild card search

terms, like an asterisk, or a dollar sign, so that you can get maybe things that start with the same word but end differently.

Like when I was doing my search for the Legal Road Map, before I landed, I searched for legal but then I also used that wild card so that I would get legally. Or I searched for “roadmap” together and separate, and then also you might want to capture plurals, so like road map with the wild card at the end so I’d get roadmap and roadmaps plural. And again, because it doesn’t have to be an exact match, this is why it is really important to do a good search, and this is another area where if you are especially building a brand where you’re going to do a lot of marketing, you’re really going to invest in this brand, it can be well worth your money to hire a lawyer to do a search for you on the front end, just to make sure that you are not opening yourself up to an infringement lawsuit.

A lot of times it doesn’t make sense to spend that money at the beginning, and you just need to do the search on your own, but especially if you’re making a big investment, the amount that it will cost you to hire a lawyer is probably going to be less than a thousand dollars. If you’ve got a marketing budget of \$100,000, that’s a drop in the bucket. So in that case, it might make total sense to make sure that you are choosing a name that is not going to be infringing, and as I mentioned before, finding a domain that’s available is not good enough, because you could be infringing someone’s trademark rights even with a domain that is available. There’s not a requirement that if you own a trademark, you have to buy up every potential variation on the domain name.

I mean now, there’s so many suffixes and different ways of spelling, there’s no way that you can buy up every possible domain name and redirect to your one correct domain. So you can definitely still be infringing, even if that domain name is available. For trademark registration, it’s a little different than copyright registration. So as I mentioned before, trademark is a race system. So the first person to use a trademark with their business wins all the rights, and that’s whether you register it or not. So registration is not required. Those are called common law rights. They’re not exactly automatic, the way the copyright law works, but it’s a similar concept.

Registration in the US is going to give you some additional benefits, the same way the copyright registration does. Not required, but additional benefits. However, the system for registration for a

trademark is very different. It is almost what I would call adversarial, where there is a lawyer at the US Patent and Trademark office, the US PTO, called an examining attorney, and they've got lots of them. They look at every trademark application that comes in, and they are looking for problems. They are looking for reasons to deny it. With the copyright office, they just give their application a once over, as long as everything looks good, there's no really glaring errors, they just basically rubber-stamp it.

With the trademark office, they take a really close look at everything in your application to make sure that it's following all the rules, and this is because in the US, you are getting basically a limited monopoly on using that name. You can keep other people from using that name, or similar names with the same types of products and services, and so they don't want to give that to you unless you've followed all the rules. So this is definitely an area where if you fill out the trademark application — and you can do it online. It's accessible at uspto.gov — it seems pretty simple, but there are so many little tricks and ways that you can make mistakes, and do things wrong, and the filing fee is pretty high. The basic filing fee is \$225 per type of good or products or services that you are using the mark with. So as I mentioned, you could only keep other people from using your trademark in connection with the things that you're actually using it with.

So let's say you have a really cool logo, and you put it on t-shirts and coffee mugs and it identifies your brand and you want to register that. So t-shirts and coffee mugs are going to be in different classes. So you're going to have a filing fee for each of those, and then if later on you want to put it on tote bags, that's an additional class. So that's going to be an additional filing fee, and you're only going to be able to keep people from using a similar logo on those types of items.

So if later on somebody puts it on, I don't know, a cooler, which is going to be a totally different type of goods or services than your coffee mugs and your t-shirts and your tote bags, then you can't sue them for infringement unless you can prove that coolers are closely related to the other things, so it makes sense that you can keep someone from using it because they are not really related goods. So it's really important that when you are filling out that application that you know that you can identify what the goods and services are that you're using your items with, and what you might use them with in the near future.

I'll get more into that in the episode later on in the season about trademarks. We'll get onto registration, but I just want to as a general principle let you know that the trademark registration process is very tricky. I'm not trying to say that everybody needs to hire a lawyer for everything, but this is one area where it really makes sense to hire a lawyer to do it right the first time, because with our example, if you are putting your logo on coffee mugs, t-shirts and tote bags, that's going to be three classes of goods. So three filing fees, you're at almost \$1,000 just in filing fees. And depending on how you file your application, you'd be over, there's filing fees from \$225 to \$325 depending on how you're filling out the application. It can vary a little bit.

So if you are already investing that much, and you're pretty much walking down a dark hallway filled with trap doors that you don't even know where they are, you can waste that money and you can make mistakes that aren't fixable, and then you're basically back where you started with nothing to show for it. So that's definitely an area to consider hiring an attorney to help you. I get a lot of questions about the trademark symbol. So you could use that TM symbol, the little TM, whether or not it's registered, as long as you're using it as a trademark with your business. That's a great idea to do that. It will help you show people that you are using it as a trademark and you are willing to protect it, and that you don't want them using it.

can only use that R in a circle symbol if it's actually registered by the US Patent and Trademark Office. So use that TM symbol for what we call common law trademarks that are not registered. Use the R and a circle if it is registered. I think I skipped this with copyrights. It's a little different for copyrights. That C in a circle symbol, you can use whether it's registered or not, and with all of these symbols, they're not required to be used. It's a good idea, because it shows other people that you are asserting rights, and whatever the thing is that you have the symbol by, it lets them know that you are willing to protect them.

I'm just going to briefly talk about patents, because I am not a patent attorney. In the US, you actually have to sit for a separate bar exam if you're a patent attorney, and you have to have a science or a technical background. Either engineering, or some sort of biology, or a science degree from college. So I was journalism and English, and I have very little science or technical experience. That's why I like working with creatives.

Patents in the US are going to protect inventions, processes, certain kinds of manufacture designs, certain kinds of plants. Think of them as useful items. So pharmaceutical drugs, or a machine, or something that can do something else. A particular process that you use in business can be sometimes eligible for patent protection. This is an area where it's very difficult to do it on your own. Even with trademarks I would say most people could do it on their own if they did enough research, and got really into the nuts and bolts of it. With patents, it's very difficult to do on your own if you're not a patent attorney. It's a very detailed and drawn out process. It is a major investment. The minimum to file a patent application with an attorney is probably going to be \$10,000 to \$15,000, and you're looking probably upwards at \$50,000 if this is a major product, and you are making a major investment in protecting the patent rights.

So that just gives you an idea. There are different kinds of patents. If you have something that you think is patentable, I definitely recommend that you speak with a patent attorney that can give you definitely more detail into what makes sense to protect, what doesn't make sense to protect, and help you get that application on file. It's also a very long process, so it's many, many steps. It can take a year or more to get through that whole process. Something that many businesses have and don't know they have are what's called trade secrets. Now for the longest time this was just a state law protection. Recently, we have a new law that protects them, a new federal law, so that's the same across the United States. What trade secrets are, they protect things that are not public. So it has to be secret. That's the key, and they are valuable to your business.

So examples would be like, the recipe for Coke is a very famous trade secret. Your customer lists are going to be trade secrets. Any processes or systems that you use in your business that help you have a competitive advantage over your competitors and you keep them secret, so you don't let anybody other than your employees who need to know them to do their job, you keep it secret. That can be a trade secret. It's anything that gives you an edge over your competitors.

Now how do you protect it? There's no registration for trade secrets, and every state law is going to be a little different, but the federal law now makes it the same in every state. You protect it by keeping it secret. So you protect it by essentially keeping it under lock and key, like the secret for Coke, or you protect it by requiring your employees to sign agreements that they will keep it secret. Either a non-disclosure agreement that they agree that if they leave your

company, or even while they're at your company, that they're not going to tell anybody. You can put some penalties in there that if they do tell somebody, that will make it very unattractive for them to share it with anyone.

There is no lifetime of a trade secret. Like with copyrights and trademarks, there are different time limits on how long you get the protection, and with trademarks you have to file a renewal. With trade secrets, there's no time period. It is protected as long as you treat it as a trade secret and it stays a secret. So a lot of businesses will ask me how they can protect things with either a copyright or a trademark, but what they really need to do is protect it as a trade secret and again, you protect it by keeping it a secret.

The last thing I'm going to touch on is what's called the right of publicity. This is not a typical area of intellectual property that businesses think of, but when you have a creative business that is based on a personal brand — so if you, and your name, and your face are really key to your brand, which a lot of creative entrepreneurs and online business owners, like Marie Forleo, for example. Her business is based on her name. Now she may have B-School, which is one of her products, but when you hear the name Marie Forleo, you associate with her with teaching new business owners how to run an online business. She has what's called the right of publicity to protect her name and her face. The recognizable parts of her personality. She has the right to keep other people from using those to profit without her permission.

So this is a state law right. It's going to be a little different in every state. It is going to be strongest in the states that have a big entertainment industry. So California, Tennessee, New York are going to have the strongest rights of publicity, where they really protect people who have public personas and high visibility, celebrities. So the right of publicity just means you get to control who can use your face, your name, what's called your likeness, without your permission. So if you are running a business, here's where this also comes into play for businesses. Even if you don't have a personal brand, you need to be really careful with using other people's face or name in your business without their permission.

So let's say you are a web design business, and you want to use an example of a website you created for someone like Marie Forleo, who has a very recognizable face and name. Let's say you did her website, and you want to use that on your portfolio to show what a great job you did.

You would need to get permission from her to use that, because it has her name and her face. Basically, what the right of publicity does is that it prevents you on riding on somebody else's coat tails to build value for your business without their permission.

So there is a famous lawsuit recently. Catherine Heigl, who is a famous actress, she's been in romantic comedies, she was on Grey's Anatomy for a while. She was shopping in, I think it was a CVS or a Walgreen's. She was shopping in a pharmacy, and somebody snapped her picture, and then the pharmacy used her picture to say like, "Even Catherine Heigl shops at our store", and she got very upset and rightly so. She had not given, first of all, hadn't given anyone permission to take her photograph, and certainly hadn't given permission to that company to use her image to basically promote their store and say, "Aren't we cool? Catherine Heigl shops here." She sued them, and I believe it settled for a fair amount of money. So that was violating what's called her right of publicity. So if you are a creative business and you're using pictures of people or people's names, you need to be really careful not to violate that right.

I know I have dumped a lot of information on you here. I'm going to have a free downloadable chart for you as the freebie for this episode that goes over copyrights, trademarks and patents, what each one protects and how they're different. So that should really help you as you're building value in the intellectual property in your business to figure out what you have, and what might be worth protecting. So be sure to head over to awbfirm.com/podcast5 to download that.

I've had a great time chatting with you. In our next episode, episode six, we will dive deeper into trademarks, so be sure to join me there.

[END OF EPISODE]

[00:32:21.3] AWB: Has listening to the Legal Road Map Podcast opened your eyes to the legal holes in your business? I'd love to help. I work with entrepreneurs who need help navigating the legal issues in their business. Bloggers, online entrepreneurs and influencers, authors, photographers, videographers, musicians, and designers, just to name a few.

If you're ready to take your business to the next level, sign up for a one hour Get Planning legal planning session today. During our call, you can ask me lots of questions about specific issues

or documents. I'll learn all about your business, and we'll create a list of action items to build your dream business legally. Go to awbfirm.com to sign up today.

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