

Copyright and Trademark Law for the School Lawyer:
Common Scenarios and Practical Solutions

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INTRODUCTION

Intellectual property questions are probably not at the top of a school attorney's "frequently asked questions" list, but they cause angst and consternation simply because intellectual property law has its own unique reasoning that differs considerably from most other legal disciplines. Though not quite as perplexing as real property law, intellectual property is a rapidly developing field, and it seems to parallel technology law in the pace of its development.

The topics below frame discussions of a few more common (or more interesting) areas where intellectual property law affects schools. More specifically, this paper will outline the basics of copyright and trademark law, and will also demonstrate how school districts can utilize copyrights and trademarks appropriately so that they are obtaining the maximum amount of benefits out of their copyrights and trademarks, as well as not being held responsible for the infringing acts of others. There are a few case law examples of public schools in copyright or trademark infringements, but there are ample examples in a university or governmental context.

TRADEMARK

Trademark Basics

The purpose of trademark law is to promote competition, make it easier for consumers to find goods that satisfy their needs, and protect suppliers' investments in their source-identifying marks. Trademarks are available in two (2) forms: trademarks and service marks. 15 U.S.C. §§

1052-1053. A trademark can be a word, phrase, logo, sound, color, smell, device, product packaging, or design that functions to identify the source of the goods on which the trademark is affixed. 15 U.S.C. § 1127. A “service mark” is a word, name, symbol, or device (or any combination thereof) that services to identify and distinguish services from those of another person or firm. *Id.* When referring to trademarks and service marks in general, one typically uses the term “marks.” This paper will follow that convention, noting specifically if a comment refers to only a trademark or a service mark.

Trademarks and service marks can be registered for just about anything – words or images – and the words don’t even have to be real words. For example, legendary Los Angeles Lakers coach Pat Riley has registered the term “three peat” (in every possible permutation) under his corporate umbrella, Riles & Company.

To measure the level of identification and/or distinguishing characteristics a trademark has, trademarks are classified under the following categories: (1) generic terms; (2) descriptive terms; (3) suggestive terms; and (4) arbitrary/fanciful terms. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976).

Generic terms. A term is generic when the majority of the buying public associates it with a product, rather than the source of a product (e.g., Escalator, Yo-yo, Phillips screw driver, Zipper, Aspirin). Generic terms are never protected under trademark law and cannot acquire secondary meaning based on the rationale that competing businesses should not be deprived of the right to call an article by its name.

Descriptive terms. Descriptive terms describe a thing or “how it is,” rather merely naming the thing or describing “what is.” (e.g., SHOELAND for a shoe store). To be entitled to protection,

descriptive terms must have acquired distinctiveness or secondary meaning through their use in commerce. *Qualitex Co. v. Jacobson Products Co., Inc.*, 514 U.S. 159, 163 (1995).

Suggestive terms. Suggestive terms serve to identify a particular source of a product and thus are deemed to be inherently distinctive and are entitled to protection (e.g., 7-Eleven, Roach Motel).

Arbitrary/Fanciful terms. Arbitrary terms are common words applied in an unfamiliar way in relation to the goods they identify (e.g., Apple). Fanciful terms are words invented solely for their use as trademarks (e.g., Kodak). Because of their intrinsic nature, arbitrary and fanciful terms serve to identify a particular source of a product and are thus deemed to be inherently distinctive and are entitled to protection.

Trademark Ownership and Registration

Trademark owners have the exclusive right to use their marks in commerce on or in connection with goods or services. 15 U.S.C. § 1115(a). Under common law, trademarks do not have to be registered to be protectable. Anything that is created in good faith and used in commerce, is a protectable trademark. *In re Trade-Mark Cases*, 100 U.S. 82 (1887). Generally under common law, the person who can establish the earliest use of the mark becomes that mark's owner in that market. *Com. Sav. Bank v. Hawkeye Fed. Sav. Bank*, 592 N.W.2d 321 (Iowa 1999). Common law trademark rights can be effective in obtaining an injunction or a judgment against someone infringing upon a trademark.

Under state and federal law, trademark rights arise from registration. Registration, however, does not affect the pre-existing rights of a secondary user that existed under common law prior to the date of registration. 15 U.S.C. § 1115(a). Marks may be registered with either the United States Patent and Trademark Office (USPTO) or an individual state's Secretary of State.

A mark registered within a state generally protects the owner's mark from infringement of that mark from anywhere within the particular state. The rules regarding registration of marks on a state level vary on a state-by-state basis.

A mark registered with the USPTO protects the mark's owner from infringement of that mark anywhere in the United States. (International registration is also available at an additional fee.) The fee to register a federal mark varies from \$275 per class in which it is registered to \$375 per class, depending on the method of registration (paper registration being most expensive). 37 C.F.R. § 2.6(a)(1)(i)-(iii). Federal registration could allow a trademark owner to receive damages that consist of: injunctive relief; an accounting for profits; damages, including the possibility of treble damages when appropriate; attorney's fees in "exceptional cases"; and costs. 15 U.S.C. § 1117(a).

Because a trademark application must be verified and explain that no other state or federal mark could be confused with the proposed mark (because the examiner will also perform an exhaustive search for similar marks), a thorough search of both the federal and state trademark databases is an essential step in preparing the application. It is useful to start the search in the federal system because it is much more likely to have a disqualifying mark (senior use – someone using the same or confusingly similar mark prior to the applicant's use). Additionally, the manual of design codes that must be used in both systems is part of the USPTO website. Once a search of the federal system has proven fruitless (which is a positive outcome), the small state trademark database is easier to search for a final result.

COPYRIGHT

Copyright Basics

The purpose of copyright is to “promote the progress of science and useful arts.” U.S. Const. art. I § 8, cl. 8. Copyright protects “original works of authorship fixed in any tangible medium of expression.” 17 U.S.C.A. § 102.

Original. Originality means that a work is created independently by the author and that it possesses some minimal and/or slight degree of creativity. *Feist Publications, Inc. v. Rural Tel. Serv. Co., Inc.*, 499 U.S. 340, 345-46, 111 S. Ct. 1282, 1287-88, 113 L. Ed. 2d 358 (1991).

Fixed Tangible Medium. A work is considered fixed in a tangible medium when its form is sufficiently permanent or stable to permit it to be “perceived, reproduced, or otherwise communicated for a period of more than transitory duration.” 17 U.S.C.A. §101.

Expression. Expressions are tangible things that can be identified and possessed by the owner. *Reyher v. Children’s Television Workshop*, 533 F.2d 87, 90-91 (2d Cir. 1976). Expressions are not ideas, concepts, or themes.

Copyrights do not have to be registered to be protectable. 17 U.S.C.A. § 408(a). Anything that you can create goes automatically under your copyright as soon as it is represented in a tangible form. The registration requirement only comes into play if the copyright owner wants to take an infringement claim to court. 17 U.S.C.A. § 411(a).

Copyright Ownership and Works for Hire

Copyright protection under 17 U.S.C.A. § 106 gives the owner of the copyright the exclusive right to do and/or to authorize others to do the following:

- i. To reproduce the work in copies or phonorecords. Phonorecords are material objects which embody sound, e.g., cassette tapes, CDs or albums. 17 U.S.C.A. § 101.
- ii. To prepare derivative works based upon the work.
- iii. To distribute copies or phonorecords of the work to the public by sale or other transfer of ownership, or by rental, lease, or lending.

- iv. To display the copyrighted work publicly, in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work; and
- v. In the case of sound recordings, to perform the work publicly by means of a digital audio transmission.

Initial copyright ownership rests with the work’s “author.” 17 U.S.C.A. § 201(1)(a). An “author” is “he to whom anything owes its origin; originator; maker; one who completes a work of science or literature”. *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 57-58, 4 S. Ct. 279, 281, 28 L.Ed. 349 (1884). However, in some instances, the owner may be someone other than the work’s author. An employer may obtain ownership over work created by employees when the work is considered work made for hire. 17 U.S.C.A. § 201(1)(b). Under 17 U.S.C.A. § 101, a work made for hire is either: (1) a work “prepared by an employee within the scope of his/her employment”; or (2) a work that has been “specifically ordered or commissioned for use in several enumerated ways.”

To determine if an employer/employee relationship exists under the concept of “work for hire”, the individual facts of the individual’s employment must be evaluated under the common-law agency doctrine. *Community for Creative Non-Violence v. Reid*, 490 U.S. 730 (1989). The common-law agency doctrine factors to consider when determining if an employer/employee relationship exists are:

- i. the school district’s right to control the manner and means by which the employee creates the work;
- ii. whether the creation of the work is within the skill required for the school employee’s position;
- iii. whether the employee used the school district’s resources to create the work (i.e., the school district’s computers, printers, scanners, library, faculty, etc.);
- iv. whether the work is stored and/or kept on school district premises or at the employee’s home;
- v. how long the employee has been employed by the school district (i.e., it would be more persuasive of a work for hire argument if the employee had been an employee of the school district for a period of time rather than for only a few months);

- vi. whether the school district has the right and/or ability to assign the employee to complete similar and/or other types of work of a similar nature;
- vii. the extent of the school district to be able to direct the employee as to when he/she will work and for how long;
- viii. the means by which the employee was paid by the school district (i.e., it would be more persuasive of a work for hire argument if the employee was a salaried employee rather than a hourly substitute);
- ix. the employee's role in being able to hire and/or pay anyone who assists him/her in working on the project;
- x. whether the created work is part of the regular business of the school district;
- xi. whether the school district is still in business;
- xii. whether the school district pays the employee's benefits or whether the employee is exempted from receiving benefits from the school district; and
- xiii. whether the school district taxes the employee's income or whether the employee receives payment from the school district tax-free. *Id.*

In the realm of school districts, the common-law agency theory of an employer/employee relationship does not always work so well. This is so because “the very nature of a teacher’s duties involves a substantial amount of time outside of class devoted to preparing [works] within the scope of his [or her] employment” and as such, many of the works created by school district employees would fall outside of the common-law agency doctrine elements when they were in fact created within the employee’s “scope of employment”. *Pavlica v. Behr*, 397 F. Supp. 2d 519, 525 (S.D.N.Y. 2005). In *Pavlica v. Behr*, the United States District Court of the Southern District of New York was presented with an issue whereby a high school science teacher designed a new program to teach high school students how to conduct specific types of scientific research. After reviewing the common-law agency factors, the court determined that given that the science teacher “prepared the [material] on [his] own initiative without direction or supervision by [his] supervisors” and without knowing if his employer school district would even allow him to implement his new course into the curriculum, the science teacher’s work was likely outside the scope of his employment and thus not a work made for hire.

In *Shaul v. Cherry Valley-Springfield Central School District*, 363 F.3d 177 (2d Cir. 2004), the United States Second Circuit Court of Appeals was presented with an issue whereby a high school math teacher created various teaching materials, including tests, quizzes, and homework problems outside of his work hours. After being terminated, the math teacher sought ownership of his created documents. After reviewing the common-law factors, the court determined that the materials were owned by the school district under the work made for hire doctrine because: (1) the created materials were for classroom purposes, which is the kind of work the math teacher was employed to perform; (2) the math teacher was motivated to spend the time to prepare the materials in order to fulfill his duties as a teacher; and (3) the very nature of a teacher's duties involved a substantial amount of time outside of class to create them.

Academic Exception

The "academic" exception is not codified in the Copyright Act, but has been upheld in several courts on grounds of principle that colleges and/or universities generally would not supervise faculty in the preparation and/or creation of academic materials and as such, without an explicit agreement as to who had the right to a copyright, the right to a copyright of such academic materials belonged to the teacher rather than the college and/or university. *Hays v. Sony Corp. of America*, 847 F.2d 412 (7th Cir. 1988), *abrogated on other grounds*, *Cooter & Gell v. Hartmarx Corp.*, 496 U.S. 384 (1990)). In *Shaul* and *Hays*, both district courts determined that the "academic" exception did not apply to school districts or materials created by employees of school districts. The exception's application fails in the realm of school districts because, unlike college and university teachers, school district teachers are not normally required nor expected to do scholarly writing as part of their employment duties.

INFRINGEMENT

Trademark Infringement

It is trademark infringement to use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of a trademark - obtained through registration or common law - in connection with the sale, distribution, offering for sale, or advertising of any goods or services (including the application of the mark on labels, signs, prints, packages, wrappers, receptacles, or other advertisements) on or in connection with a use that is likely to cause confusion or mistake, or to deceive as to the source of origin of such goods or services.

Likelihood of Confusion

In determining whether a mark is infringing, courts look to see whether there is a “likelihood of confusion”. “Likelihood of confusion” exists when consumers would assume from viewing the mark that the product or service it represents is associated with the source of a different product or service identified by a similar mark. *Villanova Univ. v. Villanova Alumni Educ. Found., Inc.*, 123 F. Supp. 2d 293 (E.D. Pa. 2000). In determining if a “likelihood of confusion” exists, courts consider a number of factors, including:

- i. the strength or distinctiveness of the mark;
- ii. the similarity of the two marks;
- iii. the similarity of the goods or services which the marks identify;
- iv. the similarity of the facilities used by the parties in conducting their business;
- v. the similarity of the advertising used by the parties;
- vi. the defendant’s intent;
- vii. actual confusion;
- viii. the likelihood that the prior owner will bridge the gap;
- ix. actual confusion;
- x. the good faith of the junior user in adopting its mark;
- xi. the quality of the junior user’s product;
- xii. the sophistication of the buyers; and
- xiii. the relative harm to the parties if an injunction is granted. *Quality Inns International, Inc. v. McDonald’s Corporation*, 695 F. Supp. 198 (D. Md. 1988); *Sun-Fun Products, Inc. v. Suntan Research & Dev. Inc.*, 656 F.2d 186, 191 (5th Cir. 1981).

In a school situation, the most likely scenario will be implying an affiliation with the college/company or the endorsement of the college/company by using the mark, or simply using the mark on goods (notebooks, t-shirts, etc.) without authorization and depriving the trademark owners of royalties to which they are entitled.

Dilution

The law of trademark dilution seeks to protect the distinctive quality of a trademark from deterioration caused by use on dissimilar products. *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26 (1st Cir. 1987). The primary purpose of the dilution statute is to prohibit a merchant of non-competitive goods from selling its products on the goodwill and reputation of another's mark. Under the dilution statutes, a trademark owner may obtain relief if his mark is distinctive and there is a likelihood of dilution due to:

- i. injury to the value of the mark caused by actual or potential confusion;
- ii. diminution of the uniqueness and individuality of the mark; or
- iii. injury resulting from use of the mark in a manner that tarnishes or appropriates the goodwill and reputation associated with the senior user's mark. *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26 (1st Cir. 1987).

For a dilution claim to be valid, the famous mark must have been famous before the other party's use. 15 U.S.C.A. § 1125 (c)(2)(a). The four non-exclusive factors for assessing fame include:

- i. The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties.
- ii. The amount, volume, and geographic extent of sales of goods or services offered under the mark.
- iii. The extent of actual recognition of the mark.
- iv. The time of the mark's registration.

Dilution by Blurring. Dilution by blurring means "to make dim, indistinct or indefinite." Webster's Third New International Dictionary 243 (1968); *Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C.*, 212 F.3d 157, 168 (3d Cir. 2000). Blurring occurs when the

defendant's use of its mark causes the public to no longer associate the plaintiff's famous mark with its goods or services; the public instead begins associating both the plaintiff and the defendant with the famous mark. *Id.* To prove dilution by blurring, the senior user must prove that the "capacity of [his] mark to continue to be strong and famous would be endangered by the [junior user's] use of the mark." *Id.*

Dilution by Tarnishment. Under dilution by tarnishment, a trademark may be tarnished when it is "linked to products of shoddy quality, or is portrayed in an unwholesome or unsavory context," with the result that "the public will associate the lack of quality or lack of prestige in the defendant's goods with the plaintiff's unrelated goods." *Hormel Foods Corp. v. Jim Henson Productions, Inc.*, 73 F.3d 497, 507 (2d Cir. 1996). The *sine qua non* of tarnishment is a finding that plaintiff's mark will suffer negative associations through defendant's use. *Id.*

Trademark Licensing Agreements

Licensing agreements should be drafted carefully so as to ensure that the school district retains adequate control over the quality of goods or services produced by the licensee. An uncontrolled licensing agreement could result in abandonment of the mark by the licensor. *Haymaker Sports, Inc. v. Turian*, 581 F.2d 257, 261 (Cust. & Pat. App. 1978).

A trademark may be licensed exclusively to a single licensee or licensed non-exclusively to more than one licensee. In a non-exclusive licensing arrangement, the licensor retains rights to use the trademark itself, to license it to others, or both. In an exclusive licensing arrangement, only the licensee may use the trademark. International Trademark Association, *Fact Sheets Assignments, Licenses and Valuation: Trademark Licensing*, March 3, 2014, <http://www.inta.org/TrademarkBasics/FactSheets/Pages/TrademarkLicensing.aspx>.

Copyright Infringement

“Anyone who violates any of the exclusive rights of the copyright owner ... is an infringer of the copyright or right of the author, as the case may be As used in this subsection, the term ‘anyone’ includes any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity. Any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this title in the same manner and to the same extent as any nongovernmental entity.” 17 U.S.C. § 501(a). Though copyright infringement is property classified as a tort, only states themselves have immunity from an infringement action. *Burwood Prods. Co. v. Marsel Mirror & Glass Prods., Inc.*, 468 F. Supp. 1215 (N.D. Ill. 1979); *Chavez v. Arte Publico Press*, 204 F.3d 601 (5th Cir. 2000). In order to establish infringement, a copyright plaintiff must establish ownership of a valid copyright, and the defendant’s unlawful “copying.” *United Tel. Co. of Mo. v. Johnson Pub. Co.*, 671 F. Supp. 1514 (W.D. Mo. 1987), *aff’d*, 855 F.2d 604 (1988).

Copyright First Sale Doctrine

The first sale doctrine, or right of first sale, extinguishes the copyright owner’s right of distribution (one of the six exclusive rights of a copyright owner) on a purchased copy (as opposed to a licensed copy). 17 U.S.C. § 109(a). Once a copyright owner has sold a copy of its copyrighted work, the owner has, by virtue of the first sale doctrine, “authorized” redistribution of *that copy* (only), since the owner’s public distribution right with respect to the copy has thereby been exhausted. *United States v. Goss*, 803 F.2d 638, 643 (11th Cir. 1986).

When a work is licensed, there is no “purchase” of the work, only a purchase of a license; therefore, the first sale doctrine does not apply. In *Vernor v. Autodesk*, 621 F.3d 1102, 1108 (9th Cir. 2010), the 9th Circuit outlined factors to be considered when addressing whether a work is “owned” (entitling the owner to the protection of the first sale doctrine) or “licensed” (denying

such protection and letting the license control what the possessor may do with the work). Among factors courts will consider when there is some written agreement are whether the agreement is labeled a license, and whether the copyright owner retained title to the copy, required its return or destruction, forbade duplication, or required the possessor to maintain possession of the copy for the duration of the agreement. Not all of these factors are required, however, and any analysis is highly fact-dependent.

Even if the buyer actually “owns” the work, distribution is a lone right acquired for that specific copy alone. While the buyer may have acquired the right to transfer or loan the material copy of the work, the buyer has not acquired – via the first sale doctrine – the rights to copy the work, adapt the work, publicly perform or display the work, or digitally transmit the work (in the case of a sound recording). *See, e.g., Columbia Pictures Indus., Inc. v. Redd Horne*, 749 F.2d 154, 160 (3d Cir. 1984).

Contributory Infringement and Vicarious Liability

Copyright law recognizes at least two (2) circumstances in which a school district may be found liable for another’s copyright infringement: contributory infringement and vicarious liability. Contributory infringement is based on the tort concept of enterprise liability. *Fonovisa, Inc. v. Cherry Auction, Inc.*, 76 F.3d 259, 264 (9th Cir. 1996). A contributory infringer is one who participates in an activity, knowing that copyright infringement is the probable result. *Gershwin Pub. Corp. v. Columbia Artists Mgmt., Inc.*, 443 F.2d 1159, 1162 (2d Cir. 1971). To be liable for contributory infringement, the infringer must have:

- i. A direct financial benefit;
- ii. Some element of knowledge of the infringing activity. Knowledge is to be determined by the extent of the interweaving of the direct infringer’s activities of the third party, rather than by their legal relationship. Intent may be imputed in situations where the actor knowingly takes steps that are substantially certain to result in direct infringement; and

iii. Have participated in an act or inaction that contributes to infringing activity.

In *Bosch v. Ball-Kell*, No. 03-1408, 2006 WL 2548053 (C.D. Ill. Aug. 31, 2006), a district court in Illinois was presented with an issue whereby a teacher had teaching materials that she had created and stored on her work computer. After the teacher resigned from her position, the school district's administrators instructed another employee to enter the teacher's former office and retrieve the teaching materials from the computer for a successor teacher to use. *Id.* After reviewing the facts in light of the contributory infringement laws, the district court determined that there was a genuine issue of material fact regarding contributory infringement. *Id.* This was so because: (1) the school district was aware of the taking of the teacher's teaching materials from her former office; (2) the school district authorized the copying of the teaching materials; (3) the school district was aware of the use of the teacher's teaching materials in other teachers' classrooms; and (4) the school district failed to take action to stop the taking and/or use of the teaching materials. *Id.*

Vicarious Liability. Vicarious liability is based on the tort concept of respondeat superior. *Gershwin Pub. Corp. v. Columbia Artists Mgmt., Inc.*, 443 F.2d 1159, 1162 (2d Cir. 1971). A vicarious infringer is one who has promoted or induced the infringing acts of the direct infringer, even though he has no actual knowledge that copyright infringement is occurring. *Id.* Vicarious infringement does not require active participation by the accused defendant, but merely requires that the operator have direct control over the premises (right and ability to supervise) and obtain a direct financial benefit. *Id.*

In *Roy Export Co. Estab. v. Trustees of Columbia U.*, 344 F. Supp. 1350 (S.D.N.Y. 1972), a bootleg copy of the film "Modern Times" was shown on the University's campus by a student-run organization. Prior to each of the multiple showings, the student-run organization informed

the University of the existence of the copyright and the claimed illegality of the exhibitions. *Id.* at 1352. In addition, for each of the showings, the student-run organization charged an admission price to individuals who desired to view the film. *Id.* Despite a finding that the University had the ability to control the use of its premises and equipment for the illegal showings, the University was found to not be vicariously liable because it did not receive a financial benefit from the illegal showings. *Id.* at 1353.

Copyright Fair Use

The doctrine of fair use permits individuals to utilize copyrighted materials in ways that would otherwise be considered infringing. Smith, Brian C. and Harold Eddy, *Legal Issues with School Use and Control of Data and Information in the Digital Age*, National School Boards Association, <http://www.nsba.org/schoollaw/cosa/search/allcosadocuments/school-use-and-control-of-data-and-information-in-the-digital-age.pdf.aspx?Site=nsba> (2012).

Fair use is an affirmative defense. An affirmative defense is one that rests on facts which are not necessary to support plaintiff's case. *Bond v. Cedar Rapids TV Co.*, 518 N.W.2d 352, 355 (Iowa 1994). That means that the defending party bears the burden of proof on all of the fair use factors. *Columbia Pictures v. Miramax Films Corp.*, 11 F. Supp. 2d 1179, 1187 (C.D. Cal. 1998). Fair use includes reproductions in copies or phonorecords for purposes such as: criticism; comment; news reporting; teaching; scholarship; research; and parody. 17 U.S.C.A. § 107.

Analyzing fair use involves a balancing of four factors to determine whether other interests should override the rights of the creators of the work. 17 U.S.C.A. § 107. No one factor is determinative, but rather, "[a]ll are to be explored, and the results weighed together, in light of the purposes of copyright." *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 114 S. Ct. 1164, 1166, 127 L. Ed. 2d 500 (1994). The factors to be analyzed include:

- i. The purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- ii. The nature of the copyrighted work;
- iii. The effect of the use upon the potential market for or value of the copyrighted work; and
- iv. The amount and substantiality of the portion used in relation to the copyrighted work as a whole.

Purpose and Character of the Use. The central purpose of this element is to see whether the new work merely supersedes the objects of the original creation or instead transforms the original work by adding something new; a further purpose or different character; or a new expression, meaning, or message. *Id.* at 579.

Nature of the Work. The law generally recognizes a greater need to disseminate factual works than works of fiction or fantasy. *Harper & Row Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 563 (1985). Generally, the more entertaining or decorative the work is, the less likely that use of it is fair use.

The Effect Upon the Potential Market. “Fair use, when properly applied, is limited to copying by others which does not materially impair the marketability of the work which is copied.” *Id.* at 566-67. To negate a fair use defense, a plaintiff need only show that if the challenged use should become widespread, it would adversely affect the potential market for the copyrighted work.

The Amount and Substantiality Used. This element asks whether “the amount and substantiality of the portion used in relation to the copyrighted work as a whole” are reasonable in relation to the copying’s purpose. 17 U.S.C.A. § 107; *Campbell* at 570. The quantity and value of the materials used must be reasonable in relation to the purpose of the copying. The question of how much copying for teaching purposes is permissible is not specifically set forth in the Act but rather is found in a set of guidelines approved by Congress. AGREEMENT ON GUIDELINES FOR

CLASSROOM COPYING IN NOT-FOR-PROFIT EDUCATIONAL INSTITUTIONS WITH RESPECT TO BOOKS AND PERIODICALS, H.R. Rep. No. 94-1476 (1976). The guidelines indicate that copying for teaching purposes is permissible if three (3) tests are first met:

- i. the brevity and spontaneity test;
- ii. the cumulative test; and
- iii. the notice test.

Brevity and Spontaneity Test. Brevity is defined as “[e]ither a complete article, story or essay of less than 2,500 words, or an excerpt from any prose work of not more than 1,000 words or ... 10% of the work, whichever is less” *Marcus v. Rowley*, 695 F.2d 1171, 1178 (9th Cir. 1983) (as cited in H.R. Rep. (1976) at 68, U.S. Code Cong. & Admin. News 1976, p. 5682.). The first inquiry under the brevity test is the “extrinsic” test and asks if there is similarity of ideas. The “extrinsic” test requires a plaintiff to identify concrete elements of similarity between the two works, based on objective criteria (i.e., articulable similarities between the plot, themes, dialogue, mood, setting, pace, characters and sequence of events in the two works). *Columbia Pictures Industries, Inc. v. Miramax Films Corp.*, 11 F. Supp. 2d 1179, 1184 (C.D. Cal. 1998).

The second inquiry under the brevity test is the “intrinsic test” and asks whether the ordinary, reasonable person would find the total concept and feel of the works to be substantially similar. The “intrinsic” test looks for substantial similarity in the “total concept and feel” of two works. *Id.* at 1185. In *Harper & Row Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539 (1985), the plaintiff was preparing to release a published memoir written by President Ford in which the President discussed different aspects of his presidency, including his pardon of President Nixon. *Id.* at 542. A few weeks before the release of the memoir, the defendant magazine obtained an unauthorized copy of the memoir and produced a 2,250-word article of which at least 300 to 400 words consisted of verbatim quotes of what the defendant described as “the most interesting and

moving parts of the entire manuscript.” *Id.* at 543, 565. The defendant attempted to claim that its publication was protected under the fair use doctrine as news. The U.S. Supreme Court, however, determined that the 300-400 words were taken from essentially the “heart” of the memoirs, was intended to supplant the copyright holders’ commercially valuable right of first publication, and was not a “fair use.” *Id.* at 599-600.

Spontaneity is defined as copying that occurs at “the instance and inspiration of the individual teacher, and ... [t]he inspiration and decision to use the work and the moment of its use for maximum teaching effectiveness are so close in time that it would be unreasonable to expect a timely reply to a request for permission.” *Marcus* at 1178 (as cited in H.R. Rep. (1976) at 69, U.S. Code Cong. & Admin. News 1976, p. 5682.).

Special works are defined as works “which often combine[s] language with illustrations and which are intended sometimes for children and at other times for more general audience[s].” *Id.* Librarians call those works “picture books.” Special works may not be reproduced in their entirety. Rather, only two (2) pages, not containing more than ten percent (10%) of the words found in the special work, may be reproduced.

Cumulative and Notice Test. The cumulative test “requires that the copied material be for only one course in the school ... [and] also limits the number of pieces which may be copied from the same author and the number of times a teacher may make multiple copies for one course during one term.” *Marcus v. Rowley*, 695 F.2d 1171, 1178 (9th Cir. 1983) (as cited in H.R. Rep. (1976) at 69, U.S. Code Cong. & Admin. News 1976, p. 5682.). The notice test asks if the defendant included in each copy a notice of copyright. *Id.*

In *Marcus*, the United States Ninth Circuit Court of Appeals was presented with an issue whereby a home economics teacher used another individual’s cake decorating tips in a learning

activity package. The home economics teacher attended a cake decorating class where she received a copy of a thirty-five page cake decorating manual published and copyrighted by the cake expert. *Id.* at 1173. After attending the class, the home economics teacher published her own twenty-four page cake decorating learning activity package for use by students in her classroom in which she included copies of eleven pages from the cake decorating manual she had received at her cake decorating class. *Id.* The home economics teacher did not receive permission to include the pages in her activity package, nor did she give credit to the creator of the cake decorating manual. *Id.* After analyzing the fair use factors, the court determined that home economics teacher's copying of the cake decorating manual for classroom purposes did not fall under the fair use exception. *Id.* at 1178-1179.

SO WHAT DOES THIS ALL MEAN?

Mascots and Logos

Mascots pose both copyright and trademark issues for schools. Obviously, mascots are art of some sort, and are “fixed in a[] tangible medium of expression” sufficient to be protected under copyright law. 17 U.S.C. § 102(a). A school may purchase a piece of artwork intending it to be used as the district's mascot, yet they have probably not purchased the copyright in the artwork unless they have expressly written down the transfer of the copyright as part of the transaction. While it may seem common sense that if you pay for it you own it, that only holds true in some circumstances. Many schools purchase an image to use as the schools' mascot from a mascot company. The company has a catalog of images of common school mascots and licenses use of the image(s) to the school, sometimes on a yearly basis. Typically, use of the mascot image is restricted by the license. *See, e.g.,* Rivalart.com license, available at: <https://www.rivalart.com/license.htm>. The licensing company owns the copyright of the mascot

image, therefore use beyond the license terms would be an unauthorized use – a matter of contract law.

When the license expires, or the image becomes tiresome, schools may turn to other sources for their mascot images. Edgy, trendy mascot images for the more common mascots are available almost everywhere – created by ad agencies and high-dollar graphic artists for large universities and professional sports teams. A flip here, a change of color there, and you have a fresh, exciting mascot image for the center of the new artificial turf or gymnasium. But creating such adaptations can bring legal consequences.

Colleges and corporations (and some professional sports teams) aggressively defend their logos, mascots, and other indicia of the organizations. Why would a college or university, in particular, want to prevent others from using its mark when spreading the mark around would simply promote the institution?

- i. Control of the mark prevents political candidates from using the mark in campaign literature, implying school endorsement.
- ii. Control of the mark prevents the mark from appearing on inappropriate items, such as beer products or condoms.
- iii. Control of the mark allows the organization to recoup licensing fees for others' use of the mark, generating sometimes considerable revenue for the college, company, or team owner (or league, as the case may be).

In *Bd. of Regents, Univ. of Texas Sys. ex rel. Univ. of Texas at Austin v. KST Elec., Ltd.*, 550 F. Supp. 2d 657 (W.D. Tex. 2008), the University of Texas sued KST Electric for a number of state and federal trademark claims. One of the University's claims was that KST Electric's logo was diluting or tarnishing its own famous logo. *Id.* at 674. After reviewing the dilution factors, the western district court of Texas determined that the University of Texas could not “demonstrate the extremely high level of recognition necessary to show fame” and therefore could not succeed on any dilution claim. *Id.* at 678. This finding is particularly interesting since the UT longhorn

logo has been identified by marketing research as the “best” college logo in the country. Lindsey Kolowich, 12 of the Best College Logo Designs (And Why They Are So Great), (June 24, 2015) <http://blog.hubspot.com/marketing/best-college-logos>.

In *University of Kansas v. Sinks*, 644 F. Supp. 2d 1287 (D. Kan. 2008), the University of Kansas sued the owners of Joe-College.com for a number of state and federal trademark claims. One of the University’s claims was that Joe-College.com’s use of the “Kansas,” “Phog,” “Jayhawk,” and “Crimson and Blue” marks diluted the University’s color mark. *Id.* at 1294. The district court of Kansas came to a different conclusion than the Texas court in determining the dilution of an athletics team’s marks. The Court noted that there was an “abundance of evidence on the use of the various marks both within and outside the context of sporting events” and allowed the dilution claim to succeed. *Id.* at 1307.

Chapman High School in Kansas was virtually destroyed by an F5 tornado in 2008. The light brought upon the small community showed Notre Dame University that Chapman High was using Notre Dame’s fighting leprechaun as the high school mascot. Notre Dame could have simply licensed back the mascot to Chapman High, but chose instead to require it to drop the leprechaun, though it allowed the high school to retain the “Fighting Irish” name for its athletic teams. The school must remove all uses of the Notre Dame leprechaun from its uniforms, stationary, signs, etc.

Southeast High School of Bradenton, Florida fought a similar dispute with Florida State University. Not only did FSU want Southeast High to stop using the FSU Seminole profile mascot and the spear logo used by Southeast High (and multiple other high schools in the Florida/Georgia area) but it also wanted the high school to stop using the name “Seminoles.” The two schools had a cooperative relationship for many years, but the Collegiate Licensing Corporation, a group

engaged by colleges to defend and maximize revenue from collegiate logos, took on the high school on behalf of the university. Southeast High vowed to fight the action by FSU. Ultimately, the two schools settled their disagreement, allowing Southeast High to continue to use the Seminole mascot in different colors, through paying a license fee to do so. See Alan Dell, *Southeast, FSU Reach Deal on Noles Logo*, Bradenton Herald (Nov. 13, 2010), <http://www.brandenton.com/2010/11/13/2735256/southeast-fsu-reach-deal-on-noles.html> (reporting the final agreement between the two schools). The school had estimated that it would cost over \$100,000 to remove all vestiges of the FSU logo from Southeast.

Using a college logo is not the only trademark issue schools face. One school, whose mascot was a ram, chose to appropriate the Dodge Ram logo, painting the logo in the center of the gymnasium floor. *School to Stop Using Dodge-Like Ram's Head Logo*, NPR (Feb. 16, 2010), <http://www.npr.org/templates/story/story.php?storyId=123781334> (transcript of interview by Melissa Block with Michael Kotki, Principal of Lake Mary's High School) (estimating the cost of replacing a gymnasium floor at \$15,000 because the floor had the disputed logo in the center).

Does this mean that it is open season on college and commercial logos? Probably not. Even a cease and desist letter should not be responded to without legal counsel. And even if the cease and desist letter is successfully resisted, the school will still entail considerable legal fees. Litigation is seldom the outcome, but if litigation does result, the costs can skyrocket to more than three times the cost to change out a logo. A 2011 survey by the American Intellectual Property Law Association estimated the cost of a trademark infringement lawsuit at \$200,000 through discovery, and \$350,000 through trial. AIPLA, *Report of the Economic Survey, 2011* 35 (2011).

Commemorative Videos

Production and sale (or even free distribution on or off the Internet) of commemorative videos is an issue with so many intellectual property issues. What follows is essentially a checklist of clearances and rights that should be procured or at least considered before moving forward with such a project.

Image rights. As a general rule, “crowd shots” do not need to be permitted by the participants with respect to use of his or her own image unless he or she is easily identifiable in the image (a close-up photo of the drumline, for example). There may also be a state statutory right to prevent commercial use of one’s name, image, voice, signature, etc. Treated more as a privacy right than property right, the common law right of publicity has not been distinguished from misappropriation. *See Henley v. Dillard Dep’t Stores*, 46 F. Supp. 2d 587 (N.D. Tex. 1999); *see also Brown v. Ames*, 201 F.3d 654 (5th Cir. 2000); *Express One Int’l, Inc. v. Steinbeck*, 53 S.W.3d 895, 900 (Tex. App. – Dallas 2001, no pet.). There is a three- (3) prong test to determine if an image has been appropriated:

- i. Was the name or likeness used for its value rather than incidentally or as news reporting?
- ii. Can the individual be identified from the image used?
- iii. Did the person using the image receive an advantage or benefit as a result of the use? *Matthews v. Wozencraft*, 15 F.3d 432 (5th Cir. 1994). The annual FERPA notice and district policy should identify acceptable uses of student images for school purposes, if any.

Music

Commemorative videos are notorious for being set to the popular music of the day. Even short bits of music have been the subject of expensive litigation. *See, e.g., A&M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004, 1018 (9th Cir. 2001) (identifying short samples of popular songs distributed by Napster as not fair uses, even if purchases of the source records were to increase as a result). Who recorded the music being used (the original performers or a re-recording by a school

pep band, for example) will determine what type of music rights are needed. When a school band records the popular music from sheet music, the project will require mechanical rights, available from the Henry Fox Agency. If they need to create a new arrangement of the music to suit their voices or instruments, they need an arrangement license, usually available from the music publisher. If the video will be set to the music of the original performers, each song will need both mechanical and master rights. If the video will be played over television or cable, you need broadcast rights for each song. To put music behind video requires synchronization (a.k.a. “synch”) rights. To perform the combined video and audio to members of the public (either online or in person) requires public performance rights that are available from ASCAP, BMI, or SESAC. And mounting video on the web for viewing or download, requires Web Posting rights, available from Harry Fox Agency. Web streaming fees for music are set under federal law, and are available through SoundExchange.com. For purposes of royalties for streaming, a school is typically a “noncommercial microcaster.”

Art, Television, or Movie Clips

Commemorative videos are generally filled with clips (video or sound bites) taken from current popular television programs, movie clips from various Oscar winning films, and popular art. Each of these must be licensed to be included in the video. A fair use argument may be made if there is some commentary or “value added” given to each item rather than simply reproducing the items for the sake of reproduction or decoration. *See, e.g., Bill Graham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605 (2d Cir. 2006).

Enlarging Photos From Books

Enlarging photos, book covers, maps, illustrations, etc., for use in teaching (such as using a document camera to project an illustration for the purpose of discussing in class) would

undoubtedly meet the four-factor fair use assessment. Even making a poster-sized copy of a diagram of a frog from the biology textbook would meet the limitations of a “single copy for use in teaching” in the Educational Guidelines. The Guidelines will even allow retention of that copy for use in future classes or semesters.

Issues arise when the same materials are used in a non-instructional manner, such as when the school hires an artist (or invites students) to paint a mural of storybook characters directly from the pages of Dr. Seuss, Richard Scarry, and the Berensteins. Such decorative uses of copyrighted material cannot be justified in the same way using either the four-factor fair use test or the Educational Guidelines. Those artists/illustrators earn their livings selling posters and assorted reproductions of their literary characters, and while authors/illustrators may have to contribute to the public good by allowing classroom performances of their works without compensation, they do not have to (and typically will not) support *gratis* reproduction of their works in place of purchased or licensed merchandise.

Among educators in Florida and California, the Disney companies are notorious for aggressively prosecuting unauthorized non-fair uses of Disney characters (which are typically also trademarked). Disney is reported to offer a bounty of up to \$10,000 for a valid report of infringement. Disney actively seeks out tips of potential unlicensed uses: <http://thewaltdisneycompany.com/content/disney-antipiracy>. Yet it is quite simple to use Disney material in a fair and transformative manner. See *A Fair(y) Use Tale*, available at http://www.youtube.com/watch?v=CJn_jC4FNDo. Unfortunately, many uses of copyrighted material are done in a rote manner, and without any added value – they are simply copies, nothing more. Unless the use can meet one of the various Guidelines (for print, multimedia, off-air recording, interlibrary loan, or music), emerge successfully from the four-factor fair use test, or

the Section 110(1) assessments, consider that the use would be infinitely safer with license or permission.

In addition, putting a work on an internet web page can be considered distribution, public display, as well as many other protected rights of the copyright owner. *Perfect 10, Grp., Inc.*, 5 F. Supp. 2d 823, 830-31 (C.D. Calif. 1998). For a typically “purchased” work such as a book, to put the work online requires making a copy of the work, and the exclusive right of reproduction is not transferred by the first sale doctrine.

Using Music

Music comes in several forms, but for school music studies, the important forms are “printed” and “performed.” When the 1976 Copyright Act was enacted, Congress considered the impact of the newly codified concept of fair use on educational uses of music. A committee of composers, publishers, and teachers met to arrive at a consensus of what “fair use” meant to school use of music. For example, simplifying a musical work (within limits) is a fair use allowed by the Guidelines For Educational Uses of Music that were part of a Congressional report issued shortly after the last major copyright law overhaul in 1976. *See Reproduction of Copyrighted Works by Educators and Librarians*, <http://www.copyright.gov/circs/circ21.pdf>, at 8.

Performing sheet music by student performers has a generous exception from the right of the copyright owner to control public performances of his work. A performance of a non-dramatic musical work (meaning not a musical or opera) where none of the performers are paid and any admission fee (after deducting for the cost of the performance) goes to the school is exempt from the requirement to have public performance rights as long as the copyright owner has not served the school with notice at least seven days in advance of the performance that it objects to the performance of the work. 17 U.S.C. § 110(4). This exception should cover almost all band

concerts, choir concerts, etc., as long as the students are not performing Broadway-type show tunes. Because the exception only includes performances of sheet music, the exception does not cover playing recorded music at a school dance, no matter who owns the recordings used (even a DJ). To cover non-instructional use of recorded music, the various recording rights societies sell a performance of all recordings in the society's catalog. For school districts that are part of a municipal or county government, the school district will fall under the parent government's license, if it has one. When considering installing a karaoke system in the lunchroom for the daily dose of *Glee*, review the license that is included with the system and the accompanying discs. The license will indicate if the performance is limited to home use or if a public performance (which includes the school cafeteria) would be an allowed use under the license.

For sheet music, the band director will have a standard set of parts: # for the clarinet, # for flute, and so on. But what happens when they suddenly have #+3 flutes? Once the band director has put in an order for the requisite number of missing parts, the director may duplicate the same number of flute parts as ordered to satisfy the immediate need. When the ordered parts arrive, the copies must be destroyed. Band and choir directors may also freely copy sections from other copyrighted work to use as exercises or exams. For example, the director may duplicate a particularly difficult fingering passage to use for practice. The key element is that the amount copied cannot be a "performable unit," generally taken to mean a movement or section of a piece. *See Guidelines for Educational Uses of Music.*

Every parent wants a copy of the band or choir concert in which his/her child performs. Making and selling CDs or MP3s of the band concert is a simple way to raise funds for cash-strapped music programs. Under the public performance exception, a school may make only one (1) copy of a sound recording of the concert, and that copy must be used only back in the band hall

or choir room to critique performance. The school can retain the recording for future use, but only for the purpose of critique. This exception only applies to audio recordings, not to video recording.

If the school (or band booster club) wishes to record and distribute (selling or giving away) copies of the concert, they must pay the statutory mechanical license fee for each song that is included in the recording. The statutory fee per song is about \$.09 per copy, so licensing a concert of ten songs would increase the cost of the CD by about a dollar. Licenses can be arranged online through the Harry Fox Agency website (www.harryfox.com). If the school prefers to video record the concert, they will need synchronization (synch) rights along with mechanical rights to record the songs. Synch rights are available from the publisher of the song, and must be negotiated individually. Synch rights are also needed to put music behind any other form of video, such as a video of a football game or drill team competition.

If the performance is of a play or a musical, multiple rights are required to perform and record the work. Typically, the arrangements to make a recording of a performance of a play or musical are negotiated during the time the school is shopping for the play or musical. To try to add on the rights afterward is generally expensive since the rights owner knows you are already sunk into the performance. Of course, parents will always want to record their children performing, and unless you have made some arrangement with a publisher to prohibit such recordings, that recording is between the parent and the copyright owner. Unless the parent posts the video onto YouTube, there is likely no repercussion that can come to the parent. And even if the parent does post onto YouTube, the school is not implicated unless it encouraged or facilitated the making or posting of the video.