



TIP SHEET™

an informational newsletter on intellectual property matters

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Political animals

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NOBAMA. MAGIC ROMNEY UNDERWEAR. OCCUPY. OBAMA BIN LADEN.

It's an election year, so it's no surprise that slogans and sound bites are on the uptick. Both political campaigns and those hoping to cash in on a clever turn of phrase are getting into the act, filing trademark applications for slogans, candidate names and recognizable campaign symbols. In the spirit of full disclosure, here are a few facts about political trademarks:

Trademarks that contain the name of a living individual require that individual's consent to the use and registration. With a few exceptions, political candidates are typically living individuals, which means they must consent to the use of their names in a trademark filing. So, Sarah Palin can file for a registration of her own name, but her opponent cannot try to preempt her use of her own name by beating her to the trademark office. Trademark law is meant, at least in part, to protect the public from confusion. Most of us would assume that if we saw an individual's name associated with a slogan, or used as a trademark, that the individual is associated with the goods or services behind the trademark in some way. So, applications sought without the candidate's approval are likely to be refused registration on at least two bases: absence of a consent, and a false suggestion of a connection to the candidate. One federal applicant, VDBL, LLC, was denied registration for MAGIC ROMNEY UNDERWEAR on the grounds that the public would assume a connection to the Republican nominee, who – no surprise – did not endorse the application.

If that's the case, why would a candidate bother to register his or her own mark? If no one else can use it, does it really need the protection of a trademark registration? Possibly.

First, a registration may be a useful tool in controlling social media publicity, since social media site takedown policies often give deference to trademark holders. Second, campaigns can and do register trademarks and leverage the candidate's name as a "brand," profiting from the sale of merchandise bearing the trademarks. President Obama's re-election committee, Obama for America, registered several trademarks, including various iterations of its "rising sun" logo trademarks. Romney's campaign, clearly thinking ahead, filed application 77/231852 for MITT ROMNEY FOR PRESIDENT back in 2007, indicating an intent to use that slogan on everything from baby bottles to cocktail shakers. The application was abandoned in 2008 following a failure to respond to a requirement from the U.S. Patent and Trademark Office.



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Can you get around the need for consent with a clever play on words? Not necessarily, as some applicants have learned. Applicant Napoleon Trujillo filed for “NOBAMA 2012-2013” last August, but was refused registration on the basis that a name, portrait or signature which identifies a particular living individual requires the written consent of such individual.” The key question wasn’t whether the mark contained the name “Barack Obama,” but rather whether it identified him to the relevant public. In another application, registration of the mark ‘Obama bin Laden,’ was refused on the grounds that conflating the names of a U.S. Senator (at the time) and the world’s leading terrorist was ‘scandalous’ and wrongly suggested a connection between the politician and the mass murderer. The examiner also noted that registration was refused because ‘the record does not include the written consent of Barack Obama and Osama bin Laden, the names of the living (at the time) individuals identified in the proposed mark.’

During the Clinton presidency, Jerry’s Subs & Pizza found themselves the recipient of a letter from the White House. The letter, which demanded that the restaurant stop airing a Bill Clinton sound-alike on radio ads intoning “Where’s the cheese?” may not have been one the owners framed for posterity. More recently, the Obama campaign successfully enjoined **Demstore.com** from selling bumper stickers, buttons and other materials featuring the well known “O” design used in both the 2008 and 2012 presidential campaigns.

Opinions are never in short supply in an election year. Some trademark filings don’t contain the candidate’s name, and are simply efforts to express an opinion while selling goods or services. This invites an argument that such marks are some form of “free speech” and should not be restricted by the statutory restrictions placed on other trademarks. In some cases, the way in which the slogan is used can answer the question. A trademark, by definition, is a word, symbol, or slogan used to identify the source of goods or services. If you aren’t using the slogan

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to identify goods or services, it’s not a trademark, and the free speech argument is effective. However, if you are using the slogan to sell something, it’s commercial speech, so it’s subject to the same rules and restrictions as any other trademark would be.

One basic rule is that the first user of the slogan is its owner. Not the first filer, the first user. Chris Armes, an individual from Massachusetts, filed two trademark applications for BELIEVE IN AMERICA, to be used in connection with shirts, hats and wristbands. Used with goods? Check. Avoid the candidate’s name? Check. No

prior filed application by the Romney campaign? Check. Nevertheless, the campaign filed an opposition to Mr. Armes’ marks, claiming it had used the slogan prior to Armes in its political rallies, and on promotional materials for Romney’s campaign, including t-shirts, and thus the Romney campaign, not Armes, was entitled to registration of the term and the attendant exclusive right to use the slogan. The oppositions are currently pending at the U.S. Trademark Trial & Appeal Board.

You may be wondering just why anyone would bother with filing a trademark application with a political slogan. It’s a good question. Although trademark registrations before the USPTO offer their owners significant benefits – namely, the exclusive right to use the trademark in U.S. commerce – it generally takes a minimum of about 10 months, start to finish, for a federal trademark application to work its way from the filing date to a registration. Depending on the quality of the application, and whether or not the trademark was being used when the application was filed, it could take much longer. Given the shelf life of a political campaign (2012 Republican primary candidate Thaddeus McCotter’s campaign lasted just 13 weeks), the slogan or trademark might be outdated before the registration issues. The exclusive right to use the slogan in commerce could wind up being worth about as much as a campaign promise. ■

McAfee & Taft's Intellectual Property Practice Group represents and advises clients of all sizes, from individual clients and small companies to Fortune 500 corporations. Our clients have diverse intellectual property needs and concerns, and we work closely with them to identify and address each and every issue.

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House bill takes aim against patent trolls, frivolous lawsuits

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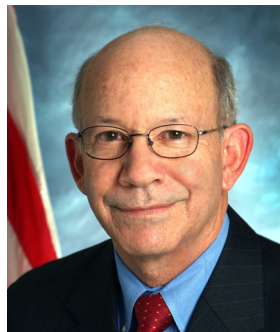
“An act to starve the patent troll.”

Although that’s not the preamble of the Saving High-Tech Innovators from Egregious Legal Disputes Act, that is nevertheless its purpose. This “SHIELD” Act was introduced earlier this month by House Representatives Peter DeFazio (D-Oregon) and Jason Chaffetz (R-Utah) and specifically targets frivolous patent infringement suits by shifting the burden of legal costs to the plaintiff. **A copy of the bill can be found here.**

Amidst a political season obsessed with health care and partisan politics, this bipartisan intellectual property law may come as a surprise to those unfamiliar with the infamous patent troll (also known as “non-practicing entities”), a business entity that acquires broadly phrased patents and then sues other businesses for allegedly infringing on those patents. Due to the high cost of defense, many businesses are forced to settle, even if there is little evidence to support the plaintiff’s claims. In fact, according to Boston University, patent trolls cost defending businesses \$29 billion in legal and licensing fees in 2011 alone. As a result, patent trolls have gained recent notoriety, particularly in the computer software field.



Rep. Jason Chaffetz (R-Utah)



Rep. Peter DeFazio (D-Oregon)

According to a recent public statement of Rep. DeFazio, “Patent trolls don’t create new technology and they don’t create American jobs. They pad their pockets by buying patents on products they didn’t create and then suing the innovators who did the hard work and created the product. These egregious lawsuits hurt American innovation and small technology startups, and they cost jobs. My legislation would force patent trolls to take financial responsibility for their frivolous lawsuits.”

So, the SHIELD Act aims to add risk to what is currently a riskless business model. Under the act, a district court may award a prevailing defendant its attorney’s fees if the court determines the plaintiff “did not have a reasonable likelihood of succeeding.” The bill does not explicitly limit this fee-shifting provision to non-practicing entities, so, it could be available against any plaintiff. Importantly, the SHIELD Act is specific to computer patent litigation, and its fee-shifting provision would only be applicable in suits alleging infringement of computer hardware or software.

To accomplish this limitation, the SHIELD Act does what no other piece of American legislation has ever done: define the software patent. Under the bill, a “computer software patent” is “(a) a patent that covers any process that could be implemented in a computer regardless of whether a computer is specifically mentioned in the patent, or (b) any computer system that is programmed to perform a process described in sub paragraph (a).” “Computer” is broadly defined as “an electronic, magnetic, optical, electrochemical, or other high speed data processing device performing logical, arithmetic, or storage functions.”

Although these definitions are presumably aimed at merely limiting the act's fee-shifting provision, the effect of defining the software patent could reach much further. Federal courts would likely utilize such a statutory definition to define the outer limits of software patentability. Some legal commentators have even speculated that the definition could open the door to future legislation aimed at prohibiting software patents altogether.

Whatever the effects of the bill, it is clear that the SHIELD Act's purpose is to take steps toward preventing frivolous patent infringement suits. Unfortunately, with the looming election, the SHIELD Act may be rusted before it ever sees the President's desk. ■



Unlicensed products: A not-so-golden opportunity

BY JESSICA JOHN BOWMAN

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As usual, the weeks leading up to the Olympics were accompanied by an increased demand for products associated with the Olympic games. Many businesses sought to meet this demand by offering shirts, hats, flags and other products proudly displaying—or, in some cases, subtly inferring—the buyer's support of Olympic athletes. Other businesses that aren't ordinarily in the business of selling such products will nevertheless allude to the Olympics when selling or advertising unrelated products and services.

Understandably, many companies might be tempted to take advantage of the increased demand for products associated with a popular event, such as the Olympics or the Super Bowl, by producing and selling products or services that allude to the event, but are not licensed by the owner of the associated intellectual property. The idea of merely suggesting identity with a particular team by incorporating or displaying team colors, altered team logos, or team catch phrases might seem like a great way to cash in on the trend without paying the costs associated with licensing a product or officially sponsoring an event. It's not. Any time you attempt to profit by associating your product or business with a famous team or event, you run the risk of violating a variety of state and federal intellectual property laws. This risk is particularly high where marquee events, such as the Olympics, are involved. The increased publicity associated with these events is often attended by an increased attempt to crack down on knockoff and unlicensed goods.

The bottom line is that the costs associated with defending a legal action brought by a multi-national organization with high-value intellectual property will vastly outweigh any savings that could be garnered from circumventing the licensing process. So before you refer to an athlete, team, or athletic event in connection with your products or services, talk to an attorney. In licensing it's easier—and cheaper—to obtain permission than to beg forgiveness. ■



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