OPIP: When Is It Lawful to Use Other People's Intellectual Property?

By David Gurnick and Tal Grinblat

"BUSINESSES OFTEN THINK COMPETITION unfair, but federal law encourages wholesale copying, the better to drive down prices. Consumers rather than producers are the objects of the law's solicitude."[1]

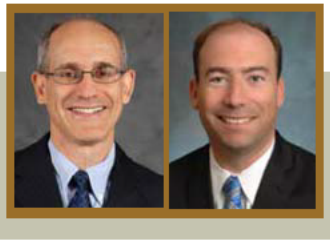
Like other types of property, intellectual property, though intangible, can be owned. A premise of intellectual property, like other property, is that by owning it one can control its use to the exclusion of others. But in the field of intellectual property it is often permissible to make use of property created and owned by others, even without their permission.

Most intellectual property can be divided into a few categories but the various types of intellectual property are seemingly endless. Here are a few kinds of intellectual property that people create, which others often want to copy and/or use:

- Copyrights, including architectural drawings, cartoons, databases, films and movies, graphic designs, drawings, printed music, recorded music, printed lyrics, recorded lyrics, narrative/textual writings, photographs, poetry, software, books and articles, and website content
- Trade secrets, including customer lists, secret product recipes, identities of suppliers, upcoming marketing plans, customer evaluations, and inventory mix
- Trademarks and trade dress, including distinctive product appearance, packaging, design, color, and layout, logos, slogans, and trademark sounds, words and phrases
- Patents, including an infinite variety of useful inventions and design patents
- Other types of intellectual property including data, internet domain names, personality rights, persona, and name and likeness

The law provides methods and procedures to protect one's exclusive right to use and control the use of each kind of property. Copyrights are registered with the Library of Congress and federal law prohibits copying someone else's copyrighted work.[2] Trademarks are registered in the U.S. Patent & Trademark Office.

Federal law and the laws of all states prohibit infringement of someone else's registered or unregistered trademark.[3] Patents are also issued by the U.S. Patent



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Office and federal law grants the patent owner the right to exclude others from practicing an invention embodied in a U.S. Patent.[4] Trade secrets are not registered with any government agency. They are kept secret by the owner. Laws in all 50 states prohibit unauthorized use and copying of someone else's valid trade secret.[5]

Legal Theories Permitting Use of OPIP (Other People's Intellectual Property)

Despite all the protections granted to intellectual property owners, several theories permit and even encourage people to lawfully use intellectual property created by others.

Public Domain

One basis to use intellectual property created by others arises if the property is in the public domain. Property in the public domain is not protectable. The public owns these works, rather than an individual author or artist. Anyone is free to use a public domain work without obtaining permission and without giving credit. There are several ways that a work can enter the public domain.

Someone's creation may be a type of work that no intellectual property law protects. For example, a book, magazine or website may present a common food recipe, including ingredients and preparation instructions. Disclosure of the recipe means it is not a secret. Being common, the recipe does not qualify for patent protection. It lacks enough creativity to qualify for copyright protection.[6] The recipe is in the public domain. Anyone is free to copy and use it.

A work may have once enjoyed protection for a term of years established by law. For example, in the early 1900s, copyrights lasted initially for 28 years and could be renewed. Today, for many works, the copyright term is life of the author plus 70 years. Utility patents now last 20 years from the filing date of the application. Design patents last 14 years from the date of issuance. After these durations end (or if the owner fails to pay periodic maintenance fees), the property is in the public domain.

Currently, any creative work (books, photos, plays, music, and all other forms of expression) published before 1923 is in the public domain and no longer protected by copyright. These works are free for anyone to use or copy. Copyright protection has also ended for many works first published after 1923 (for example, if not timely renewed). At the Internet Archive website, one can access millions of books.[7] No special software is needed. The contents of any such books that were published before 1923, including their text, any images, and any other aspects, may be copied freely. It is not even necessary to credit the author.[8]

Today, any utility patent that was first applied for more than 20 years ago, has expired and the contents of those patents are publicly available for anyone to use.[9]

Trade secrets may be lawfully used and discovered by others. Lawful reverse engineering is permissible and even encouraged. Thus, it is permissible for grocery stores to sell generic versions of perfumes, mouthwashes, cereals and other products. The generic manufacturers have deconstructed and analyzed the originals to create their own versions. Through chemical processes (and aided by the ingredients listed on the original manufacturer's packaging), they have determined the product components and preparation protocols to match the textures, tastes and smells as closely as they can to make a generic version of the original. The generics often are not perfect matches (no one has quite figured out how to exactly replicate Coca-Cola) but they come close. This is permissible reverse-engineering.

A creator or owner can deliberately place a work in the public domain. A Google search for the phrase "this work is dedicated to the public domain" yields numerous websites containing images, sounds and other content, which the creators affirmatively contributed to the public, for all to freely use. Wikimedia Commons is an example of such a site, containing millions of media files donated to be freely usable.[10]

Another type of work that is in the public domain are publications of the United States government. Under federal law, "Copyright protection . . . is not available for any work of the United States Government, but the United States Government is not precluded from receiving and holding copyrights transferred to it by assignment, bequest, or otherwise."[11]

Fair Use

Another legal rule permitting use of other people's intellectual property is the "fair use" doctrine.[12] Under this rule, people are permitted to make use of or reference copyright-protected works created or owned by others. The contours of this doctrine are continuing to evolve; but courts look at four main factors to assess if someone's use or copying of someone else's copyrighted work is permissible as a "fair use:"

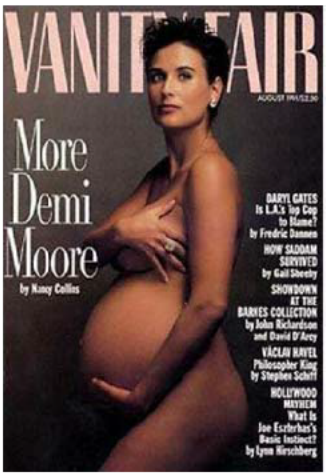
- The purpose and character of the use, including whether the use is for commercial or nonprofit educational purposes
- The nature of the copyrighted work that is being used by someone else. For example, greater leeway is permitted to use or reference someone else's factual work. Creative works like literature, receive greater protection.
- The amount and substantiality of the portion of the work used in relation to the copyrighted work as a whole. The less of the original used, the more likely the use will be considered fair use.
- The effect of the use on the potential market for, or value of, the copyrighted work. Where a secondary user's use has little or no effect on the commercial market for the original work, the use is more likely to be permitted as fair use.

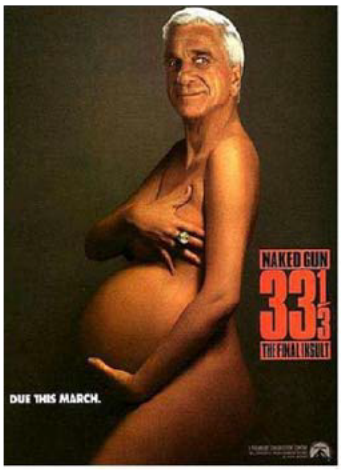
News reports, book and film reviews, scholarly works such as reports, critiques and analysis, parodies, and satires, are categories of works that often involve use, display or copying someone else's copyrighted work. As one example, the co-authors of this article believe the doctrine of fair use permits the presentation of images below, to analyze and illustrate the points discussed far more effectively than could

be done without presenting the images. The images are presented for educational purposes, not to supplant the original use. Each is reduced in size from their original. This article will have no effect on the commercial market for the original works.

A news report of an incident at a museum may include a photograph of someone's copyrighted work at the museum. Book or film reviews and critiques typically include excerpts from the material being reviewed. Parodies and satires borrow extensively from someone else's work, using humor, irony or other techniques to change the original, while still keeping it recognizable, to make an important social commentary or criticism.[13]

In 1991, this photo of pregnant Demi Moore, taken by photographer Annie Leibovitz, appeared on the cover of Vanity Fair magazine. In 1994, Paramount Studios parodied the image in an advertisement, featuring comic actor Leslie Nielsen, to promote its film Naked Gun 33 1/3. The Second Circuit held that Paramount's obvious copying of the Leibovitz photo was a parody, and thus a permissible fair use of the original.[14]





Similarly, the Fourth Circuit held that a doggy chew toy called "Chewy Vuiton" parodied and was thus a fair use that did not infringe the distinctive design and famous brand name on handbags made by Louis Vuitton.[15]

Fair use has broader applications than just parody and criticism. Courts are likely to allow usages of other people's works where the later work changes the original, adds new information, new aesthetics, new insights and understandings. This year, the Ninth Circuit ruled that the band Green Day had not infringed a distinctive original "scream" image created by artist Derek Seltzer. The original image had been licensed on t-shirts and displayed in many different contexts.

A photographer and set designer made a photo the image from a worn poster on a brick wall in the Hollywood area. The designer altered the image by changing its color, adding some markings and a spray-painted red cross. The designer included the altered version in a four-minute music video that ran in the background of 70 Green Day concerts in 2009. The Ninth Circuit ruled the later usage was transformative, providing new insights, new aesthetics and was therefore a permitted fair use of the original.[16]

License

An additional source of rights to use intellectual property created by others is use under license. One can seek express permission to make use of works, trademarks, secrets or patented inventions owned by others. Sometimes permission is freely granted. The following permission appears on a Disney fan's website authorizing others to reproduce contents of the website, particularly photos that appear therein:

> The whole point of this site was to provide a resource for those who can't get to the parks in person. As such, anyone is welcome to use any of my photographs provided you give credit to me as the photographer. I've encountered my photos being posted to various Yahoo! clubs without permission, and found them on sites without credit. Is asking too much to ask?[17]

The terms and conditions of the license are that the user must give credit to the photographer.

In the trademark context, a particularly interesting possibility for the use of intellectual property created by others consists of using trademarks that have become generic. Some well-known words in today's vocabulary were once registered trademarks.

"Aspirin" was originally a trademark for one company's brand of a pain reliever (acetylsalicylic acid).[18] The word "brassier," or its diminutive form, "bra" was originally one company's brand name for a woman's bust supporter.[19] "Bundt cake,"[20] "cellophane,"[21]"dry ice," originally a brand name for frozen carbon dioxide,[22] "escalator," originally a

trademark for one company's brand of moving staircase,[23] "thermos," originally a trademark for an insulated bottle[24] and "cola" are prominent examples of brands that were lost as trademarks because the words became generic for the product, rather than identifiers of a particular brand of product.[25]

Words are not the only kinds of trademarks that can be lost as generic. The image of walking fingers as a trademark for telephone directories was lost due to genericness in *Bellsouth Corp. v. Data National Corp*.[26] The court held that this logo mark became generic because the owner let others use it. Gummy candy in the shape of a fish and the product design of black colored compacts for cosmetics have also been declared by courts to have become generic.[27]

Today, some words are at risk of becoming generic and therefore available for use by anyone. Band-Aid, Kleenex and Xerox are examples. If someone asks for a band-aid and is happy to receive any adhesive strip to cover a wound, if someone asks for a kleenex, meaning they are in need of any facial tissue, or if someone who wants a photocopy requests a xerox, then these words do not signify a particular brand but have become generic because they refer to anyone's brand of a common product.

Similarly, the word "google" is at risk of becoming a common verb, meaning to conduct a search for websites using any internet search engine (rather than the originator's desired meaning, which is to identify their particular search engine). Where a trademark has become the common word for a category of goods, there is potential that the word may be used by anyone, because it no longer identifies a particular brand of such goods or services.

By definition, intellectual property, such as copyrights, trademarks, trade secrets, and patents can be owned. Ownership normally means the exclusive right to use and exclude others from using such property. But under the law, to encourage innovation, there are numerous legitimate bases and circumstances that permit people to make use of other people's intellectual property.

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[1] *Bretford Mfg., Inc. v. Smith System Mfg. Corp.* 419 F.3d 576 (7th Cir. 2005)
[2] 17 U.S.C. Sec. 501.
[3] 15 U.S.C. Sec. 1125.
[4] 35 U.S.C. Sec. 154.
[5] *See e.g.*, Cal. Civ. Code Sec. 3426.1(b) (defining "misappropriation").
[6] *Publications Intern., Ltd. v. Meredith Corp.* 88 F.3d 473, 482 (7th Cir. 1996) (regarding yogurt recipes which did not contain even a bare modicum of creative expression needed for copyright protection).
[7] See www.archive.org.
[8] *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003).
[9] All patents can be accessed at the U.S. Patent & Trademark Office website, www.USPTO.gov.
[10] See www.commons.wikimedia.org.
[11] 17 U.S.C. Sec. 105. This contrasts with publications of state governments, which may own copyrights. Think of publications of a state university. For example, the University of California has a website on its copyright policies: http://copyright.universityofcalifornia.edu/systemwide/ucpolicies.html.
[12] 17 U.S.C. Sec. 107.
[13] *Campbell v. Acuff-Rose Music, Inc.* 510 U.S. 569, 581 n.15 (1994) (defining parody as requiring the "use of some elements of a prior author's composition to create a new one that, at least in part, comments on that author's works" and satire as "a work 'in which prevalent follies or vices are assailed with ridicule'… or are 'attacked through irony, derision or wit.'").
[14] *Leibovitz v. Paramount Pictures Corp.* 137 F.2d 109 (2d Cir. 1998).
[15] *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC* 507 F.3d 252 (4th Cir. 2007).
[16] *Seltzer v. Green Day, Inc.* ___ F.3d ___ 2013 WL 4007803 (9th Cir. Aug. 7, 2013).
[17] Huffman, Allen, DisneyFans.com, http://www.disneyfans.com/copyright.htm (last visited September 12, 2013).
[18] Bayer Co. v. United Drug Co. (S.D.N.Y. 1921) 272 F. 505.
[19] Charles R. De Bevoise Co. V. H & W Co (N.J. Ch. 1905) 60 A. 407.
[20] In Re Northland Aluminum Products (Fed. Cir. 1985) 777 F.2d 1556.
[21] *DuPont Cellophane Co v. Waxed Products Co.* (2d Cir. 1936) 85 F.2d 75.
[22] *Dry Ice Corp. v. Louisiana Dry Ice Corp.* (5th Cir. 1932) 54 F.2d 882.
[23] *Haughton Elevator Co. v. Seeberger* (Comm. Patents 1950) 85 U.S.P.Q. 80.
[24] *King Seely Thermos Co. v Aladdin Industries, Inc.* 321 F.2d 577 (2d Cir. 1963).
[25] *Dixi-Cola Laboratories, Inc. v. Coca Cola* (4th Cir. 1941) 117 F.2d 352; *Coca Cola v. Standard Bottling Co.* (10th Cir. 1943) 138 F.2d 788.
[26] Bellsouth Corp. v. Data National Corp (Fed. Cir. 1995) 60 F.3d 1565, 1568, 1570.
[27] *Leaf, AB v. Promotion in Motion, Inc.* (S.D.N.Y. 2003) 287 F.Supp.2d 355, 364-365; *Mana Prods., Inc. v. Columbia Cosmetics Mfg., Inc.*, (2d Cir. 1977) 65 F.3d 1063, 1070.