

Copyright Registration Could Protect Your Company's Promotional Materials from "Unfriendly" Competition

When a company evaluates its intellectual property portfolio, obtaining trademark registration for its trademarks and trade dress is almost always considered. Federal trademark registration is the most common way for the producers of products and services to protect the time and resources they have invested in creating a good reputation with consumers—commonly referred to as good will. Most companies can easily visualize the benefits of obtaining federal trademark registration. However, companies may also want to consider registration of their promotional materials under federal copyright law as an additional way to protect the good will they have created for their business.



Copyright law protects works containing original expression, and most promotional materials—including print and multimedia advertising materials—are likely to have enough originality to obtain federal copyright registration.¹ Despite this fact, most companies do not attempt to obtain copyright registration for their promotional materials. One reason that a company may fail to consider copyright registration for promotional materials is that it seems more likely that a competitor would infringe on the company's trademark rights by using a registered trademark or logo contained in its promotional materials rather than stealing the original expression included in the promotional materials itself. But rather than using a company's trademark or logo in their promotional materials, some competitors directly copy the entire content of another company's promotional materials and replace the company's trademark or logo with their own trademark. For example, the producers of many consumer goods sold in grocery stores promote their products through print advertising displayed alongside the goods. A competitor might copy the entire content of these advertising materials but replace all references to the specific brand name of the product

with the name of its competing product. This competitor may not be infringing on the company's trademark rights, in which case the company would have no remedy under trademark law, but this misappropriation of the company's valuable expression of the quality of its goods or services could be damaging to the good will the company has created with its customers.

Even if a company sees the value of protecting its promotional materials under copyright law, it may still decide not to pursue obtaining copyright registration. The exclusive rights afforded to the owners of copyrights come into existence at the point when the work was created. Even though registration is generally a prerequisite to a suit for copyright infringement, failure to obtain a copyright registration on a work prior to infringement does not bar the copyright owner from registering the work after infringement has occurred in order to bring suit. Because registration prior to infringement is not required to enforce a copyright owner's rights and it may seem unlikely that a competitor would directly copy a company's promotional materials, the value of registration may not always be apparent. However, the potential of an award of statutory damages in the event of infringement is a valuable benefit of obtaining copyright registration in a timely manner that should not be overlooked.

Provisions in 17 U.S.C. § 504(c) allow for statutory damages for copyright infringement in an amount between \$750 and \$30,000 for each work infringed, and the amount awarded may be increased up to \$150,000 for willful infringement or decreased down to \$200 for innocent infringement. Federal copyright law also provides for injunctive relief and actual damages and profits as remedies to copyright infringement. However, because proving actual damages and profits generally hinges on market statistics and other empirical data, an award of actual damages can be not only difficult but also sometimes impossible to obtain. Therefore, an infringer may have an incentive to disregard a threat of copyright infringement litigation if it believes injunctive relief or actual damages may be difficult for the copyright owner to obtain. However, the potential of an award of substantial statutory damages may provide significant leverage in convincing an "unfriendly" competitor to cease its



infringing activities, or better yet, it could discourage it from copying the company's promotional materials and stealing the company's good will in the first place.

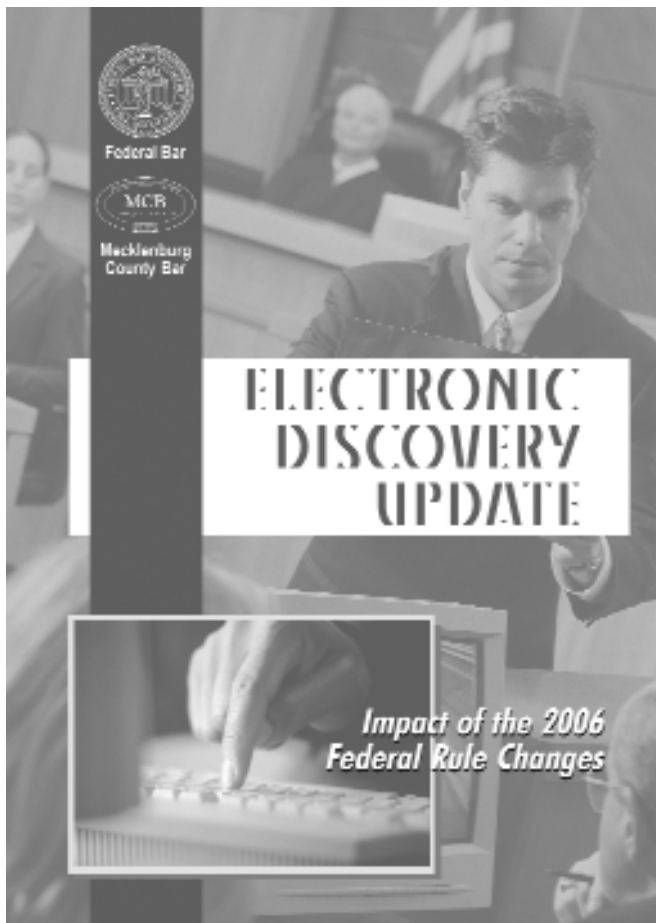
It is important to consider obtaining copyright registration for promotional materials before an infringement has occurred; otherwise, the copyright owner may not be able to take advantage of the availability of statutory damages. Under 17 U.S.C. § 412, statutory damages are generally available only if the infringement begins after the effective date of the registration of the copyright, except in the case of published works, for which statutory damages will also be available if the infringement begins before the copyright has been registered but after the work was first published if the registration is completed within three months after initial publication. Although Congress has recently amended § 412 to also allow statutory damages in infringement actions that have been properly brought under the new preregistration scheme set forth in 17 U.S.C. § 408(f), preregistration is allowed only for certain categories of works that the U.S. Copyright Office has determined are particularly susceptible to infringement prior to publication. These types of works include motion pictures, sound recordings, musical compositions, literary works

being prepared for publication in book form, computer programs, and photographs to be used for advertising or marketing.² Noticeably missing from this list is any category that would cover many types of promotional materials. Therefore, in order to take advantage of the availability of statutory damages, a copyright owner should still seek registration promptly. Therefore, when a company is evaluating its intellectual property assets, it should consider obtaining a copyright registration for its promotional materials, because the availability of statutory damages may protect it from "unfriendly" competitors pirating its promotional materials and damaging the good will the company has worked hard to create.

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Endnotes

¹See generally, 17 U.S.C.A. § 102 (a) (West 2005).
²37 C.F.R. § 202.16 (b) (2006).



The Federal Litigation Section, in conjunction with the Mecklenburg County (N.C.) Bar, has produced a video, in DVD format, entitled "Electronic Discovery Update: Impact of the 2006 Federal Rules Changes." A copy has been distributed at no charge to each FBA chapter.

The video, through following one hypothetical of a misappropriation of trade secrets, intersperses commentary by Joan Feldman of Navigant Consulting and Professor Alan Blakley, with scenes from the litigation — the Rule 16 meeting, a motion for protective order, a motion for sanctions and a motion for production of electronic information in native format. The video highlights the changes in Rules 16, 26, 37, and 34.

A copy can be purchased from the Federal Bar Association, Federal Litigation Section, for \$39.00. Please e-mail your request for a copy to Lisa Armini at larmanini@meckbar.org.