

LAW & LUNCH SERIES:

Importance of Protecting Your Business & Brand

PARDALIS &
NOHAVICKA
ATTORNEYS

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About PN Lawyers

Pardalis & Nohavicka is a full-service law firm based in New York City with offices in Manhattan and Queens.

We handle an eclectic array of matters representing individuals and business owners in:

- ❑ Civil Litigation
- ❑ Trademark Services
- ❑ Business Transactions
- ❑ Employment Law
- ❑ Intellectual Property Protection
- ❑ Patents

Our mission is to approach each matter with the utmost in ethical standards and integrity. With their experience and unique approach, our attorneys regularly solve problems for a total fee lower than comparable firms charge. We cannot help but consider it a professional honor to be entrusted with your business and personal matters.

We are counsel to innovative companies, start-ups, and brands around the world, and are thrilled to be here to offer you and your business full protection.



GIANNA N. MCARTHUR

HOFSTRA SCHOOL OF LAW | 3L



Intellectual Property: The Basics

- Intellectual Property often refers to various creations which are protected by law.
- Includes:
 - Trademarks
 - Copyright
 - Patents
- What does IP protection do?
 - Allows the inventor a greater chance to assert ownership as well win infringement claims and obtain damages or financial gains from litigation



Trademarks 101: The Basics



- Symbols used in commerce to indicate the source of goods and to distinguish them from goods sold or made by others.
- Trademarks can be a number of things including:
 - Words
 - Names
 - Symbols
 - Devices
 - Sounds
 - Smells
 - Trade dress or product shape
- Protects both the owners and the customers
- Acquired through use, specifically a use that indicates a source
- Trademark rights are identified through continuous commercial utilization which allows the public to identify or distinguish the marked goods

Trademarks 101: Why Register?

- A registered mark provides **nationwide protections** against similar marks
- A certification of registration ensures that the mark is **valid**
- There is an increased opportunity for **remedies** after infringement
- Registration demonstrates **ownership**
- The mark will appear in trademark searches
- There is no time limit on the duration of a mark, once registered the owner retains ownership of the mark until it is abandoned



Trademarks 101: Causes of Action

- **Infringement:** A different company uses a mark or something similar which can cause confusion about the source of the goods.
- **Dilution:** the owner of a famous mark may be able to obtain an injunction if the owner of a mark feels as if another mark brings down the value of a mark.



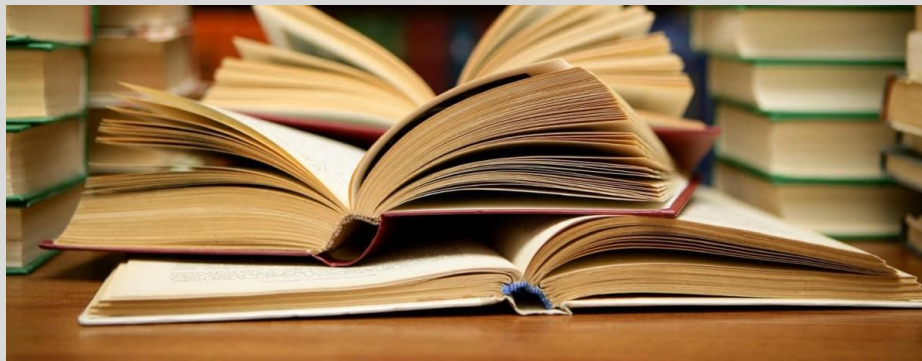
Copyright 101: The Basics

- Legal protections for original works of authorship fixed in a tangible medium of expression
- Works must be original and creative
- Copyright protections apply to published and unpublished works



Copyright 101: What's Covered?

- Literary works
- Musical works, including any accompanying words
- Dramatic works, including any accompanying music
- Pantomimes and choreographic works
- Pictorial, graphic, and sculptural works
- Motion pictures and other audiovisual works
- Sound recordings
- Architectural works



Copyright 101: Owner Rights

- Ability to reproduce the work
- Publicly perform the material
- Prepare derivative works
- Display the copyrighted work publicly
- Distribute the copyrighted work
- **To maximize rights and the ability to win legal battles an owner should seek legal copyright protections.**



Copyright 101: Term Length

- The copyright term last for the life of the author plus 70 years (or a fixed term of 95 years for works made for hire and some other categories of works)
- Copyright only protects creative expression, it **does not protect ideas, principles, or theories**



Patents 101: The Basics

- Once an inventor creates a product or process, they have the right to obtain a patent from the U.S. Patent and Trademark Office
- A invention must be new, useful, and nonobvious
- Must be filed in a timely manner
- Allows an inventor the right to exclude others from making, selling, and using the patent during the term



Patents 101: Exclusions

- **Laws of Nature** -for example the theory of relativity
- **Physical Phenomena** - a newly discovered mineral
- **Abstract Ideas** -mathematics
- **Immoral Inventions** -inventions deemed contrary to public policy



Patents 101: Filing

- In order to file a patent the application must be filed by or on behalf of all inventors
- Applications must not be filed later than one year after the invention's public use or publication
- Application contains a written description of the invention and how it's used, such that anyone "skilled in the art" could make or use it without further research or adaptation



PRISCILLA RIVERA

HOFSTRA SCHOOL OF LAW



Trademarks & Business Names

Trademark law prevents a business from using a name or logo that is likely to be confused with one that a competing business already uses.



Choosing a business name:

- If found to be similar, you could be violating a competitor's trademark and pay money damages
- Serious blow for name recognition and can be costly
- If planning to have an online platform, one must also consider national and worldwide trademarks

Different terms that come up in Business names:

- **Legal name:** official name of the entity that owns a business.
- **Trade name:** name that business uses with the public.
- **Fictitious business name:** when the trade name of business is different from its legal name.

Trademarks & Architectural Work

The Architectural Works Copyright Protection Act of 1990 extends copyright protection to building designs.

Under the new law, both the **floor plans** and the **exterior design** of a building are protected

Trademark protection can also extend to non-traditional marks, including **sounds, smells, and colors** or **combinations of colors**.

Before commercial construction begins, builders and designers should be mindful of the potential infringement on trademark rights of competitors.



Double copyright protection?

Since an architectural work may be embodied in plans or drawings, a question arises regarding the relationship between **copyright in the architectural work** and **copyright in plans and drawings**.

Example:

A builder who wishes to copy a home design copyrighted by another person will need to obtain the permission of the original designer. Now, the act of copying a constructed home through observation and measurement involves at least two acts of infringement.

1. When the builder creates a set of drawings as a preliminary step to the construction of the unauthorized home.
2. When the builder constructs the unauthorized home.



Limitations to Architectural Works

There are 2 statutory limitations:

1. Permits the unauthorized making, distributing, or public display of pictures, paintings, photographs, or other pictorial representations of a constructed building embodying a protected design if the building is **ordinarily visible from a public place**.
2. The right to alter or destroy a building embodying a protected work is **granted to the owner** of the constructed building.

Elements of a work that are **not protected** by copyright include: facts, principles, theories, methods of operation, systems, and processes.



Visual Art in Buildings

The protections contained in the copyright laws extend to architects, designers, and other “authors” the ability to control the reproduction, distribution, modification, public performance, and public display of their works.

Under the Visual Artists Rights Act of 1990 (VARA), visual artists now possess the non-transferable right of attribution to assure that the artist is properly identified with the works they create.

At the outset, it is prudent for a property owner to obtain a written waiver of the visual arts if such artists work are to be incorporated into a building or development project to avoid later disputes.

There is value in the various features of a building or development whether commercial or residential. Not only can it add to the value of the real estate but merchandising rights can be very valuable.



“Trade Secret” as a business tool

If a business decides that patent or copyright protection is not suitable or available for the relevant material, it might still be able to protect its property as **a trade secret**.

When debating if you have a trade secret, ask yourself:

1. Is the information/invention known outside of the company? (no)
2. Does the information/invention have value from not being known outside of the company? (yes)



Businesses may consider combining copyright protection with trade secret protection to maximize the security of business information.



Trade Secrets

Is your information valuable?

1. Is this innovation/invention/process/formula/information so unusual or creative that your competitors would wish to use it if they knew of it?
2. If your company was offered a large amount of money to make it available to the public, would you take it or say no because it is worth more to the company as a secret?

Steps in protecting your trade secret:

- Document the Trade Secret
- Properly protect the Trade Secret
- Mark any documentation pertaining to the trade secret with a restrictive legend
- Ensure appropriate physical and logical security of the trade secret
- Proper disclosure

Trade secret protection is often gained through contractual arrangements.



Advantages to Trade Secret Protection

Trade secret protection has a number of clear advantages as a source of protection for intellectual property:

1. It is a perpetual personal property right as long as it is not destroyed.
2. It covers a wide range of subject matter—virtually any specific item of commercially or industrially valuable information—and is not subject to strict subject matter limits the way that patents are.
3. It does not entail an expensive application procedure, nor does it require full public disclosure such as that involved in patent and copyright registration.
4. Unlike copyright law, which protects only the expression of ideas, trade secrets covers the valuable ideas themselves.



Issues with Trade Secrets

1. It only protects against discovery by improper means such as theft, wiretapping, breach of confidence, or aerial reconnaissance.
2. Trade secret protection can be lost if disclosure of trade secret information is required by a government agency or by a court during the course of administrative proceedings or litigation.
3. Even when all parties agree to maintain secrecy, the secret may nevertheless be revealed, possibly by accident, possibly through state law, request for discovery procedure, or by some other means.
4. Trade secret law confers no protection against independent invention, accidental disclosure, or reverse engineering.



EVE CHOWDHURY

BROOKLYN LAW SCHOOL | 2L



What is fashion law?

The practice of fashion law consists of intellectual property and commercial matters to various fashion-related agencies.

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Intellectual Property:

- Branding
- Protection

Commercial Matters:

- Licensing
- Manufacturing
- Distribution contracts
- Agency
- Franchising Agreements



Protecting Fashion Design IP

- Patent Law:
 - Utility Patent
 - Design Patent
- Trademark Law:
 - Trade dress
- Copyright Law



Fashion Law: Patents

Utility Patent

- The majority of patents and protect useful, novel, and non-obvious inventions
 - i.e. Spanx and Wonderbra

Design Patent

- Protect the new, non-obvious, and ornamental design aspect of functional items
- Better designed for protecting fashion designs



Design Patents

- Patent protection can only be extended after registered and upon issuance by the USPTO
- Application must be filed within the first **twelve months** of the product's introduction into the marketplace
- A design patent can take **twelve to eighteen months** to obtain
- Lasts 15 years, **without option to renew**
- Has to be submitted for each different piece; a whole line cannot be protected from one design patent



Fashion Law: Trademarks

- Typically protects the logo, name, label, or short phrase used on goods or services
- Rights are automatically obtained through common law if it is the first use of the mark or if the mark garners secondary meaning
- Registration offers more rights
- For those expanding internationally, you have to think about what countries, because they may protect through filing rather than use.



Trade Dress

- Can protect distinctive smells, packaging, shape, and overall characteristics of a product.
- Originally used to protect distinctive product packaging, i.e. Tiffany's little blue boxes
- Come to be a strong form of protection for iconic fashion items
 - Christian Louboutin's iconic red sole
 - Hermès Birkin or Kelly's bag shape
 - Céline luggage
 - Bottega Veneta's woven pattern
 - Stuart Weitzman store design



Trade Dress

- In order to gain trade dress protection, the smell, packaging, or shape of item must acquire secondary meaning.
 - That particular garment needs to become so well-known to consumers that they can link the appearance of the garment with the brand
 - Then registered as trademarks
- Usually only famous brands are able to acquire secondary meaning in the marketplace
- Not available for emerging designers or lesser known brands



Copyright Law

- Protects original works of authorship, but the work cannot have a physical useful function
- Copyright is a natural right and creators are therefore entitled to the same protections anyone would be in regard to tangible and real property
- Rights can be obtained through common law protection:
 - Begins at the point of creation AKA the moment a work is fixed in a tangible medium
- Registration offers stronger protection and necessary for litigation
- Can protect an entire fashion line through one application, if part of the same collection



Copyright Law

- Protection of fashion designs is afforded through the art of the pictorial, graphic, and sculptural work category.
- Courts have varied on this:
 - A drawing of a dress is copyrighted, the dress itself may not be
 - Belt buckles are copyrighted because may be considered jewelry
 - In 2017, SCOTUS ruled aesthetic fashion designs can be protected via copyright if they can be separated from the usefulness of an article of clothing either physically or mentally



Where are we today?

Courts are varied but the law is slowly going more towards extending protection to encompass fashion designs.

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How can we help?

1. Trademark rights arise from use, not registration.
2. When a new product or service is going to be offered under a new trademark, the proposed mark should be searched to assure no earlier use has been made of the proposed mark or a confusingly similar mark.
3. Special trademark challenges exist for the owners of large commercial and residential developments and for those developing larger resorts.
4. Ensure proper steps in assessing and obtaining a trade secret.
5. Assist in the enforcement of trademark rights.



Contact Us



Manhattan

950 Third Ave., 25th Fl.
New York, NY 10022

212.213.8511

Queens

3510 Broadway, 2nd Fl
Astoria, NY 11106

718.777.0400

WeWork

135 E. 57th St., 14th Fl.
New York, NY 10022

212.213.8511

pnlawyers.com | contact@pnlawyers.com