

**IS UNAUTHORIZED COPYING AN INFRINGEMENT OR FAIR USE?
ARE THE RULES DIFFERENT FOR CONTENT AND TECH?**

**APABA Silicon Valley
Licensing Executives Society of Silicon Valley
San Jose, CA
August 29, 2023**

**Lindsey Pho (Messner Reeves)
Rosaleen Chou (Knobbe Martens)
Joseph Yang (PatentEsque)**

Blockbuster Supreme Court Decisions affecting Business, Licensing and Litigation in Art, Social Media, Publishing, Merchandising, Software and AI

- I. **Coffee and Robots? *Google v. Oracle* (U.S. Apr. 2021)**
- II. **Booze and Dog Chews? *Jack Daniel's v. VIP Products* (U.S. Jun. 2023)**
- III. **Pop Music and Pop Icons? *Warhol v. Goldsmith* (U.S. May 2023)**
- IV. **Panel Discussion**
- V. **Examples from Everyday Life**
- VI. **Audience Q&A**
- VII. **Can You Guess?**

I. COFFEE AND ROBOTS? *Google v. Oracle* (U.S. Apr. 2021)

A. Background & Facts:

1. Copyright protects expression, not ideas (or functionality)
 - a. Limited by merger (idea \leftarrow \rightarrow expression: limited ways to express), scenes-a-faire (standard elements) & **fair use** (transformative use) doctrines
 - b. SW is copyrightable, but scope is often unclear
 - i. **APIs** (application program interfaces)
2. **Sun** (later acquired by **Oracle**) developed **Java** programming language
3. Google wanted Android to **piggyback** on Java
 - a. Negotiated for (but ultimately refused) technology license
 - b. **Copied 37 (out of 166) APIs**
4. Oracle sued Google for copyright infringement: **PING-PONG MATCH**
 - a. Dist. Ct. (Jury): Copyright **infringement**; **Deadlocked** on **fair use**
 - b. Dist. Ct. (Judge): APIs **not copyrightable**
 - c. Fed. Cir.: **Copyrightable** + **remanded (fair use)**
 - d. Dist. Ct. (Jury): **Fair use**
 - e. Fed. Cir.: **No fair use**

B. Issues & Holdings:

1. Are **APIs copyrightable**? **DID NOT DECIDE**
2. **Fair use** (17 USC 107)? **YES**
 - a. Purpose & character of use: Transformative - **allowed Java programmers to work in different environment**
 - b. Nature of work: **Value** of user interface derives from Java **programmers' invested knowledge** (implying not from the work itself)
 - c. Amount and substantiality of use: **LOW** – copied only what was **needed to allow Java programmers to work in Android environment**
 - d. Effect on **market** for product: Not substitutes – smartphones v. laptops. Protect **programmers' accumulated skills** (i.e., work cross-market).

Google v. Oracle (U.S. Apr. 2021)

C. Comments: **Controversial** case

1. Market for **SW product** (Fed. Cir.) vs. market for **programmers** (S. Ct.)
2. **Skipped** over threshold issue of **copyrightability** of APIs

II. **BOOZE AND DOG CHEWS?** *Jack Daniel's v. VIP Products* (U.S. Jun. 2023)

A. Background:

1. *Rogers* test for the use of trademarks in works of creative expression: Use of trademark in an expressive work is actionable as infringement only if:

- a. The challenged use of the mark has no artistic relevance to the underlying work, or
- b. It is explicitly misleading as to the source or content of the work.

Rogers v. Grimaldi, 875 F.2d 994, 999 (2d Cir. 1989)



VIP Products LLC v. Jack Daniel's Properties, Inc.



B. Facts:

1. After receiving a C&D, VIP Products sued Jack Daniel's in AZ Dist. Ct. for declaratory judgment that its toy neither infringed nor diluted Jack Daniel's trademarks; Jack Daniel's countersued for trademark infringement and dilution
 - a. 2018: AZ Dist. Ct. finds for Jack Daniel's and rejects defense that Bad Spaniels chew toy merited heightened First Amendment (1A) protection
 - b. 2020: 9th Cir.: Bad Spaniels dog toy merits heightened 1A protection (parody); vacated judgment and remanded, ordering Dist. Ct. to apply *Rogers* test
 - cites 4th Circuit decision in *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252 (4th Cir. 2007)
 - c. 2022: Jack Daniel's sought review in the Supreme Court

C. Issues & Holdings:

1. June 8, 2023: 9-0 decision - Supreme Court vacated and remanded the Ninth Circuit's decision
2. Fair use parody? NO
 - a. Where the mark is used as **source identifier** (i.e., the parody mark being used as a branding source for VIP's goods) the *Rogers* test does not apply, even if the work is expressive and conveys a parody message
 - b. VIP stated in its complaint that it owned and used "Bad Spaniels" trademark and trade dress = conceded it was using the branding to identify the toy's source as VIP products
3. Infringement? DID NOT DECIDE (remanded)
 - a. S. Ct. clarified that a product's expressive nature can still affect a likelihood of confusion analysis and remanded the case to determine whether consumers would think that the dog toy is a product of Jack Daniel's

4. Dilution? DID NOT DECIDE (remanded)
 - a. Lanham Acts fair use protection for parodies or social commentary upon famous marks does not apply if the defendant uses the similar mark “as a designation of source for the [defendant’s] own goods.”
 - b. S. Ct. refused to extend noncommercial use exception to parody when a mark is used as a mark (and VIP Products conceded it used the “Bad Spaniels” trademark and trade dress to designate source)
- D. Comments: S. Ct. held that despite its humorous intent, VIP committed the “cardinal sin” of the Lanham Act – creating potential consumer confusion as to the source of a particular product.
 1. Narrow holding: using someone else's trademark as a trademark for your own products (source-identifier) is off-limits, even if it is a parody
 - a. This does not eliminate protection for all expressive uses of a trademark
 2. What’s next? Is it likely that the consumer is going to be confused with the source of the toy? Does the parody make it less likely or more likely that a consumer will think the toy is made by or approved by Jack Daniels?

III. **POP MUSIC AND POP ICONS? *Warhol v. Goldsmith* (U.S. May 2023)**

A. Why is this case important?

1. This is a major copyright case
2. This is only one of two SCOTUS cases since 1994 to address what it means for a work to be transformative for copyright fair use
3. Moreover, it is the only SCOTUS example of what will not be considered a transformative use

SUPREME COURT OF THE UNITED STATES

Syllabus

**ANDY WARHOL FOUNDATION FOR THE VISUAL
ARTS, INC. *v.* GOLDSMITH ET AL.**

**CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR
THE SECOND CIRCUIT**

B. Background

1. In 1981, Lynn Goldsmith was hired to take a picture of then up and coming musician Prince
2. In 1984, she licensed the photo to Vanity Fair to serve as a one-time artist's reference for Andy Warhol
3. Unbeknownst to Goldsmith, Warhol created an entire line of pictures based on her own photo, known as the "Prince Series"
4. Goldsmith first became aware of this when Condé Nast licensed Orange Prince for use on the cover of their magazine in the wake of his untimely death
5. She sued for copyright infringement



C. Procedural History

District Court found
for the Andy
Warhol Foundation

Second Circuit
reversed

Supreme Court
granted cert



D. Issues Presented

1. Under the first factor of fair use, which considers the purpose and character of the use, what does it mean to be transformative?
2. AWF argued that the work was transformative because it portrayed Prince differently
3. Goldsmith argued it was not transformative, because it was still used as a picture of Prince to “illustrate magazines”

E. Majority Opinion

1. Authored by Sotomayor, with Thomas, Alito, Kavanaugh, and Barrett joining
2. Held that the use was not transformative because the Goldsmith Photo and the use of Orange Prince shared “substantially the same purpose”
3. Distinguished these facts from Warhol’s “Soup Cans” which were a comment on consumerism, not soup advertisements



F. Majority Opinion

1. Rejected AWF's argument that the work was transformative because it had a different "meaning or message"
2. Meaning or message is not dispositive; it merely helps determine if there is a new, distinct purpose
3. To hold otherwise would open up a huge range of commercial copying that merely made small alterations



G. Concurrence

1. Authored by Gorsuch, with Jackson joining
2. Stressed how narrow the court's holding was
3. All the Court decided was that the transformative inquiry focuses on the nature of the current use, not the artist's intentions
4. Court's opinion would not prevent use of Orange Prince in a museum, or in a book about modern art



H. Dissent

1. Authored by Kagan, with Roberts joining
2. Focused in part on their belief that previous case law shows that a change in meaning or message is enough to be transformative
3. Also advanced a policy argument about how this ruling will stifle future creative developments and impoverish the public at large



Velázquez, Pope Innocent X,
c. 1650, oil on canvas



Francis Bacon, Study After
Velázquez's Portrait of Pope
Innocent X, 1953, oil on canvas



I. Main Takeaways and Questions

1. When using something based off a copyrighted work, make sure that the objective purpose of what you are using it for is different
2. For copyright infringement, the focus for transformativeness will be the *specific* use at issue, not necessarily the underlying work as a whole

IV. PANEL DISCUSSION

- A. Are these cases reconcilable with each other (e.g., are the rules for tech & content different?)**
- B. Trends from these recent SCOTUS decisions (e.g., is the distinction blurring between copyright and trademark fair use)?**
- C. What are the implications of (and guidance from) these cases (e.g., new product / content innovation, emerging industries such as AI; fair use; licensing)?**

V. EXAMPLES FROM EVERYDAY LIFE

A. More and More Prince



In an art gallery exhibit – for sale / not for sale?



On a coffee mug sold



Compilation of various artists' art and photos of Prince sold in a book

B. Tacky T-Shirts



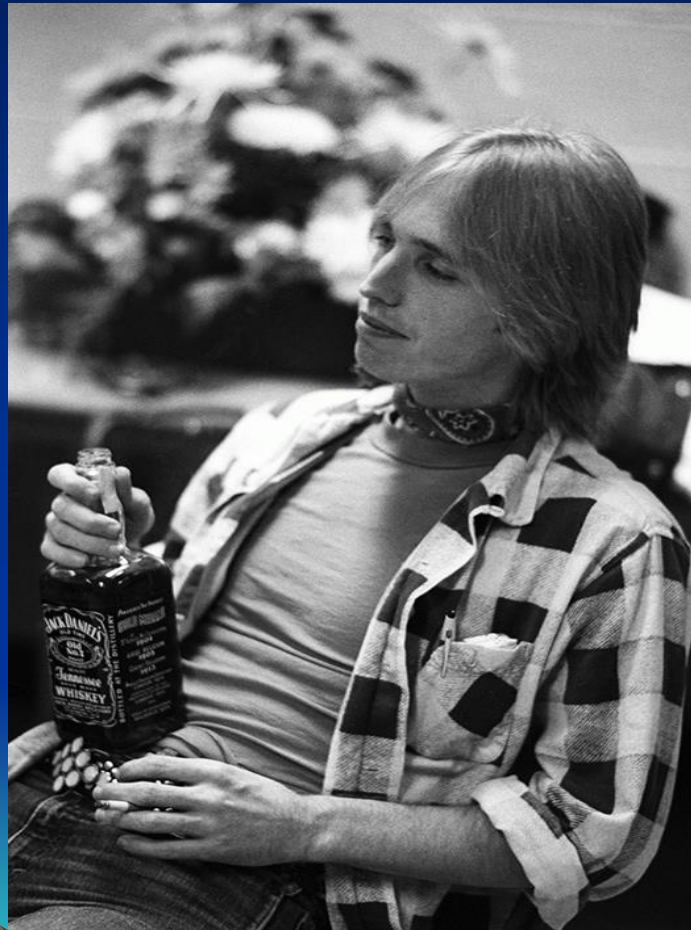
C. Use of Trademarks in Creative Works: Trade Dress



VI. AUDIENCE Q&A

VII. CAN YOU GUESS?

Whose (and what) rights might be infringed by unauthorized copying & distribution of this photo?



SPEAKER BIOGRAPHY – LINDSEY PHO

Lindsey Pho is part of Messner Reeve's Intellectual Property and Corporate practice groups. She is based in the Silicon Valley Office. She counsels her clients on the development, management, and protection of their most valuable assets: their brands.

Lindsey helps her business clients search, clear and register their trademarks; register their copyrights; and negotiate different types of business agreements including licenses. In managing her client's portfolios,

Lindsey works on the policing and enforcement of their intellectual property, including handling DMCA takedowns, online marketplace takedowns, and opposition and cancellation proceedings before the Trademark Trial and Appeal Board.

Her corporate litigation background has set her up to handle litigation matters for her clients, so she could help them better leverage their intellectual property. She has handled cases related to patent and trademark infringement and trade secret misappropriation.

Lindsey serves on the Board of Directors for APABA Silicon Valley, the National Conference of Vietnamese American Attorneys, and the Vietnamese Professional Women of Silicon Valley, and is a 200-hour certified yoga instructor.

SPEAKER BIOGRAPHY – ROSALEEN CHOU

Rosaleen Chou is a partner in the SF office of *Knobbe Martens Olson & Bear LLP*, where she advises on brand protection and strategy for famous brands across a broad array of industries, Fortune 50 and smaller, fast-growth companies.

She has managed extensive global trademark portfolios across 200+ countries, and spearheads global policing and enforcement programs to protect against infringement and dilution, including multi-country opposition & infringement actions, domain name disputes & UDRP proceedings, TTAB opposition & cancellation proceedings, copyright strategy, customs enforcement, and online marketplace & social media brand protection.

While at Meta as a full-time secondee, Rosaleen managed & developed trademark and copyright portfolios for Facebook, Instagram, Oculus & WhatsApp, and developed brand guidelines & managed brand licensing of these properties. Rosaleen also serves on INTA's Anti-Counterfeiting Committee.

SPEAKER BIOGRAPHY -- JOSEPH YANG

Joe Yang is a partner at *PatentEsque Law Group, LLP*, and a Lecturer at *Stanford Law School*. He is also an expert witness for high stakes IP & licensing disputes.

Joe specializes in patent deals (e.g., licensing, cross-licensing, monetization and standard bodies), tech transactions (e.g., licensing, JVs) and IP strategy. He has led hundreds of deals worth billions of dollars in (and across) the automotive, computer/electronics, semiconductor, consumer, robotics, entertainment, materials, manufacturing, energy & health fields. He has been an arbitrator, overseen patent litigation & developed corporate patent portfolios.

Previously, Joe he was VP & General Counsel of *Cryptography Research, Inc.*, whose licensees make 10+ billion devices/year under the company's patent and technology licenses. Before that, he co-founded & later led the IP Strategy & Transactions practice of *Skadden, Arps* (Palo Alto).

Joe co-chairs the nationwide “Advanced Licensing,” “Advanced Patent Licensing” & “Understanding the IP License” courses -- attended by thousands of lawyers annually -- at the *Practising Law Institute*. He has written for journals & books, and been cited by courts & treatises. Joe teaches “*Patent & Technology Licensing*” at *Stanford Law School* & has taught “Patent Law & Policy” at *U.C. Berkeley School of Law*.

Joe is listed in Intellectual Asset Management's guides to the *World's Leading IP Strategists*, *World's Leading Patent Professionals* & *World's Leading Patent & Technology Licensing Lawyers*; in Marquis' *Who's Who in American Law* & *Who's Who in America*; and in the Northern California *Superlawyers* guide.

Originally, Joe was a research engineer in aerospace & energy. Joe has a J.D. from Stanford and a Ph.D. (engineering) from the *California Institute of Technology*, where he has served on the boards of the Caltech Alumni Association, and the Caltech Associates.