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# TRADEMARK AND COPYRIGHT CONSIDERATIONS IN THE AUTOMOTIVE AND MOBILITY SPACE

July 20, 2021

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# Morgan Lewis Automotive Hour Webinar Series

Series of automotive industry focused webinars led by members of the Morgan Lewis global automotive team. The 11-part 2021 program is designed to provide a comprehensive overview on a variety of topics related to clients in the automotive industry. Upcoming sessions:

**AUGUST 4** | White Collar and Government Enforcement Developments Affecting the Automotive & Mobility Industry

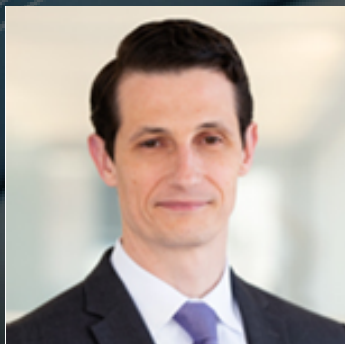
**AUGUST 11** | Power and Opportunity: EVs, Hydrogen and Other Vehicle Power

**SEPTEMBER 15** | SPACs and Other Vehicles for Investment in the Automotive and Mobility Sectors

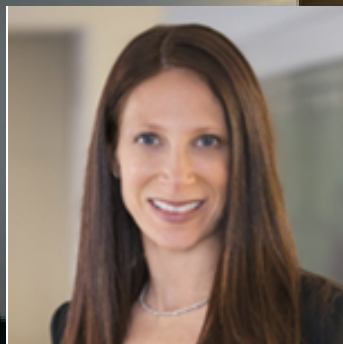
**NOVEMBER 10** | New Market Entry and the Anachronistic US Distribution System: What the Future Portends

**DECEMBER 8** | The IP Anatomy of the Automotive Nervous System

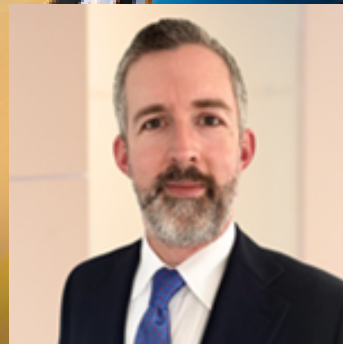
# Presenters



**Josh Dalton**  
Partner, Boston



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**Morgan Lewis**

# Focus on Select Methods of Protecting Intellectual Property

- Trademarks and trade dress
- Copyrights in aesthetic aspects of useful articles
- Copyrights in car company logos themselves
- European design protection
- Challenges in China



# Enforcing Automotive Trademarks

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# What is a Trademark?

- Any word, name, logo, symbol or device, or any combination thereof, used by a person to identify and distinguish his or her goods from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.
- Section 45 of the Trademark Act of 1946 (Lanham Act), 15 U.S.C. §1127
- Service Mark: Essentially the same as a trademark except used to identify and distinguish services rather than goods



# What is a Trademark?

## Types of Trademarks

- Company/Product names: Ford, Honda, Mustang, Accord
- Word(s): March Madness, Three-Peat
- Name(s): Michael Jordan, Tommy Hilfiger
- Slogan(s): Just Do It, I'm Lovin' It
- Logo(s)



# What is a Trademark? THESE are trademarks!

- Auto makers have some of the most valuable and well-recognized brands in the world.
- Automotive Industry 2021
  - Toyota brand alone worth \$59.5 billion
  - Over \$200 billion in German brands alone
- Constant need to police the use of marks.

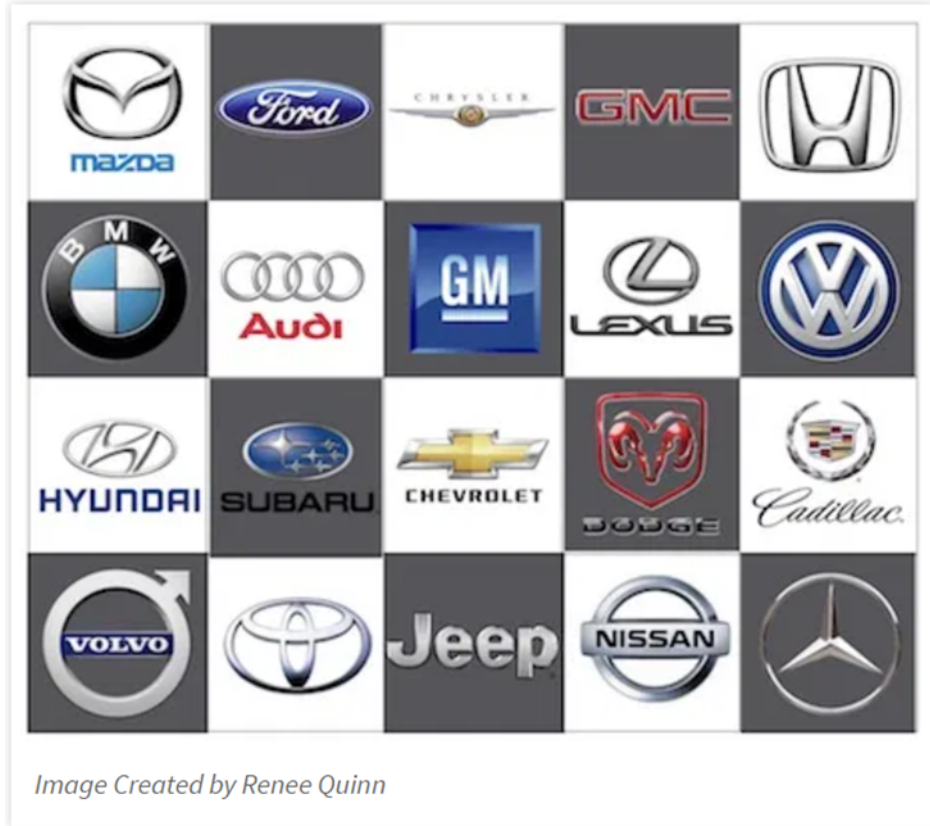


Image Created by Renee Quinn

# Protecting the Brand: Trademark Infringement

- Lanham Act offers a few different forms of protection.
  - First, classic trademark infringement
- Any use of any word, phrase, symbol, or device that creates a likelihood of confusion.
  - Source
  - Affiliation
  - Association
  - Sponsorship
- Auto manufacturers rarely face infringement directly suggesting source
- More common relates to affiliation, sponsorship, and the like
  - Former franchises
  - After market parts or service providers

# Protecting the Brand in World of Parts

- Genuine, OEM, and Aftermarket Parts
  - Genuine parts: from original factory and branded by the auto maker
  - OEM: from the original factory but not branded by the auto maker
  - Aftermarket: from a third party and not branded by the auto maker
- In general, aftermarket sellers have to be able to convey essential features of their products, including the make and model of the cars with which they work.
  - Nominative Fair Use
- But that use cannot be any greater than what is necessary to convey those facts.
- In general, use of logos has been deemed a bridge too far.

# Protecting the Brand: Beyond Traditional Infringement

- Classic case of trademark infringement is just one weapon
- Auto manufacturers have ability to also argue trademark dilution even absent confusion under the Lanham Act
- Statute also provides protection for trade dress as well even beyond names and logos

# Protecting the Brand: Trademark Dilution

- **Trademark Dilution—out of reach for most, but not for big auto**
  - Trademark dilution is “the lessening of the capacity of a famous mark to identify and distinguish goods or services, **regardless** of the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake, or deception.”
- **Must demonstrated tarnishment or blurring**
  - Tarnishment: product or service offered by the party using a similar trademark, is inferior, could risk damage to reputation.
  - Blurring: product or service offered by the party using a similar trademark creates an association between their products and the famous mark.
  - Consumers need not be confused, just need to make a connection.



# Protecting the Brand: Trademark Dilution

- **Mark Must Be Famous**

- 15 U.S.C.A. § 1125(c), a mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner

- **Requires truly well known marks**

- Famous marks have an immediate connection in the minds of the general public with a specific product or service and the source of that product or service.
- Examples of famous trademarks are APPLE, COCA-COLA, MCDONALDS and NIKE.
- The Court of Appeals for the Federal Circuit has commented that achieving the legal standard of fame "often requires a very distinct mark, enormous advertising investments and a product of lasting value."
- Marks that have consumer recognition well into the 90% range, across the board
  - niche fame not enough

# Beyond the Words: Trade Dress

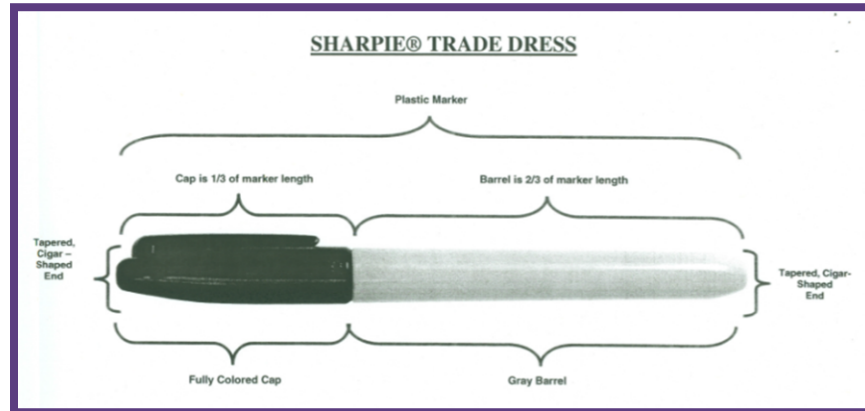
- Trademark law protects the consumer, while patent and copyright law are designed to foster innovation.
- Trade dress protects a product's features that:
  - contribute to the overall commercial impression of the product,
  - are non-functional,
  - and serve to identify the product's source.

*Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992).



# Trade Dress for Product Design: Secondary Meaning

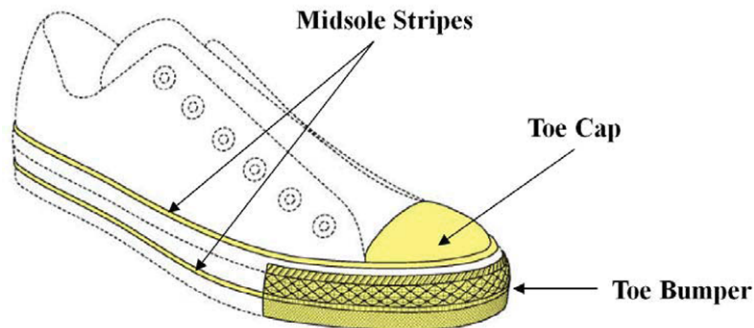
- Product design elements can have secondary meaning, and thus potentially have protectable trade dress, when "in the minds of the public, the primary significance of [the trade dress] is to identify the source of the product rather than the product itself."
  - *Certain Ink Markers and Packaging Thereof*, Inv. No. 337-TA-552, Order No. 30, 2005 ITC LEXIS 750, at \*29 (July 25, 2005)



# Converse – Chuck Taylor Case (ITC)

The claimed mark consists of:

- two stripes on the midsole of the shoe;
- the design of the toe cap;
- the design of the multi-layered toe bumper featuring diamonds and line patterns;
- and the relative position of these elements to each other.



# Trade Dress: Establishing Secondary Meaning

- Establishing secondary meaning requires conscious effort to develop secondary meaning over time, usually about 5 year.
- Market success of a design alone is usually insufficient, one must prove that consumers associate the product with a particular producer or brand.
- Often, secondary meaning can be proven through either direct or circumstantial evidence:
  - Direct Evidence: Consumer testimony or Consumer Surveys
  - Circumstantial Evidence: Exclusivity, length of use, Advertising, Customer Base, Proof of intentional copying

# Protecting Auto Trade Dress

- Manufacturers have embraced the use of trade dress protection.
- Examples of elements of the car's design that the USPTO has found have obtained secondary meaning in the minds of consumers:



(Int'l Class: 12) trucks  
and their structural  
parts



(Int'l Class: 12)  
motor vehicle parts,  
namely, grilles and  
grille appliques



(Int'l Class: 12)  
structural parts for  
motor vehicles,  
namely, automobiles  
and sport utility  
vehicles



(Int'l Class: 12)  
automobile grilles

# **Update on Protecting Product Design with Copyrights**

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# Copyright: Some Context

- Protects the expression, not the idea
  - The bar for originality is extremely low: “some minimal degree of creativity”
  - Copyright also protects combination of elements not original in themselves
- Arises at moment a work is fixed in a tangible medium
- Damages
  - If registered, statutory damages are available, as well as attorneys’ fees and costs
  - Can be up to \$30,000—or \$150,000 if willful—***per work.***
  - If not registered, Lost profits or infringer’s profits are available.  
Defendant bears burden of proving portion not properly attributable



# Copyright: Limits on protection of useful articles.

- 17 USC 102(a)(5) protects pictorial, graphic, and sculptural works:
  - There must be some “distinctive” design elements that are not “inherent in the naturally occurring entity.”  
~*Cosmos Jewelry Ltd. v. Po Sun Hon Co.*, 470 F. Supp. 2d 1072, 1082 (C.D. Cal. Jul. 18, 2006).
- 17 U.S.C. § 101 limits the protectability of useful articles:
  - A useful article’s design is protectable “only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be **identified separately** from, and are capable of **existing independently** of, the utilitarian aspects of the article.”

# The *Star Athletica* Decision



[The] debate over the relative utility of a plain white cheerleading uniform is unnecessary. The focus of the separability inquiry is on the ***extracted feature*** and not on any aspects of the useful article that remain after the imaginary extraction.



**Justice Thomas**  
U.S. Supreme Court

# The Separability Test

An artistic feature is eligible for copyright protection **only if** the feature:

1. Can be perceived as a two-dimensional work of art separate from the article;
2. Qualifies as a protectable pictorial, graphic, or sculptural work, either on its own or fixed in some other tangible medium of expression.

*Star Athletica LLC v. Varsity Brands, Inc.*, 137 S. Ct. 1002 (2017)

## Varsity's Registered Copyrights



# Product Designs

On January 28, 2021, the Copyright Office [announced](#) new registration practices to implement expanded opportunities for product design protection

- [Chapter 900](#) implements the Supreme Court's 2017 *Star Athletica* decision and clarifies:
  - 924.1: “[T]he Office will not consider the author’s state of mind concerning the intended use of the article.”
  - 924.3: “[A] separable artistic feature may be copyrightable ‘even if it makes that [useful] article more useful.’”

# Product Designs

- Product designs may be registered with the Copyright Office in two ways:
  - Separable features of useful articles
    - 2D and 3D features
  - Works of artistic craftsmanship (e.g. jewelry, wallpaper)
    - Covers the work as a whole, but it does not cover any of the mechanical or utilitarian aspects of that work

## Copyright Office – Final Appeals: Post-*Star Athletica* Stats

### Refusal Reversed (Registered)

- 2017: **3 of 6** appeals
- 2018: **2 of 3** appeals
- 2019: **2.5 of 16** appeals
- 2020: **0 of 9** appeals
- 2021: **TBD** (0 to date)

### Refusal Upheld

- 2017: **3 of 6** appeals
- 2018: **1 of 3** appeals
- 2019: **13.5 of 16** appeals
- 2020: **9 of 9** appeals
- 2021: **TBD** (0 to date)

# Copyright Office Implementation – Final Appeals

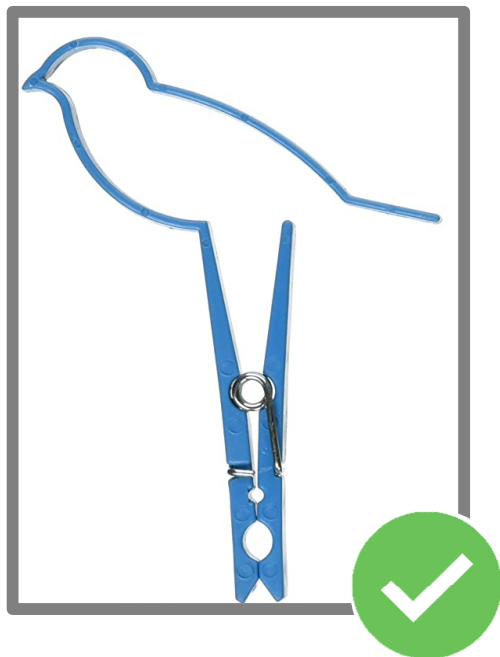
## Registered



## Refused



## SUMMARY



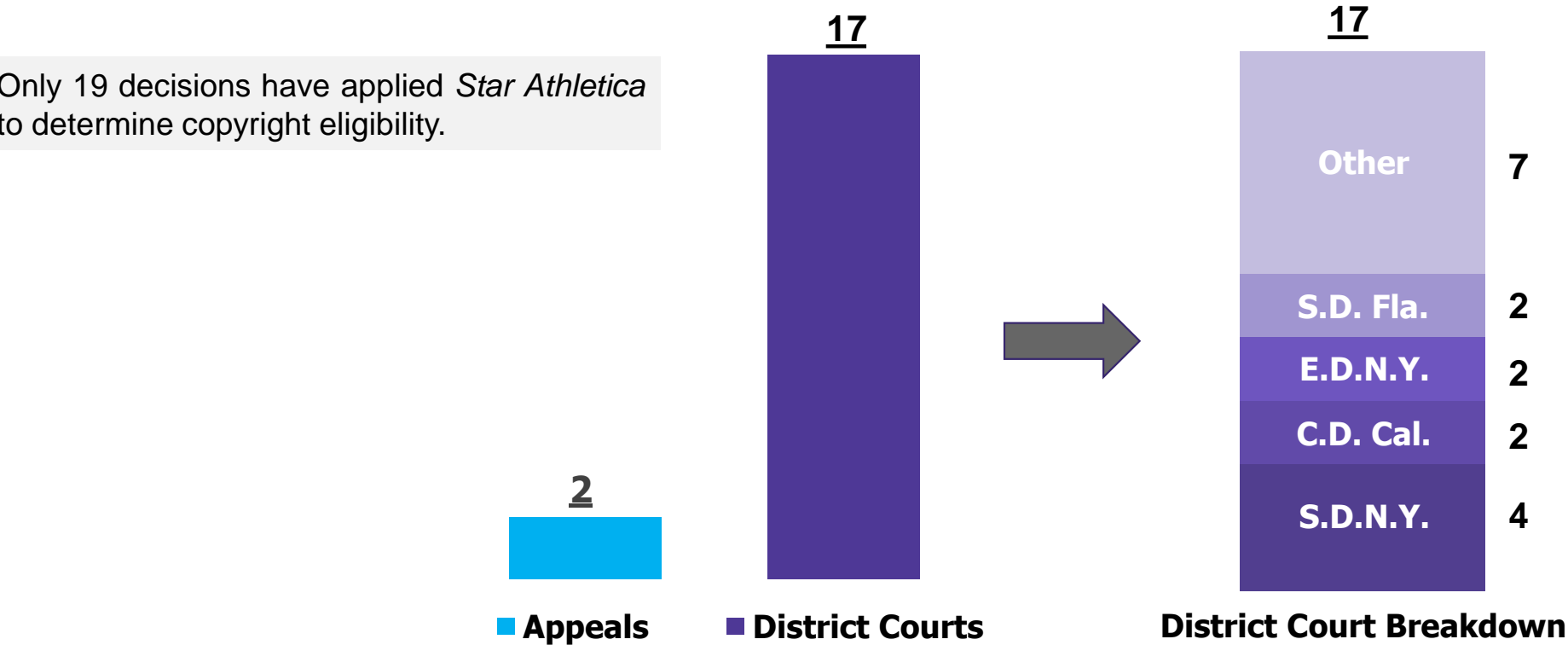
## DETAILS

- Defendant argued that the bird portion of the clip should be considered a useful article because upon separation it could still hang from a rod or string.
- Court rejected this argument, explaining that even if the bird portion was intended to hang on a rod or have another useful function, “when identified and imagined apart from the useful article—the clothespin—[it] qualifies as a sculptural work on its own.”



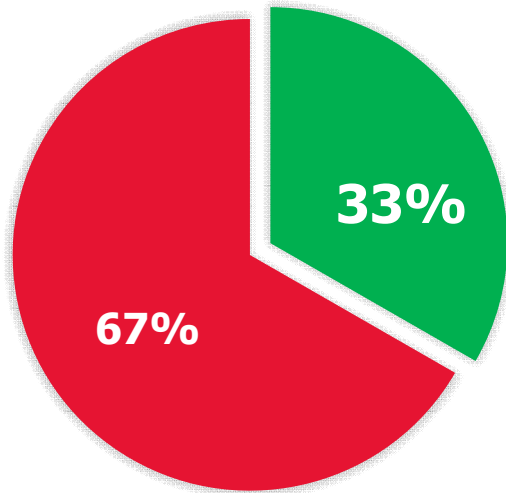
# Post-*Star Athletica* Decisions (By Jurisdiction)

Only 19 decisions have applied *Star Athletica* to determine copyright eligibility.



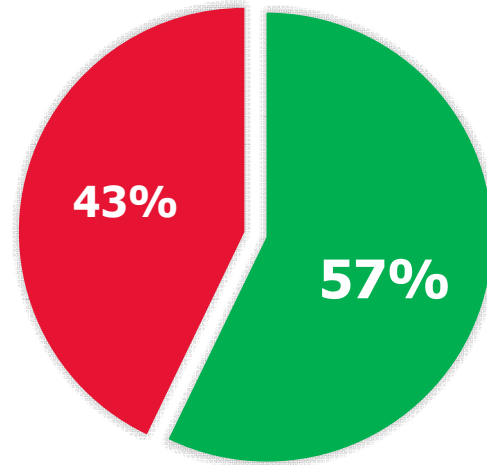
# Post-*Star Athletica* Decisions (by Motion)

**12(b)(6) Success Rate**



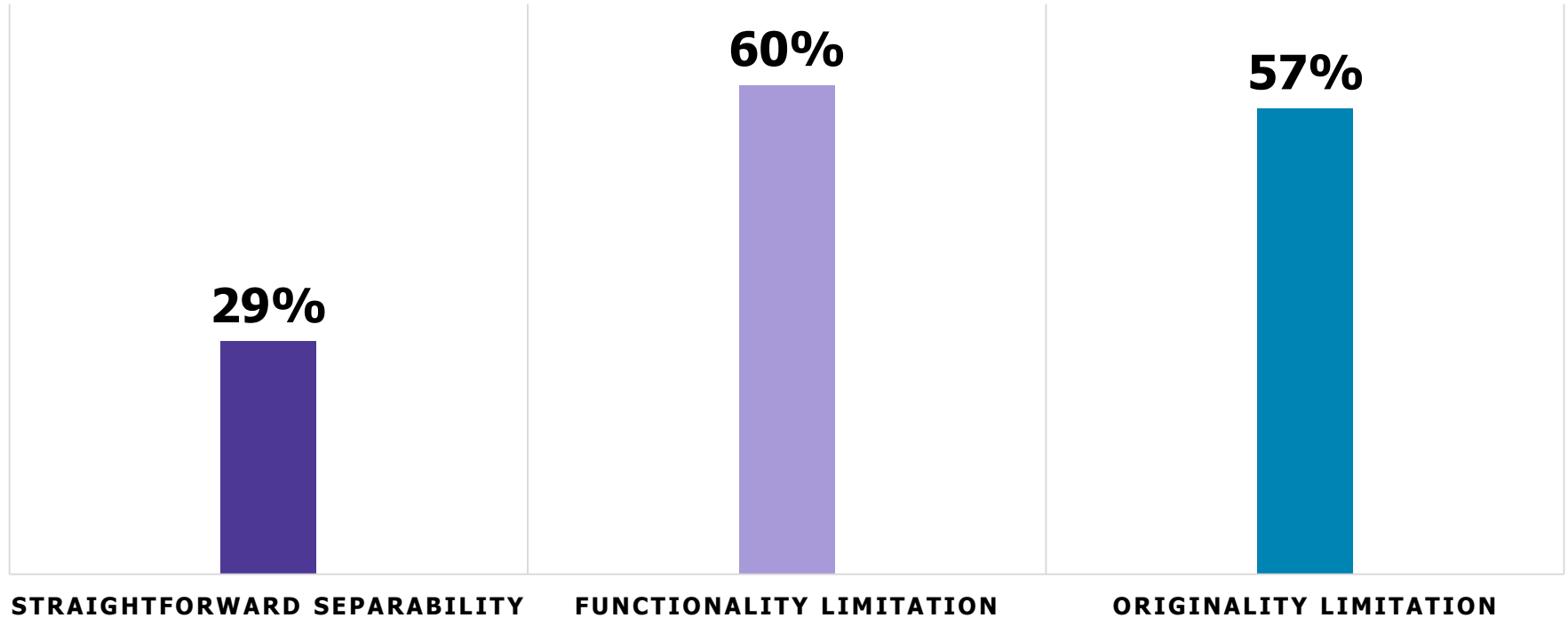
**9 Total Cases**

**MSJ Success Rate**



**7 Total Cases**

# ***Post-Star Athletica* Decisions (by Issue)**



# Copyright Protection for Designs After *Star Athletica*

- After *Star Athletica*, there is a lower bar for gaining copyright protection for useful objects.
- Those that design and manufacture useful objects may consider seeking a copyright – because while a plaintiff would still need to prove infringement, the specter of statutory damages can create significant leverage in negotiations.
- Clients that manufacture useful objects should also be aware of risks associated with potential copyright claims brought by the designer of a particular product, or a copyright holder.
- Given the relatively low costs for copyright registration, even compared to those for obtaining a design patents given the associated costs of high quality drawings etc. often needed for a design patent, clients may consider seeking copyright registration instead of, or in addition to, a design patent for useful articles.









# Copyright Protection of Logos

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# Copyright Protection of Logos

- Trend: Expand protection for logos to include both trademark and copyright registration
- Benefits:
  - Expanded Enforcement
  - Online Marketplace Takedowns
  - Recordation with US Customs and Border Patrol
- Remedies: Statutory damages for registered copyrights

# Copyright Protection of Logos

Favoring Registration	Disfavoring Registration
<ul style="list-style-type: none"><li>▪ Modified shapes (non-standard)</li><li>▪ Complex coloring (e.g., shading)</li><li>▪ Creative combinations of colors and shapes</li><li>▪ Creative combinations of words and shapes</li><li>▪ More elements</li></ul>	<ul style="list-style-type: none"><li>▪ Mere title or short phrase</li><li>▪ Mere scripting or lettering (font designs are generally not protectable)</li><li>▪ Handwritten words or signatures</li><li>▪ Limited use of color</li><li>▪ Limited use of standard shapes</li></ul>
Examples (Registered)	Examples (Refused)
   	   

# European Design Protection

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# European Design Protection

- Regulation (EC) No 6/2002
  - EU Registered Designs
  - EU Unregistered Designs
- **Design** “means the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation”
- A design shall be protected by a Community design to the extent that it is ***new*** and has ***individual character***

# European Design Protection

- **Novelty (A5)** - “A design shall be considered to be new if no **identical** design has been made available to the public [before design first made available to the public / before the date of filing of the application]”
- **Individual Character (A6)** – “A design shall be considered to have individual character if the **overall impression it produces on the informed user** differs from the overall impression produced on such a user by any design which has been made available to the public [before design first made available to the public / before the date of filing of the application]”

# European Design Protection

- **Designs dictated by their technical function and designs of interconnections (A.8)**
  - A Community design shall not subsist in features of appearance of a product which are solely dictated by its technical function
  - A Community design shall not subsist in features of appearance of a product which must necessarily be reproduced .. in order to permit the product .. to be mechanically connected to or placed in, around or against another product so that either product may perform its function.
  - **And Article 110:** .. protection as a Community design shall not exist for a design which constitutes a component part of a complex product used within the meaning of Article 19(1) for the purpose of the repair of that complex product so as to restore its original appearance.

# European Design Protection

- **Scope of protection** “The scope of the protection conferred by a Community design shall include any design which does not produce on the informed user a different overall impression”
- Unregistered Design: require copying
- Registered Designs: does not require copying
- **Term of Protection**
  - **Registered Design:** up to 25 years
  - **Unregistered Design:** 3 years

# European Design Protection

## Other Issues

- No Substantive Examination
- Deferred Publication (A.50)
  - Up to 30 months
- Inexpensive!

### Fee structure

There are three types of fees relating to a registered Community design (RCD) application: registration, publication and deferment fees.

#### Registration

**230 €**

*Additional registration  
Per additional design:*

2 to 10 = **€115**

> 11 = **€50**

#### Publication

**120 €**

*Additional publication  
Per additional design:*

2 to 10 = **€60**

> 11 = **€30**

#### Deferment of publication \*

**40 €**

*Additional deferment  
Per additional design:*

2 to 10 = **€20**

> 11 = **€10**

# European Design Protection

RCD file information

000011127-0001

Log in to access advanced functionalities Log in Sign up

Timeline

Registered RCD

25/03/2003 RCD application received

27/05/2003 Registered and subject to examination (A.1)

19/05/2004 Registered and fully published (A.1)

26/02/2021 Design expiry date

01/04/2003 Design entry date

Actions and communications

RCD

Graphic representation

1 / 2

Design information

Design number	000011127-0001	Filing language	GERMAN
Name		Second language	ENGLISH
Filing date	01/04/2003	Reference	G752/ED
Registration date	01/04/2003	Variant Classification	
Expiry date	01/04/2023	Variant element	
Design status	Registered and fully published (A.1)		

Indication of the product, [show details](#)

Locarno 12.08

Values Cars

Graphic representation

1 / 2

1 2

# European Design Protection

RCD file information

000141650-0002

Log in to access advanced functionalities Log in Sign up

Timeline

Registered RCD

01/02/2004 Registered and fully published (A.1.)

26/02/2021

18/02/2024 Design expiry date

Actions and communications

RCD

Graphic representation

1 / 2

Design information

Design number	000141650-0002	Filing language	English
Name		Second language	German
Filing date	18/02/2004	Reference	771247
Registration date	18/02/2004	Verba Classification	
Expiry date	18/02/2024	Verbal element	
Design status	Registered and fully published (A.1.)		

Indication of the product, [Show class](#)

Locarno 28.06

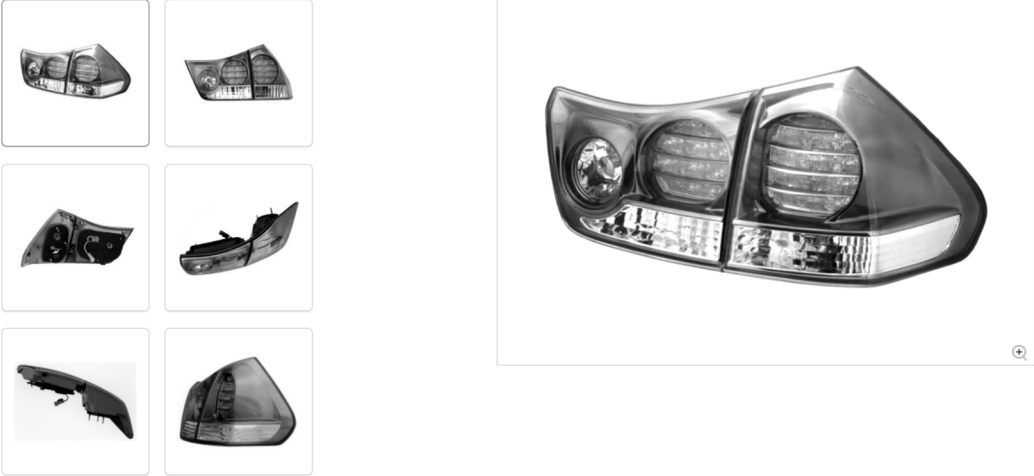
Values REAR COMBINATION LAMP FOR AN AUTOMOBILE

English

Graphic representation

1 / 2

1 2



# European Design Protection

RCD file information

002146100-0004

Timeline

Registered RCD

6/12/2012 RCD application received

10/12/2012 Registered RCD published (A.1)

6/12/2022 Design entry date

Actions and communications

RCD

Graphic representation

Design information

Design number	002146100-0004	Filing language	ENGLISH
Name		Search language	GERMAN
Filing date	6/12/2012	Reference	004176615AM
Registration date	6/12/2012	Vienna Classification	Varior element
Entry date	6/12/2022		
Design status	Registered and fully published (A.1)		

Indication of the product. [Download](#)

License 12.16

Value Penders for vehicles

Owners

GM Global Technology Operations LLC

Graphic representation

1 / 2

1 2



# European Design Protection

- **EU Designs can be useful**

- Customs
- C&D Letters
- Notice and Take Down

**BUT**

- Often found invalid when challenged in Court

# European Design Protection

- Mercedes – Finland



# European Design Protection



**Ferrari FXX-K v Mansory Siracusa 4XX**

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# China: Counterfeit Car Cases

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# China: Counterfeit Car Cases



# China: Counterfeit Car Cases



**Weikerui V7 v VW UP!**

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# China: Counterfeit Car Cases



**Jaguar Land Rover v Jiangling Motors – SUCCESSFUL**

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# China: Counterfeit Car Cases



**Fiat v Great Wall - UNSUCCESSFUL**

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# China: Counterfeit Car Cases

## BMW v Shuanghuan Motors – UNSUCCESSFUL



# China: Trademark Hijacking

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# China: Trademark Hijacking

## Why are Marks Hijacked in China?

- First to File
- Financial Gain
- Exploit Reputation

## What's the Harm?

- Infringement claim against your use of your brand in China
- Listings removed from Chinese e-commerce platforms
- Seizure of goods at Customs (import/export)

# China: Trademark Hijacking

- What Can You Do if you have been Hijacked?
  - Challenge based on bad faith or non-use
  - Buy the mark from the hijacker
  - Rebrand in China
- How can you Prevent a Hijacking?
  - File early and broadly – trademarks, copyrights, domain names (English and Chinese)
  - Record trademarks/copyrights with Customs in China
  - NEVER let a Chinese distributor register your mark for you
  - Evidence Binder

# Questions?

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# Coronavirus COVID-19 Resources

We have formed a multidisciplinary **Coronavirus/COVID-19 Task Force** to help guide clients through the broad scope of legal issues brought on by this public health challenge.

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To help keep you on top of developments as they unfold, we also have launched a resource page on our website at [www.morganlewis.com/topics/coronavirus-covid-19](http://www.morganlewis.com/topics/coronavirus-covid-19)

If you would like to receive a daily digest of all new updates to the page, please visit the resource page to [subscribe](#) using the purple “Stay Up to Date” button.

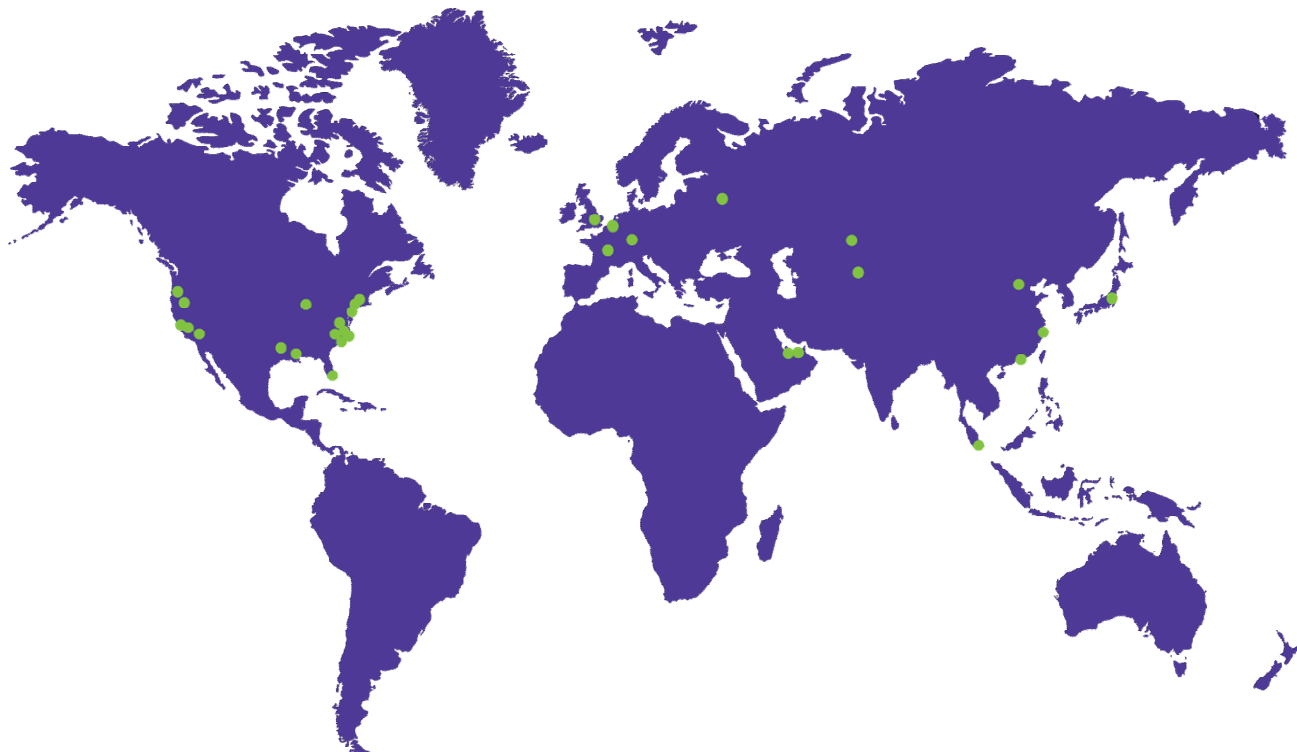


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