

U.S. Copyright Law and U.S. Trademark Law
Termination of Transfer Rights

15 November 2021

SPONSORING COMMITTEE: Logos and Copyrights Subcommittee of the Copyright Committee

RESOLUTION:

WHEREAS, Article I, Section 8, Clause 8 of the United States Constitution grants Congress the power to legislate “to promote the Progress of Science and useful Arts, by securing for limited times to authors . . . the exclusive right to their . . . writings;”

WHEREAS, the United States Trademark Act of 1946, as Amended, 15 U.S.C. § 1051 *et seq.* provides statutory protection of a word, symbol or phrase to identify a particular provider of goods or services to distinguish such from the products or services of another by conferring upon adopters and users for a finite duration certain exclusive rights to prevent confusion by the public;

WHEREAS, copyright law is independently established by text of the U.S. Constitution; the intent of U.S. Copyright law is to protect the writings and expressions of authors, including artists;

WHEREAS, trademark law is independently established by application of the interstate commerce clause of the U.S. Constitution; the intent of U.S. trademark law is to protect the public by regulating the source identification of goods and services;

WHEREAS, U.S. copyrights have limited terms of protection and eventually fall into the public domain for use by all persons to further the arts and sciences;

WHEREAS, U.S. trademarks have unlimited terms of protection as long as the trademarks are used in valid interstate commerce;

WHEREAS, the copyright rights and trademark rights have independent legal basis, independent creations, independent purposes, and independent terms of legal protection;

WHEREAS, 17 USC Sections 203 and 304(c) and (d) of the US Copyright Act provide for the termination of previously-granted transfers of copyright at certain times and under certain circumstances;

WHEREAS, Conflicts of rights may arise under certain circumstances between an author or the author's heirs of a copyrighted work, including design expressions, and the owner of a trademark, in which: 1) the work is the same or similar; 2) the work has, through an authorized grant of rights, been used as a trademark by the grantee or the grantee's successor-in-interest; 3) the copyright author or the author's heirs had previously freely granted rights that do not expressly reserve trademark rights; and 4) the author or the author's heirs seek under Copyright law to terminate

the grant to the grantee or the grantee's successor-in-interest to the work for copyright purposes or otherwise restrict the use for trademark purposes;

WHEREAS, Allowing the restriction or termination of trademark usage based on copyright rights would negatively threaten established statutory rights and jeopardize consumers and good will established under the trademarks;

WHEREAS, the continuous legal use of the work as a brand source identifier creates for the user a non-copyright expression of a trademark by operation of law; and

BE IT RESOLVED, it is the position of the International Trademark Association that an author's granting of rights that do not expressly reserve trademark rights to works including design expressions, do not have a negative impact on the copyright rights of an author or the author's heirs;

BE IT FURTHER RESOLVED, that the International Trademark Association supports the principle that, in determining the possible conflicting rights of copyright authors or author's heirs who have freely granted rights of works to be used as trademarks versus the rights of trademark owners who have continuously used the work as trademarks, that the use of termination of copyright rights should be legally inapplicable against use of the trademark and against the public policy of protecting consumers; and

BE IT FURTHER RESOLVED, it is the position of the International Trademark Association that the International Trademark Association supports the principle that, in determining the possible conflicting rights of copyright owners to works that were granted to be used as trademarks may not use those copyrights to later restrict the rights of trademark owners who have continuously used the work or a derivative thereof as trademarks.

BACKGROUND:

Since the inception of the Copyright Committee, we have considered, researched, and discussed how to address the apparent conflict between the Termination Clause of the U.S. Copyright Act (Sections 203 and 304(c) and (d)) and the established rights of owners of U.S. trademarks. While the Termination Clause provides a natural author (or heirs) with a limited opportunity to reclaim exclusive rights to the original copyright on its 35th year until the end of the copyright term, trademark owners who have acquired rights to a work, including a design expression, and adopted and invested in that work as a trademark do so with the expectation that, as dictated by trademark law, rights in that trademark will be jeopardized only by abandonment.

The Committee's position is that the proposed INTA resolution is consistent with the copyright and trademark laws of the United States. Moreover, it is in the best interest of the public and international interests to preserve the ability of trademarks to protect the public by maintaining the trademarks as a proper and consistent source identifier.

The termination rights of a copyright author have no connection to established trademark owners' rights. U.S. copyright law and U.S. trademark law have separate and different legal basis, separate and different creations, separate and different purposes, and separate and different bodies of law and terms of protection.

The Supreme Court and other courts have stressed that there are “fundamental differences between copyright law and trademark law and that they have fundamentally different purposes ...” *Bach v. Forever Living Products U.S., Inc.*, 473 F. Supp. 2d 1110, 1117–1118 (W.D. Wash. 2007).

The U.S. Constitution delegates Congress the power “[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.” U.S. Const. art 1, §8, cl. 8.

The original attempt at Federal Trademark legislation was the Trademark Act of 1870. However, in 1879 the Supreme Court ruled that, unlike patents and copyrights, the congressional legislation as enacted did not have adequate legal basis under the Progress of Science and Useful Arts Clause of the U.S. Constitution. Consequently almost 10,000 federal trademark registrations were invalidated.

In response to public disapproval, brand owner demands, and international trading partners’ criticisms, the U.S. Trade-Mark Association (now known as the INTA) was formed to work with Congress to create competent legislation to protect brand owners and the public. In a series of evolving legislation from 1889 and 1905 and others, Congress found alternative legal bases, in congressional foreign powers and the Commerce Clause of the Constitution, for authorizing federal trademark legislation.

The continuing evolution of modern Trademark Law from the Lanham Act to the 1989 Intent-To-Use Act has never been predicated or limited by copyrights or patents. The Copyright Termination rights should not now be misused to break established *stare decisis* and subject trademarks as a lesser step-sister of the intellectual property family of patents, trademarks, and copyrights.

CONCLUSION:

Therefore, based on the above analysis, the Copyright Committee recommends that the Board affirm the following: Just as the underlying basis of copyright law cannot support trademark law protection, neither can the legal basis of copyright law be misused to limit or invalidate trademark law protections.

The Members of the Logos and Copyrights Subcommittee of the Copyright Committee and the leadership of the Copyright Committee unanimously approved this resolution.