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# Fair-Use Implications of Using the Logos of Others

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Door locks, thermostats, and even shoes can now be connected to the Internet—a phenomenon known as the Internet of Things (IoT). The increasing prevalence of IoT devices generates IP challenges. One such challenge stems from device manufacturers publicizing that their physical devices are compatible and can be internetworked with the products of others, such as smartphones. Using another's logo to advertise compatibility can present infringement risks, because logos may be trademarked, and sufficiently artistic logos may also be copyrighted. In certain circumstances, the use of trademarked and copyrighted logos may be permissible under the doctrine of fair use.

### Nominative Fair Use of Trademarks

The doctrine of nominative fair use permits using another's trademark to reference the trademark owner's product, so long as (1) only as much of the trademark as necessary to identify the product is used, and (2) that limited use does not suggest affiliation, sponsorship, or endorsement by the trademark owner. *La. State Univ. A&M Coll. v. Smack Apparel*, 550 F.3d 465 (5th Cir. 2008).

Whether nominative fair use applies, particularly to logos, depends on the facts of each case. One court applied nominative fair use to a licensor's website that listed the logos of a dozen licensees using similar sizes. *Wi-LAN v.*

*LG Elecs.*, 2011 WL 3279075 (S.D.N.Y. 2011). Other courts declined to apply fair use for a tourist map using a stylized form of "DISNEYLAND" accompanied by the castle logo, or for a collector's guide using the "TY" Heart logo along with bold lettering. *Ty v. Pubs. Int'l*, 2005 WL 464688 (N.D. Ill. 2005). Such courts have found use of the logo excessive when words alone would have sufficed.

### Fair Use of Copyrights

There are four factors to consider in determining fair use of copyrights. 17 U.S.C. § 107. The first factor addresses the purpose and character of the use, such as whether the use is commercial or transformative. Courts are more likely to find fair use for a truthful comparative advertisement, which lessens the significance of its commercial nature. *Triangle Pubs. v. Knight-Ridder Newspapers*, 626 F.2d 1171 (5th Cir. 1980) (newspaper television-schedule insert featuring a photograph of TV Guide).

The second factor addresses the nature of the copyrighted work. Courts are more likely to find fair use for logos and images that have been widely disseminated on the Internet, as compared to unpublished materials, "because the first appearance of the artist's expression has already occurred." *Kelly v. Arriba Soft*, 336 F.3d 811 (9th Cir. 2003) (search engine displaying thumbnails of widely distributed images).

The third factor addresses the amount and substantiality of the portion

used in relation to the copyrighted work as a whole. Courts are more likely to find fair use when the entirety of the logo is needed for its "factual content," as opposed to its "expressive content," in order to fulfill the "legitimate transformative purpose" of the use. *Bouchat v. Balt. Ravens*, 737 F.3d 932 (4th Cir. 2014) (historical sports video featuring team logo). The expressive content can be reduced by "display[ing] the minimal image size and quality necessary to ensure the reader's recognition of the images." *Bill Graham Archives v. Dorling Kindersley*, 448 F.3d 605 (2d Cir. 2006).

The fourth factor addresses the effect on the potential market for the copyrighted work. Courts are more likely to find fair use when there is no market for the copyrighted artwork itself (e.g., a logo used on a label), even if there is a market for products sold under that label. *S&L Vitamins v. Austl. Gold*, 521 F. Supp. 2d 188 (E.D.N.Y. 2007).

### Practical Guidelines

Application of the fair use doctrine is a fact-intensive inquiry. To increase the likelihood it will apply, users should consider:

- circumventing the issue by obtaining permission from the IP owner to use its logo;

- avoiding logos or distinctive lettering, if words are sufficient to identify the products of others;

- avoiding unpublished logos;
- not using logos to generate attention or as a stand-alone symbol (e.g., the only logo on the page);

- not emphasizing one particular logo over other logos or descriptive matter, such as by size, frequency, or font;

- displaying logos using as small a size and image quality as possible;

- including additional description and referential phrases (e.g., "runs on" or "compatible with"), rather than a bare listing of logos; and

- including a conspicuous disclaimer of endorsement, sponsorship, and affiliation that is at least as large as the logos.

As a reminder, any statements about compatibility with the products of others should be truthful and not misleading. **HN**

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