NEW MEXICO Representation of the second sec





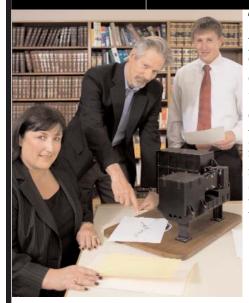
Legal Services for Disputes and Litigation in Construction, Personal Injury, Insurance, Business and Employment

6700 C Jefferson St. NE, Suite 1 • Albuquerque, NM 87109 • 505.345.0806 p • 505.923.1961 f • www.sandialaw.com

RODEY

Law Firm

LEAVE THE DETAILS TO US.



Gina Constant, gconstant@rodey.com 505.768.7374 Mike Morgan, mmorgan@rodey.com 505.768.7375 Todd Rinner, trinner@rodey.com 505.768.7332

The devil is in the details – especially in intellectual property law. When you need intellectual property counsel, you need advisors schooled and experienced in the details of patent law. Rodey's team of registered patent attorneys have the education, experience and certification to ensure your invention will be protected. Whether you want an assessment of your project or need to prosecute a matter before the U.S. Patent & Trademark Office, please contact Rodey's IP attorneys. And leave the details to us.

- Infringement litigation (patent, trademark and copyright)
- Trade secret misappropriation
- Unfair practices
- Validity and enforceability opinions

Rodey, Dickason, Sloan, Akin & Robb, PA

Offices in Albuquerque and Santa Fe 505.765.5900 • www.rodey.com

Intellectual Property: What Every Business Lawyer Should Know

Gina Constant

Tour client owns a local auto body shop called Bodyworks, Inc. He comes to see you to review a lease agreement because his business is growing and he needs to expand his shop floor. As you read the lease agreement, your client makes this offhand remark: "We're expanding because this new process we developed for applying paint to cars is so efficient we've been able to drop our prices. The other body shops in town just can't compete! In fact, I'm about to open a shop in Phoenix." If you understood the basics of intellectual property law, you would stop reading the lease and start asking questions because you would realize your client may need much more than a good lease agreement.

Introduction to Intellectual **Property Law**

Members of the Intellectual Property Law Section author this issue of the New Mexico Lawyer for two purposes: (1) to give business lawyers a basic education in a fairly esoteric area of law, and (2) to introduce the newly formed Intellectual Property Law Section of the State Bar of New Mexico.

This article gives a very basic explanation of intellectual property, or "IP." It also introduces the three most common ways to protect intellectual property and frames the subject in the context of New Mexico business.

Since businesses today rely heavily on the Internet for advertising and sales, one article addresses legal issues related to Web bage design, cybersquatting, Web game design, and using meta-tags, the hidden text that allows search engines like Google® to find a Web page.

> With the film industry growing so rapidly in our state, we also include an article on the top legal issues in that industry with which business lawyers should be familiar. When New Mexico businesses expand out of state, federal trademark registration is often desirable so helping your client choose a strong mark is the subject of another article.

When your client has an invention or unique business method that gives her that competitive edge, she should understand the pros and cons of protecting her IP by either obtaining a utility patent or by keeping it a trade secret, and so we include an article on that subject as well.

Finally, we address what we believe employment lawyers should know about protecting their business clients' IP, such as the "work for hire" doctrine.

The Big Three of IP: Patents, Trademarks and Copyrights

The purpose of intellectual property law is to protect certain intangible creations of the mind. The most common means of protection are patents, trademarks and copyrights.

Introducing (drum roll, please) ...

The Intellectual Property Law Section of the State Bar of New Mexico!

The Intellectual Property Law Section was formed Jan. 1, 2008. The section focuses on patents, trademarks, copyrights, trade secrets, licensing, entertainment and other aspects of intellectual property law. Like other sections, it provides networking and educational opportunities to members through continuing legal education programs, newsletters, and other forums. All State Bar members are eligible to join.

The section is governed by a board of directors that includes Jeffrey H. Albright (chair), Gina T. Constant (chair-elect), Ian Bezpalko (secretary), Anthony Couture (treasurer and YLD liaison), Charles A. Armgardt, Alberto A. Leon, Suzanne Christina Odom, Luis M. Ortiz, Diane Elizabeth Albert and Simone M. Seiler. To join the section, use this link and follow the instructions: http://www.nmbar.org/ AboutSBNM/sections/IP/IPsection.html.

Patents

If your client's business involves an invention, a patent attorney can help determine whether to apply for patent protection and to ensure that there is no infringement on someone else's patent. The first step will be a patent search on the Web site of the U.S. Patent and Trademark Office (USPTO). Depending on the complexity, a patent can cost thousands of dollars and take more than two years to obtain. A patent gives the owner the right to promote commerce, first by preventing others from making, using or selling the invention for 20 years, and second by providing the right to license an invention. A patent attorney can help deter-

Before exploring the possibility of applying for a patent, your client *should not*:

mine if the cost is worth the benefits.

- "test the market" first by putting the invention on eBay® or Craigslist®,
- publish or present papers or articles on the invention, or
- tell people about the invention without requiring confidentiality.

Any of the above could cause your client to forfeit valuable rights, so before exposing the invention to the public, the need for patent protection should be determined first.

Trademarks

A trademark is a signal to consumers as to the source of goods or services. For example, when you see a red can of soda with the distinctive white swirling letters—even in a foreign language—you recognize it as a can of Coca Cola®. If you preferred Coca Cola®, you would probably pay more for that can than you would a similar can of soda with an unknown brand. That is why the Coca Cola® trademark is estimated to be worth more than \$70 billion.

Although registering a trademark with the USPTO is not a requirement, there are advantages to doing so. Registration costs about \$325 for each class of goods or services and the process takes about 12 months. Once registered, your client can use the trademark symbol, ®. To maintain registration, your client must be using the mark in interstate commerce and renewing registration at certain intervals.

It is important to search the USPTO trademark registry and the Internet before choosing a mark in order to avoid paying for business cards, stationery and neon signs, only to find that someone else is already using the same or similar mark in the same or similar business.

Copyrights

Does your client's business involve creative works? If so, the client needs to understand copyrights. Once an original work is fixed in a tangible medium (such as canvas, audio or video recording, paper, or fabric), the author or artist automatically enjoys the exclusive right to copy it. With some exceptions, no one but the copyright owner can copy or profit from the work until it goes into the public domain, which is 70 years after the death of the author. While the copyright is automatic, the timely registration of the work with the U.S. Copyright Office has benefits, including the right to sue for infringement and the potential for increased damages. Registering most copyrights costs \$45 and takes about four months to process. The copyright symbol, ©, is used to notify

others of copyright ownership.

So what about Bodyworks?

Getting back to our imaginary client, Bodyworks, here are just a few of the IP issues that should occur to you after reading this issue of the *NM Lawyer*:

Should your client patent his new process or keep it a trade secret? Since opening a shop in Arizona means interstate commerce, he should apply for federal trademark protection, but is "Bodyworks" a strong enough mark? Or worse, has someone already registered it? If your client has created a document that describes the new painting process such that an employee could quit and take the document to a competitor, how should your client protect that document? Perhaps registering copyright and amending employment agreements are in order.

Is your client using the Internet to advertise his business and, if so, is he making some of the mistakes common to business owners that put him at risk of committing copyright or trademark infringement?

Just like equipment, vehicles, and inventory, your client's intellectual property is an asset; he needs to protect it. Referring him to an intellectual property attorney for an evaluation of his business' particular needs may be one of the best pieces of advice you give!

About the Author

Gina Constant is a registered patent attorney at the Rodey Law Firm in Albuquerque. She has 20 years of business experience including two years as a process engineer at a nuclear-chemical processing plant, fourteen years as an engineer and manager at Intel, and five years in partnership with her husband running a small health care business.

OBSTACLES IN WEB 2.0: A NEW CHALLENGE TO BUSINESS

Ian Bezpalko

B usinesses today rely heavily on the Internet to advertise and sell their products and services. The early Internet represented the digitization of print and media. Access to information was limited to a few portals such as AOL. Users could not interact until technology evolved to allow social networking, and thus Web 2.0 was born. No key defining moment exists when businesses realized the value of the Internet, but as they have, related legal issues have increased. Four legal obstacles may affect some of your clients as they conduct business on the Internet.



Obstacle 1: Meta-tags

Believe it or not, you can be guilty of trademark infringement even if 90 percent of the population of this planet cannot view the infringing text and is completely unaware of its presence. How could this happen? Through meta-tags, the hidden text that allows search engines to classify Web pages. Here is an example from a well-known site, Tiffany & Co.:

<meta name='keywords' content='Tiffany and Co., Tiffany, Company, TCO, Gift, Gift Card, Gift Certificate, Gift Registry, Wedding, Wedding Registry, Diamonds, Jewelry, Watches, Bridal Registry, Home, Home Accessories, Accessories, Dinnerware, Drinkware, Flatware, Sterling Silver Flatware, Table, Vase, Wine'/>1

Another business that sells tableware and jewelry may use many of these same terms without infringement and may possibly even use "Tiffany" if it is a reseller of Tiffany products. However, if this fictional business is not selling Tiffany products but uses the keyword "Tiffany" in its meta-tags, it may be guilty of infringement.

In Oppedahl & Larson v. Advanced Concepts,2 a group including Advanced Concepts operated a Web site that had nothing to do with the plaintiff's law firm but used the plaintiff's name in the meta-tags of the site. While users of the site would not actually see "Oppedahl" or "Larson," the plaintiff argued that a user searching for the law firm would type the name into a search engine, click on the defendant's link, and assume that the Web site was owned by the plaintiff. This was a misuse of the trademark and diluted its value. Advanced Concepts was required to remove the law firm's name from the meta-tags.

If the individual has a legitimate use for the terms, the court will not find trademark infringement. In Playboy v. Terri Welles,3 the defendant was sued by Playboy when she placed the terms "Playboy" and "Playmate" in the meta-tags and on her Web site. The court ruled that as she was a former Playmate, she was permitted to use the terms to describe herself and properly catalogue her site.

Obstacle 2: Web Page Design

A new business or even an established one may choose to hire an individual to design a Web site. In addition to the Web site text, copyrightable elements include the "look and feel" of the site, the scripts the site uses, the site's graphics, etc. Lawyers with business clients should not overlook IP issues in this area.

Web Site Content

Infringement does not result just from copying another site's text but also from copying a site's graphics. Playboy Enterprises, Inc. v. Sanfilippo4 illustrates the danger of copying images without receiving permission from the copyright owner. The defendant scanned images from Playboy magazine onto his Web site

and charged visitors for the right to view them. Playboy sued for copyright infringement and won, proving that it had a valid copyright which the defendant had violated.

Even if a client does not post the infringing material but merely allows third parties to publish it, the client may be liable for these postings.5 In Software Development and Investment of Nevada d/b/a Traffic Power. com v. Aaron Wall, d/b/a SEO Book.com,6 Traffic Power sued SEO Book for text written by commentators to Aaron Wall's blog. The case was dismissed, but it shows the danger of allowing others to make use of a site. Attorneys should consider whether the client's actions (i.e., attempt to moderate or not) make the client a common carrier or a publisher.

Linking

While the Internet by its nature consists of interlinked pages, the way a page is linked may result in a copyright or trademark infringement claim. Ticketmaster v. Microsoft⁷ offers an example of a trademark infringement suit involving "deeplinking;" i.e., setting up a link to bypass a Web site's homepage and connect to an internal page instead. Microsoft created a site called Sidewalk.com that contained links to various entertainment Web sites, linking also to Ticketmaster, to allow users to purchase tickets. Microsoft's link did not, however, connect to the homepage of Ticketmaster but to an internal ticket purchasing page. Ticketmaster claimed that the link infringed on its trademark, diluted value, and violated state and federal unfair competition laws. A confidential settlement agreement makes it unclear how the matter might have developed, but Microsoft did replace the deeplink with a link to Ticketmaster's homepage.

Obstacle 3: Web Game Design

Web game design presents a relatively new issue in IP—the idea that games created for use on Web 2.0 sites such as Facebook can cause the owners to confront "take down" notices and lawsuits. A case in the news of late, Hasbro, Inc., v. RJ SOFTWARES, Rajat Agarwalla and Jayant Agarwalla,8 provides a good example. The brothers Agarwalla created a computer version of Scrabble for use on Facebook called Scrabulous. Hasbro sued for trademark and copyright infringement of

continued on page 10

Protecting Your Intellectual Property: Trade Secret or Patent?

Diane Albert and David Ferrance



Successful businesses maximize their intellectual property assets. When is it best to protect your valuable IP as a patent and when is it best to protect it as a trade secret? Generally, a protectable trade secret is information that:

- is not generally known to the public;
- confers some sort of economic benefit on its holder; and
- is the subject of reasonable efforts to maintain its secrecy.

Trade secret law protects against misappropriation of material that has been diligently kept secret. Patent law, on the other hand, conveys a 20-year right to exclude others from practicing the patented invention in return for full disclosure to the public. Famous examples of trade secrets include the formula for Coca-Cola, KFC's secret blend of herbs and spices, WD-40's contents , and Chanel #5's ingredients. Because a trade secret must be kept secret and a patented invention must be fully disclosed to the public, clients and practitioners must choose one or the other.

Patents are appropriate for new inventions that cannot be exploited in secret. Patents also deter competitors who otherwise might be tempted to copy, especially inventions that can be reverse-engineered. Patents are valuable property. When patent infringement or other litigation is settled, the infringer may be offered the opportunity to license the technology covered by the patent. It is usually far easier to establish the value of patents than trade secrets. However, many inventions will not qualify for a patent because they are not new, useful, and non-obvious—the three basic requirements of obtaining a patent.

Because a trade secret derives its value from not being known or readily ascertainable, trade secret protection may be preferable for technology that can be exploited in secret, such as a method, customer list, or the source code for a computer program. Trade secrets do not need to be new, useful, or non-obvious; however, owners of trade secrets must be diligent in protecting the secrecy. Protection can exist indefinitely but once secrecy is com-

promised, the protection is gone. Maintaining trade secrets may be expensive because of the cost of designing reasonable secrecy measures such as non-disclosure agreements, physical security, and human resources policies.

It is important that clients be familiar with the pros and cons of trade secret and patent protection early in the inventive process in order to preserve their rights because actions taken at that time may limit later protection. Inventions that do not qualify for patent protection may be good candidates for trade secret protection and viceversa. Choosing the best protection requires a careful analysis of the client's technology, objectives, and budget.

About the Authors

Diane Albert practices with Peacock Myers PC in the area of intellectual property prosecution. David Ferrance is a second-year student at the UNM School of Law.

Think Like Rick James!



In general, copyright law seeks to balance protecting the rights of copyright owners with protecting an individual's right to free speech and expression. These rights collide when a musician engages in "sampling," taking a portion of the sound recording of another and reusing it as an element of a new recording.

Sampling is risky business and has frequently been the subject of litigation. A few notable examples:

- Vanilla Ice's unauthorized sampling of the most identifiable riffs from the David Bowie/Queen song Under Pressure for his one and only hit Ice Ice Baby.
 The parties settled after Bowie/Queen threatened to sue.
- Biz Markie's album *I Need a Haircut* was withdrawn following a 1992 court ruling that his use of a

sample from Gilbert O'Sullivan's *Alone Again* (*Naturally*) was willful infringement.

- U Can't Touch was MC Hammer's biggest single, and it heavily sampled Rick James' Super Freak. MC Hammer had more than James' permission: Rick James insisted on being credited as a co-author and it is rumored that James made more money on MC Hammer's single than he did on all of his previous recordings combined.
- The Verve sampled an orchestra recording of The Rolling Stones' 1965 song, *The Last Time*, for their biggest hit, *Bittersweet Symphony*. They had entered into a licensing agreement for the sample but then the song became a huge hit in Britain and, you can guess the rest. All profits ended up going to the Stones!

FILM LAW IN THE WILD WILD WEST

Tamara and Tony Couture



s many people have already noticed, the film industry is growing in New Mexico. The 25 percent rebate incentive for production and post-production work has successfully lured many large-budget movies to our state. With this growing industry, big business opportunities have arisen for New Mexico lawyers. With the rebate also being applicable to production legal expenses, hiring New Mexico lawyers means big savings for film productions. Savvy production companies and film professionals are looking for New Mexico attorneys to represent them.

New Mexico has been a storehouse for entertainment law information for years. Sherri Burr, a law professor at the University of New Mexico School of Law, has been teaching and writing books about entertainment law for years.

However, this is the wild, wild west. Entertainment attorneys in New Mexico have little actual law on which to hang their hats. There is little statutory law and essentially no on-point case law. This means that every legal question is completely and totally open to new argument and a potentially wild ride. Entertainment attorneys with clients in the film industry are educated in the primary concerns of their clients, which can be wide and varied, but keep the following ideas at the forefront.

The Law Surrounding the 25 Percent Tax Rebate

Entertainment lawyers know the 25 percent rebate act very well, especially since it is very short and to the point. The act divides film production into two parts: production and post-production. Expenses related to production qualify for the rebate, whether or not the actual work was done in New Mexico. The threshold question for whether production work qualifies for the credit is, Was the expense taxable as income by New Mexico? If the answer is "yes," then it most likely qualifies. Post-production work is different

because it requires that the threshold question be "yes" and that the work was performed in New Mexico. However, no case law exists regarding this act; therefore, it is the New Mexico Film Board and the New Mexico Tax and Revenue Department's unenviable job to put the policy into place that supports the act. These policies are constantly growing and evolving through administrative decisions within the Tax and Revenue Department. Entertainment attorneys maintain a close relationship with the Film Board to keep abreast of the latest information regarding the act and how it is being implemented.

LLCs for Filmmakers (Maybe?)

The film industry is fickle and volatile. Yesterday's blockbuster is tomorrow's flop. Entertainment lawyers make protecting their clients from the pitfalls of their own industry a primary concern. Fortunately, the activities that should protect filmmakers are the same activities that provide an avenue for handling a film's assets and debts. Most film productions are formed as a limited liability company. However, some entertainment attorneys argue

that a limited partnership is more appropriate for film productions. Entertainment attorneys are well versed in this realm of the law and properly counsel and advise clients about how to best protect their clients' assets while meeting their other needs. A close relationship with an accountant is often a vital element of this type of counsel.

Client Management

Often, stereotyping is an activity to be avoided. That said, there is a certain stereotype about filmmakers that often does ring true. Filmmakers are often "artists." As such, they are focused on their craft and don't wish to be bothered by the annoyances of business. If the client falls into this stereotype, then client management occupies a large part of an entertainment attorney's time. In general, contracts, negotiations and other business activities are handled with the attorney, who will need client authority and decision-making to complete "the deal." However, the client, in the throes of creative endeavor, will not see the vital nature of signing contracts or even showing up for the negotiations. It falls on the shoulders of the attorney to figure out how to best manage clients to get the jobs done. In many respects, this is where the entertainment attorney begins to feel more like a manager or agent. In some instances, attorneys wind up being agents and managers, completely dropping the practice of law in favor of the practice of client manager/agent. In other states, such as California, there are carefully constructed laws that define the relationship and role of the agent/manager. Such laws do not yet exist in New Mexico; therefore, entertainment attorneys are careful to mind their ethics in relating to their clients.

About the Authors

Tamara and Tony Couture are a husband and wife team and partners at Couture Law. Tony practices law primarily in the area of film entertain-

Choosing a **STRONG** Trademark

Alberto A. León and Simone M. Seiler



A trademark is a symbol used by its owner to identify the owner as the source of the goods or services. The mark may be a word, phrase and/or a logo. Even a distinctive *sound* used in advertisements may be a protectable trademark. A trademark or service mark need not actually name the company (or individual) as the source of the goods. In fact, a mark often bears no resemblance to the name of its owner.

It is crucial to choose a mark that is protectable under trademark law principles. Under those principles, a mark falls into one of four categories (from strongest to weakest).

Arbitrary or Fanciful Marks

The strongest marks are "arbitrary or fanciful," which are used as source of origin of goods or services in an arbitrary, non-descriptive manner. Arbitrary marks are words that have no relation to any characteristic or quality of the goods or services. Examples of arbitrary marks include "Apple" for computers and "Arrowhead" for water. Fanciful marks are words with no meaning that are created solely to serve as a mark. An example is "Kodak" for photography products.

What Do Porn and Music Have in Common?



If you peruse copyright infringement cases, you will find that many of the plaintiffs are associated with the recording industry or the adult entertainment industry. That's because most copyright infringement these days occurs on the Web. What are people illegally downloading the most? Porn and music.

Suggestive Marks

A suggestive mark requires some imagination to determine the product or service to which it refers. Examples include "Skinvisible" for transparent medical adhesive tape, "Coppertone" for suntan lotion, and "Greyhound" for transportation services. Suggestive marks make an impression on consumers when *first adopted*, before the public becomes familiar with the product.

Descriptive Marks

A descriptive mark directly conveys a function, characteristic or quality of the goods or services. Examples include "Fifteen Minute Oil Change" for a store providing oil change services in fifteen minutes and "Albuquerque Hearing Center" for a clinic providing hearing-related goods and services in Albuquerque.

Generic Marks

The weakest category of marks is "generic." A generic mark states the products or services being sold, rather than the source of the products or services. Examples of generic marks include "Bran Flakes" for bran cereal, "Consumer Reports" for a magazine providing consumer reports and "Diet Soda" for low-calorie soda. A generic mark cannot be protected under trademark law.

A common problem when selecting a mark is that marks with the greatest advertising value—those which convey the most noteworthy information about the goods or services—are usually descriptive or generic. As set forth above, those marks are either very weak or altogether unprotectable. Frequently, it is advisable to choose a suggestive mark which conveys some information about the product and requires some imagination on the part of the consumer.

Once your client chooses a mark, it is important to use it referencing the *source* of goods or services rather than naming or describing what is being sold. For example, if "Gatorade" is a trademark for sports drinks, your client should *not* say "Nothing quenches thirst better than a Gatorade." Instead, it should say, "Nothing quenches thirst better than GatoradeTM brand sports drink" (or "Gatorade® brand sports drink" if the mark is federally registered).

Following those simple guidelines can help clients choose the strongest mark for their products or services.

(© 2008 Alberto A. León, J.D., Ph.D. and Simone M. Seiler, J.D., All Rights Reserved)

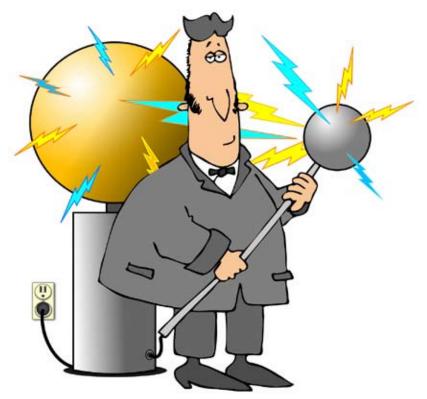
About the Authors

Alberto A. León, J.D., Ph.D. is a registered patent attorney and the managing partner of Bauman, Dow & León, where he assists clients in the protection of intellectual property assets and related litigation.

Simone M. Seiler, J.D., focuses on intellectual property law, including patent, trademark, copyright and licensing.

What Employment Lawyers **Need to Know About Copyright Law**

Suzanne Odom



Even sophisticated clients occasionally have the misfortune of spending thousands of dollars to have a Web site, logo, design, or jingle created without obtaining full ownership. Copyright law deems the creator (author) to be its owner. But if the client hired this person for the purpose of creating the work, shouldn't the client own the copyright? The key to avoiding an unfortunate outcome lies in having properly crafted agreements with those employees, in place from the outset and, more significantly, with independent contractors who are hired for their creative output.

The "Work for Hire" Doctrine

Authors are presumed to own the copyright in the works they create unless the work was one made for hire. Under the Copyright Act of 1976, a "work made for hire" is one that is created by either:

- an employee within the scope of his or her employment, or
- an independent contractor under the following explicit circumstances: the work must be "specifically ordered or commissioned;" must fall into one of nine statutorily defined categories of works; and the parties must expressly agree in writing that the product shall be considered a "work made for hire."

Most "work for hire" ownership issues arise in connection with independent contractors; therefore, it is best to have a written

agreement in place before work begins, clearly stating that the commissioned work shall be considered "work for hire." It is also advisable to employ the "abracadabra" approach; i.e., to use the words "work for hire" or "work made for hire" in the agreement to avoid any ambiguity regarding the parties' intent.²

However, it is not always safe to assume that everything an employee creates belongs to the employer. Issues of ownership can arise where employees create works after hours and/or outside the scope of employment. Depending on the circumstances, work created after hours may or may not constitute "work for hire." In light of this and to avoid ambiguity in any event, it may be advisable to include a statement in traditional employment contracts (particularly with respect to those employed in a creative capacity) that any work created in the scope of employment, whether during or after hours, constitutes "work for hire."

The Alternatives—Assignments and Licensing

When dealing with an independent contractor situation, the work being commissioned often may not clearly fall within one of the nine statutorily defined classes of works for hire. For this reason, you may want to consider adding

fallback language that assigns the contractor's entire copyright if the contractor's work (or any part of it) is found not to qualify as "work made for hire".

Many Web sites are devoted to educating creative types about the evils of "work for hire" arrangements. Don't be surprised if you come across a contractor who, recognizing the profit to be made from recycling his or her creativity, refuses to sign your airtight "work for hire" agreement with its equally airtight back-up assignment. In this case, your client essentially has two choices: go elsewhere or agree to a license. Under a license, the client will not obtain full ownership of the work but will obtain rights to its use defined by a number of parameters, such as exclusivity, duration and media.

Endnotes

- ¹ 17 U.S.C. § 101.
- ² See Playboy Enterprises, Inc. v. Dumas, 53 F.3d 549, 558-561 (2nd Cir. 1995) (discussing the "writing" requirement under the "work for hire" doctrine).

About the Author

Suzanne Odom is of counsel with Montgomery & Andrews, P.A. Her practice encompasses the areas of real estate, business and commercial law in transactional, general counsel and litigation matters.

Articles printed in this publication are solely the opinion of the authors. Publication of any article in the New Mexico Lawyer is not deemed to be an endorsement by the State Bar of New Mexico or the Board of Bar Commissioners of the views expressed therein. The New Mexico Lawyer's purpose is to provide an educational resource for all members of the State Bar on matters related to the justice system, the regulation of the legal profession and the improvement of the quality of legal services.

Obstacles in Web 2.0 continued from page 5

that "venerable game." Rather than continue the lawsuit, the brothers removed the game from North American servers and replaced it with a new version, Wordscraper, with features that they presumably hope will allow them to escape another lawsuit. Whether the suit might have succeeded or not, this issue affects businesses that hope to attract users to their Web site by offering re-creations of old games.

Obstacle 4: Cybersquatting

Cybersquatting refers to the practice of an individual who registers domain names similar to or the same as the owner's trademarked name. In *Coca-Cola Co. v. Purdy*, ¹⁰ the 8th Circuit decision was against Purdy, an anti-abortion activist who registered multiple domain names such as "drinkcoke.org," "mymcdonalds.com," and "mypepsi.org." The Court held that the names were confusingly similar to the trademarked ones and thus violated the Anticybersquatting Consumer Protection Act, ¹¹ which requires the plaintiff to prove that:

- its mark is distinctive,
- the domain name owner registered, used, or trafficked in the mark with bad faith intent to profit from the mark, and
- the domain name and the trademark are identical or confusingly similar.¹²

An infringer cannot get around the act by "typosquatting;" i.e., simply misspelling the trademark name. In *Lands' End*, *Inc. v. Remy*, ¹³ Lands' End sued the owner of Thinkspin for the Web site www.landwend. com. Thinkspin, as an affiliate of Lands' End, received a commission for all sales it generated for Lands' End products. The court determined that Thinkspin profited through the typo Web site and that the three requirements of the act were met.

Conclusion

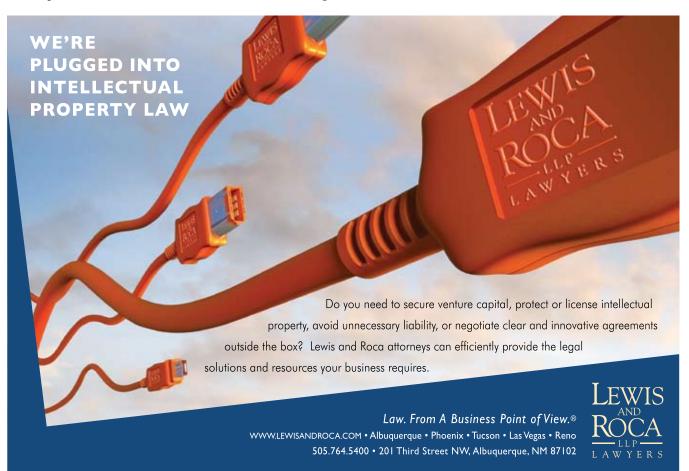
Many IP issues, in addition to the four discussed here, can affect how businesses operate on the World Wide Web. As the Internet changes and Web 3.0 approaches, new challenges may arise. Despite this, attorneys must be able to advise business clients and protect them from themselves as well as from unfair competition.

Endnotes

- ¹ Source code for Tiffany & Co., at http://www.tiffany.com/.
- ² No. 97-Z-1592 (D.C. Colo. filed July 23, 1997); http://www.opped-ahl.com/ac/complain.htm.
- ³ 7 F. Supp. 2d 1098 (S.D. Cal. 1998).
- ⁴ 46 U.S.P.Q.2d 1350 (S.D. CA 1998).
- ⁵ 17 U.S.C. § 512 (1998), Limitations on Liability Relating to Material Online provides protection for Web site owners and ISPs.
- ⁶ No. 05-A-508400-C (8th District, Nevada, Aug. 2005); http://www.seobook.com/archives/001130.shtml.
- ⁷ No. 97-3055DPP (C.D. Cal. 1997); http://legal.web.aol.com/decisions/dlip/tick.html.
- ⁸ No. 08 Civ 6567 (USDC SD NY July 24, 2008); http://graphics8. nytimes.com/packages/pdf/technology/20080724_Hasbro_complaint.pdf.
- From Scrabulous to Wordscraper: Does the new game pass legal muster? LA TIMES BLOG, http://latimesblogs.latimes.com/technology/2008/07/scrabulous-word.html.
- 10 382 F.3d 774 (8th Cir. 2004).
- 11 Enacted on November 29, 1999, the Act amends the Lanham Act by adding the new Section 43(d).
- ¹² 15 U.S.C. § 1125(d)(1)(A).
- ¹³ 82 U.S.P.Q.2d 1732 (W.D. Wis. 2006).

About the Author

Ian Bezpalko, a sole practitioner in Albuquerque, works on matters involving non-patent IP cases, contracts, and other business transactions. He offers legal research and writing for attorneys in all practice areas.



THE BEZPALKO LAW FIRM COPYRIGHT & TRADEMARK LAW

- REGISTRATION
- LICENSING
- CONTRACTS
- · TM SELECTION AND USE



(505) 341-9353

WWW.BEZPALKOLAWFIRM.COM

Trademarks Copyrights **Trade Secrets** Registrations Litigation



Modrall, Sperling, Roehl, Harris & Sisk, PA

Charles A. Armgardt

500 Fourth Street NW **Suite 1000** Albuquerque, New Mexico 87102

Phone: 505/848-1800 Fax: 505/848-1891 carmgardt@modrall.com



Dedicated to Protecting Ideas.®

The seeds of invention often require protection from the weather of today's global competition. Carstens & Cahoon offers both the legal and technical insight needed for ideas to prosper. We are intellectual property attorneys dedicated to helping our clients with all of their intellectual property needs. To find out how we can provide the shelter ideas you need, contact us. Dedicated to protecting ideas. ®

C&C