

## **Intellectual Property Issues in Internet Content Licensing**

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My “other half” in this topic, Mary Jo Dively, has provided the form contact found in your materials. In my remarks I will cover both my materials and Mary Jo’s, two broad topics:

- A. Content licensing on a web site and web site maintenance issues
- B. A sample Content Sharing and Co-branding Agreement

### **A. CONTENT LICENSING FOR WEB SITES**

The issues posed by content licensing on the internet are no different than in any other type of trademark, copyright or right of publicity license.

The content developer – the web site owner – must ensure ownership.

Questions to ask:

- ▶ what is on the web site
- ▶ what rights are implicated in the content
- ▶ does the web site owner own the content and, if not, have steps been taken to secure ownership?
- ▶ sticky issues: it’s not on my site, I’m just providing a link – consider contributory, vicarious infringement issues

#### 1. Content Issues Checklist

##### a. Copyright Rights

- photographs
- motion pictures
- graphics
- textual quotes
- music
- choreography
- computer program in final product
- broadcast & transmission issues
- contributory and vicarious infringement

##### b. Rights of Publicity

- rights in living and dead personalities’ “indicia” – likeness, attributes, etc.

##### c. Trademark Rights

- Logos, words, depictions of products , cartoon characters , etc.

d. Contractual Rights

- does licensee have the rights to contract in the new medium, the web, among other issues
- SAG (Screen Actors Guild)
- AFTRA (American Federation of Television and Radio Artists)
- Writers Guild
- Directors Guild
- Collective Bargaining Agreements

2. Sample Fact Pattern

The client – a fashion company, a car company, a modem company – whatever – is developing a new web site. It will feature streaming video and music, links to other sites and original content. The content will feature performances and interviews with famous (and mostly now dead) rock stars, their families and business associates, and clips of film and photographs of them. Cartoon characters that complement the themes of the stars' music are also intertwined in the content. The user can interact with the content by selecting performers, songs, interviews, films, cartoons or other aspects of the site and playing them randomly. The user can also link to related sites, product and other information.

The client used off-the-shelf videotapes and sound recordings for many of the performances, interviews, cartoon graphics and photographs and quotes from books and magazines. The client's employees shot some of the interviews, but also contracted with a video production company to film some of them. Both inside and outside producers edited the final film selections used in the content. The client's in-house programmers created the code for most of the product, but also hired freelancers for various aspects. The client intends to enable users to directly download music and enable video streaming of cable and television broadcast programs.

### 3. Copyright Rights

- a. Clearing Rights in the Third Party Material Used in the Web Site
- b. Ensuring Copyright Ownership of co-developed or in-house materials

### 4. Rights of Publicity

The California example:

- ▶ Live persons: Section 3344 of the Civil Code which protects the:

"name, voice, signature, photograph or likeness of another" from use "in any manner, on or in products, merchandise, or goods, or for purposes of advertising or selling, or soliciting purchases of, products without consent."

- ▶ "Dead celebrities": California Civil Code Section 990 creates liability against:

"[a]ny person who uses a deceased personality's name, voice, signature, photograph, or likeness, in any manner, on or in products, merchandise, or goods, or for purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods, or services, without prior consent."

- ▶ The statute defines a "deceased personality" as:

"any natural person whose name, voice, signature, photograph, or likeness has commercial value at the time of his or her death whether or not during the lifetime of that natural person the person used his or her name, voice, signature, photograph, or likeness on or in products, etc."

- ▶ common law state and federal rights of publicity rights

### 5. Trademark Rights

- Not only depicting marks, or products, but creating impression of source or sponsorship affiliation by linking or framing

### 6. Contractual Rights

### 7. More Interesting Questions – Contributory Infringement - Linking, Framing

- linking
- what if site linked to has infringing materials

- the form of the link – another’s trademark or copyrighted work
- deep-linking
- framing
- unauthorized aggregation of information

#### 8. An End-Run Around Liability – The ISP Exemption

- How to qualify – is the client an “internet service provider”?
- Still have to get permission for own materials
- Web Site Maintenance Issues Relating to Intellectual Property Liability

#### 9. Standard Terms and Conditions on Web Sites

##### ► Terms relating to user conduct - limited nature of right to use content on site

- restrictions under copyright and trademark laws ( See Intel Trademarks and Brands User Guidelines, used courtesy of Intel Corporation)
- restrictions on linking and meta-tagging, framing
- conduct rules – no posting of third-party materials, slanderous, libelous, etc. materials – responsible conduct , anti-flaming, spamming, etc.
- access conditioned on proper use of site; condition access and use on following the rules

##### ► Rights to user-posted materials and restrictions on users

- no liability for use; grant of limited license, warranty of ownership and right to post materials
- removal right – notice and take down procedures, notification of agent
- right to investigate users if complaints arise

##### ► Policy on IP protection

- right to remove information; notification procedures for possibly infringing content on site; indemnity for any claims based on false notices of infringement
- waiver of any claims against site-operator from exercise of notification and

take down procedures

- third party trademark use; trademark guidelines

▶ Privacy and Minors Policies

- what use is made ( or not) of users' information
- blocking ( or not) capabilities for minors; adult supervision

▶ Links

- disclaimer of liability for content
- notification of bad links

▶ Limitations of Warranty, Liability

▶ Integration; Modifications, Termination

▶ Dispute resolution, Jurisdiction, Governing Law

**B. CONTENT SHARING AND CO-BRANDING AGREEMENT**

This is the second broad topic of my remarks. I will highlight the provisions of Mary Jo Dively's sample Content Sharing and Co-Branding Agreement.

The facts are based on a web-site portal which links users of the site to information about home improvement. "Company B" in the contract is a major paint company. The site offers links to the paint company, where interested users of the site can find information on painting and decorating, order paint and painting supplies and find local distributors.

1. Define the Relationship

- ▶ The website operator ( Company B), the existing brand company ( Company A), what their content is, who the users are, what the activity will be, who will process information requests and like mechanics.

**1. Definitions.** As used in this Agreement (i) “we,” “us,” “our” or “Company B” refers to \_\_\_\_\_, a Delaware corporation; (ii) “you,” “your,” or “Company A” refers to \_\_\_\_\_, a \_\_\_\_\_ corporation; (iii) “our website” or the “Company B website” refers to the Company B website currently located at [www.\\_\\_\\_\\_\\_.com](http://www._____.com) on the World Wide Web and any successor or affiliated websites we develop or establish from time to time from which we will co-brand with your website pursuant to the terms and conditions of this Agreement; (iv) “your website” or the “Company A website” refers to our website currently located at [www.\\_\\_\\_\\_\\_.com](http://www._____.com) on the World Wide Web and any successor or affiliated websites you develop or establish from time to time from which you choose to co-brand with our website pursuant to the terms and conditions of this Agreement; (v) “Company B User” refers to a customer who accesses our website capabilities from your website; (vi) “Company A User” refers to a customer who accesses your website capabilities from our website; (vii) “Company B Content” includes all text, images, logos, video, audio, and other data, information, products, services, advertisements, promotions, links, pointers, technology and software provided by Company B to Company A pursuant to this Agreement; and (viii) “Company A Content” includes all text, articles, publications, images, logos, video, audio, and other data, information, products, services, advertisements, promotions, links, pointers, technology and software provided by Company A to Company B pursuant to this Agreement, including, without limitation, materials, articles, publications and other data and information related to [insert].

**2. Recitals.** Company B operates an online service that [describe] and makes available editorial content, advertising and transactional information relating to the local services to visitors of the Company B website (the “Company B Community”). Company A, owns or has the right to use Company A Content and Company B wishes to incorporate the Company A Content into the Company B Community, and to reproduce, adapt, distribute and display the Company A Content as so incorporated, in support of the Company B Community on a worldwide basis. In addition, Company B desires to utilize the marketing and promotional activities of Company A, including links to and from the Company A website to promote and market the Company B website in connection with the operation of the Company B Community.

**4. Linking to the Company B Website; Use of Company B**

**Content.** Upon the mutual execution of this Agreement, Company B will provide Company A with a unique URL to use on the Company A website to permit users to link to the Company B website through a co-branded version of the Company A Website. Company A will place the URL link in areas of the Company A website where users access the Company A Content or where they might otherwise be and have interest in accessing the Company B website or the Company B Community from the Company A website. We will use the unique URL assigned to you to count the number of individual Company B Users who access the Company B website through the Company A website. Company A acknowledges that Company B will be unable to count referrals arriving from the Company A website if Company A or users accessing our website from the Company A website do not properly utilize the specific tagged link format and unique URL between the two websites. Company B may also provide Company A with linking access to Company B Content located on the Company B website along with specific guidelines as to the use and placement of such Company B Content. Company A agrees to abide by such guidelines. We may modify the Company B Content from time to time and you will use the modified Company B Content upon thirty (30) days' advance written notice from us to do so.

**5. Linking to the Company A Website; Use of Company A Content.**

Upon the mutual execution of this Agreement, Company A will provide Company B with a unique URL to use on the Company B website to permit users of the Company B website to link to the Company A website through a co-branded version of the Company B website. Company B will use the unique URL assigned to us to count the number individual users who access the Company A website from the Company B website. Additionally, you will provide us with Company A Content to use and incorporate in and from the Company B website in accordance with the terms of the license granted to Company B herein below. Without limiting the generality of the foregoing, we agree to place Company A links and logos, in areas of the Company B website that relate to [insert] and which we reasonably determine will cause users of the Company B website to link to the Company A website. Company A may modify the Company A Content from time to time and Company B will use the modified Company A Content upon thirty (30) days' advance written

notice from you to do so.

**13. Company B Order Processing.** Company B will handle all processing for consumer service requests offered on the Company B website. Company A may not take consumer service requests from Company B Users or consumers on behalf of Company B. In compliance with our stated privacy policy, you agree that under no circumstances is Company B required to provide you with any information on any Company B Users or consumers of the Company B website.

**14. Company A Order Processing.** Company A will handle all processing for consumer service requests offered on the Company A website. Company B may not take consumer service requests from Company A Users or consumers on behalf of Company A. In compliance with your privacy policy, we agree that under no circumstances is Company A required to provide us with any information on any Company A Users or consumers of the Company A website.

- ▶ Where the money goes – who pays whom and for what  
Payment and audit information, royalty statements

**6. Fees.** Company B will pay Company A a percentage fee equal to ten percent (10%) of the "[ ]" revenue received by Company B from [ ] (as defined below) during the term of this Agreement who perform services for a Successful Referral. A Successful Referral is defined as a registered user of the Company B service who arrives at the Company B website through the unique URL that we assign to you, and who subsequently registers with Company B and then contracts and pays for service from a Company B member service professional ("Service Professional"). Company B customers who have registered with Company B previously or via any channel other than from your uniquely assigned URL are not eligible to be Successful Referrals. Similarly, Company B customers who obtain the services of Service Professionals from the Company B website who are not identified as having arrived at the Company B website from your unique URL are not Successful Referrals for purposes of calculating any percentage fee, even if such customers were Successful Referrals at some time in the past. For purposes of this Agreement, "[ ]" revenue means revenue actually

collected by us from a Service Professional upon completing a contracted service for a Successful Referral.

**7. Reporting.** Company B will send you a check for all amounts due to you approximately thirty (30) days after the end of each quarter, accompanied by a report of the percentage revenue owed for such period. Fees amounting to less than [\_\_\_\_\_], along with the accompanying report, will be held until the quarter in which aggregate amounts due to you equal at least [\_\_\_\_\_].

- ▶ Exclusivity – on the part of the website and on the part of the brand

**11. Exclusivity.** From the date of this Agreement and ending on the first anniversary of the date hereof, (unless extended by mutual agreement of the parties), Company B agrees to include Company A Content on our website as set forth in this Agreement, and that Company B will use only Company A Content (and not similar or content owned by a Company A Competitor) with respect to any areas of the Company B website relating to painting, including how to paint, paint selection, and decorative painting. For purposes of this Agreement, a Company A Competitor means \_\_\_\_\_ the Company B website on the Company A' website as set forth in this Agreement. Company A agrees that it will use only Company B Content and links to the Company B website and not the content or links of any Company B Competitor to connect to the website of or otherwise promote the business or content of any Company B Competitor. For purposes of this Agreement, a Company B Competitor means any internet based company that connects or seeks to connect consumers with home improvement or home repair contractors, or any of such companies' successors or assigns.

- ▶ Website maintenance and warranty terms – mutual – note that no standards of website maintenance are set forth

**8. Responsibility for the Company A Website.** Company A is solely responsible for all content and activities relating to the Company A website, except with respect to Company B Content which may be included on the Company A website in accordance with the terms of this Agreement. Company B disclaims all liability in connection with the Company A website,

and Company A will indemnify, defend, and hold Company B harmless from all claims, damages and expenses (including, without limitation, attorneys' fees) relating to the development, operation, maintenance and contents of the Company A website, except to the extent such claims, damages and/or expenses relate to Company B Content.

**9. Responsibility For the Company B Website.** Company B is solely responsible for all content and activities relating to the Company B website, except with respect to Company A Content which may be included in the Company B website in accordance with the terms of this Agreement. Company A disclaims all liability in connection with the Company B website, and Company B will indemnify, defend, and hold Company A harmless from all claims, damages and expenses (including, without limitation, attorneys' fees) relating to the development, operation, maintenance and contents of the Company B website, except to the extent such claims, damages and/or expenses relate to Company A Content.

**10. Warranty.**

10.1 Company B Warranty. Company B represents and warrants that all Company B Content: (i) does and will conform to any of Company A applicable website terms of service and privacy policy, provided such policies are provided to Company B from time to time; (ii) does not and will not infringe any copyright, trademark, U.S. patent or any other third party right; and (iii) does not and will not contain any content which violates any applicable law or regulation. Company B further represents and warrants that in no way will Company B imply or state anywhere on our website, either explicitly or implicitly, that Company A endorses or recommends any specific product or service appearing on the Company B website.

10.2. Company A Warranty. Company A represents and warrants that all Company A Content: (i) does and will conform to any of Company B's applicable website terms of service and privacy policy; (ii) does not and will not infringe any copyright, trademark, U.S. patent or any other third party right; and (iii) does not and will not contain any content which violates any applicable law or regulation. Company A further represents and warrants that in no way will Company A imply or state anywhere on the Company A website, either explicitly or implicitly, that Company B endorses or

recommends any specific product or service appearing on the Company A website.

- The license terms themselves relating to use of each other's trademarks, logos, etc. Note that Company A ( the brand owner) is providing content to Company B, the web site operator, not only through links, but in a form that Company B can alter it and use it as its own "content". Consider problems for the website upon termination

12.1 Company B License for Marks and Content. During the term of this Agreement and subject to the terms provided herein, Company B hereby grants to Company A a non-exclusive, non-transferable, royalty free, worldwide license to use and display the Company B name and any trademarks, service marks, logos, slogans, trade dress and other proprietary descriptions, whether registered or unregistered (collectively the "Company B Marks") and the Company B Content in connection with your use in fulfilling your obligations under this Agreement.

12.2 Company A Acknowledgement Regarding Company B Marks and Content. By entering into this Agreement, Company A expressly acknowledges and agrees that Company B is the owner of all right, title and interest in and to the Company B Marks and Company B Content, and that Company A shall not at any time have or acquire any interest in the Company B Marks or Computer B Content. Company A further agrees that all use or display of the Company B Marks or Company B Content inures to the exclusive benefit of Company B and automatically vests in and remains the property of Company B. Company A also agrees that any use or display of the Company B Marks or Company B Content must be approved in writing prior to their use or display and that Company A will abide by all standards and guidelines of Company B adopted from time to time with respect to the proper use and display of the Company B Marks and Company B Content.

12.3 Company A License for Marks. During the term of this Agreement and subject to the terms provided herein, Company A hereby grants to Company B a non-exclusive, non-transferable, royalty free, worldwide license to use and display the Company A name and any trade names,

trademarks, service marks, logos, slogans, trade dress and other proprietary descriptions, whether registered or unregistered (collectively the "Company A Marks") in connection with Company B's including the Company A Content and links to the Company A website on the Company B website and for use in fulfilling our obligations under this Agreement.

12.4 Company A License for Content. During the term of this Agreement, and subject to the terms and conditions hereof, Company A grants to Company B a worldwide, royalty free, transferable, and limited exclusive license to use, reproduce, display, perform, transmit, modify, repurpose, prepare derivative works of, and otherwise use the Company A Content in connection with Company B's business activities and the operation of the Company Community. Company A agrees that the foregoing license shall include the right for Company B to sublicense the Company A Content or any derivative works thereof to any online partners of Company B who are not Company A Competitors for reproduction or use in connection with such partner's websites to the extent that any of the Company A Content or derivative works thereof have been incorporated in the Company B Content being provided to such online partners. The exclusive nature of the license granted pursuant to this Agreement is limited to use of the Company A Content by us in connection with our specific business activities of running the Company B Community and educating consumers about home improvement and home repair activities and connecting consumers with contractors via the internet or worldwide web, or any similar web-based, web-enabled, internet-based, or internet-enabled application (*i.e.*, we shall have only a nonexclusive license regarding the use of the Company A Content in areas or business arenas that are not part of the Company B Community or which do not educate consumers about home improvement or home repair activities or which do not connect consumers with contractors via the internet or world wide web or similar internet-enabled applications). Each piece of Company A Content licensed hereunder and located on the Company B website will be accompanied by a copyright notice to be provided by Company A and reasonably acceptable to Company B; provided, however that to the extent Company B provides or licenses any of the Company B Content to any online partner, such items shall not require the foregoing copyright notice (regardless of whether the Company B Content includes any of the Company A Content).

12.5 Company B Acknowledgement Regarding Company A Marks and Content. Company B expressly acknowledges that Company A is the owner of all right, title and interest in and to the Company A Marks and the Company A Content, and that Company B shall not at any time have or acquire any interest in the Company A Marks or Company A Content. Company B further agrees that all such use or display of the Company A Marks or Company A Content inures to the exclusive benefit of you and automatically vests in and remains the property of Company A. Computer B agrees that any use or display of the Company A Marks must be approved in writing prior to their use or display. Company B also agrees to abide by all standards and guidelines adopted by Company A from time to time with respect to the proper use and display of the Company A.

- ▶ Clauses typical to intellectual property licenses:

#### Notification of Infringement

12.6 Infringement Proceedings. Each party agrees to promptly notify the other party of any unauthorized use of the other party's Marks of which it has actual knowledge. Each party shall have the sole right and discretion to bring proceedings alleging infringement of its Marks or unfair competition related thereto; provided, however, that each party agrees to provide the other party, at such other party's expense, with reasonable cooperation and assistance with respect to any such infringement proceedings.

12.7 Press Releases, Advertisements . Neither party may make any press release with respect to this Agreement or without the prior written consent of the other party, which may be given or withheld in such party's sole discretion.

- ▶ Indemnification and representations and warranties of ownership of content

19.1 Each of Company A and Company B agrees to indemnify and hold harmless the other party hereto, together with its officers, directors, agents, or employees, against any and all liabilities, claims, actions, proceedings, suits, damages, losses, penalties, judgments, fines, as well as

reasonable costs, expenses, disbursements, and other obligations to third parties related thereto (including reasonable attorneys' fees and other reasonable expenses of investigation, defense, litigation and settlement) (collectively, "Damages") regardless of when the same shall be made or incurred, whether prior to or after the termination of this Agreement, based upon, asserted in connection with, arising out of, or in any way related to the products or services provided by the indemnifying party to this Agreement; provided, however, that this indemnification shall not apply to the negligent actions or willful misconduct of the indemnified party.

19.2 If any action or proceeding is brought or claim asserted against an indemnified party in respect to which indemnity may be sought pursuant to this section, such indemnified party shall promptly notify the party providing the indemnification in writing of such claim, action, or proceeding, and the party providing the indemnification shall be entitled to participate in such action or proceeding and in the investigation of such claim, and, after written notice to indemnified party, to assume the investigation or defense of such claim, action, or proceeding with counsel selected by the party providing the indemnification and at its expense; provided, however, that such counsel shall be reasonably satisfactory to indemnified party.

**22. Representations and Warranties.** Each party hereby represents and warrants to the other party hereto, that (i) such party has the right and authority to enter into this Agreement and has taken all actions to duly authorize, approve, and execute this Agreement; and (ii) this Agreement shall be binding on such party and all of its affiliates and enforceable in accordance with its terms; and (iii) such party itself has or otherwise has obtained sufficient rights or consents from all relevant third parties to grant to the other party any licenses or other intellectual property rights granted hereunder; and (iv) the use, reproduction, distribution, or display of such party's Marks, content, or other intellectual property as authorized herein, will not infringe upon or misappropriate any trademark, trade secret, or any other proprietary right of any third party, or constitute false advertising, unfair competition, defamation or an invasion of privacy, or violate any law or regulation.

- ▶ Limitations on Warranties, Liability

**18. Warranty Disclaimer.** EXCEPT AS EXPRESSLY SET FORTH HEREIN, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER PARTY, NOR THEIR EMPLOYEES, OFFICERS OR AGENTS WARRANT THAT THEIR RESPECTIVE WEBSITES WILL BE UNINTERRUPTED OR ERROR FREE NOR MAKE ANY WARRANTY AS TO THE RESULTS THAT MAY OR MAY NOT BE OBTAINED IN CONNECTION WITH THE USE OF THAT PARTY'S WEBSITE. EXCEPT AS EXPRESSLY SET FORTH HEREIN, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER PARTY MAKES ANY WARRANTY, GUARANTEE OR REPRESENTATION EITHER EXPRESS OR IMPLIED REGARDING THE MERCHANTABILITY, TITLE, NONINFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE OF THEIR RESPECTIVE WEBSITES OR THE SERVICES OR PRODUCTS OFFERED IN CONNECTION THEREWITH, OR OF THE CONTENT WHICH IT PROVIDES TO THE OTHER PARTY UNDER THIS AGREEMENT. NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES WITH RESPECT TO ANY OF THE PRODUCTS OR SERVICES OF THE OTHER TO BE PROVIDED HEREUNDER OR VIA THEIR RESPECTIVE WEBSITES.

**20. Limitations on Liability.** UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY THIRD PARTY FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR EXEMPLARY DAMAGES (EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES) ARISING FROM THE BREACH OF THIS AGREEMENT, THE USE OR INABILITY TO USE SUCH PARTY'S WEBSITE, OR ANY OTHER PROVISION OF THIS AGREEMENT.

► Note Termination Clause

On thirty days notice!

**16. Agreement Cancellation/Termination.** Either party may cancel or terminate this Agreement at any time and for any reason upon at least thirty (30) days prior written notice to the other party. Upon termination, all licenses hereunder shall immediately terminate and each party shall immediately cease any and all uses of the Marks, URL, and Content of the other party. Sections 8, 9, 10, 12, 15, 18, 19, 20 and 23 shall survive the termination of this Agreement for any reason.