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On My Mind Blog

Does the Creator of a Logo Automatically Own Both the Copyright and Trademark Rights?

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A logo can be covered by both copyright and trademark rights. If you commission an independent contractor to design a logo for your use, ownership of those rights may vary because there are differences between the copyright law and the trademark law in the United States.

Copyright Ownership

Initial ownership of the copyright in a graphic work, such as a logo, normally vests in the individual who *creates* that work. The exception is a work made for hire, created by an employee working within the scope of his or her employment, but that does not apply to a work created by an independent contractor. Some works for hire may be created by written agreement if the work is within one of the categories of works specified in the Copyright Act, but logos - two-dimensional artwork - do not fall into any of those categories. However, if a work does not qualify as a work for hire, the owner may assign the copyright to any person or company in a written document.

Trademark Ownership

Ownership of the trademark rights in a logo is in the first party *to use* the mark on or in connection with goods or services. Use by an implied licensee, even when no written agreement exists, may be considered use by the licensor/owner who exercises control over the nature and quality of the goods or services. Merely to have created a logo does not confer trademark ownership, however.

A Case in Point

Chicago Basketball League Corporation (the "Team") was part of the Midwest Professional Basketball Association co-owned by Joyce K. Thomas and her husband (the "Association"). The Team applied to register the WINDY CITY GROOVE Logo for basketball games based on the first public use of the logo in commerce when the Team uploaded the logo to the Association's website.

Ms. Thomas opposed the application before the Trademark Trial and Appeal Board ("TTAB"). She claimed that she, not the Team, owned the logo because

- She created the work, which was not a work made for hire, and ownership of the registered copyright in the work had not been transferred to the Team (all of which the Team admitted).

- It was the Association's business practice for team logos to be designed by her, owned by her and licensed for use by the Association (the Association did not claim that it owned the logo).

However, Ms. Thomas' evidence did not indicate that she had ever used the logo as a mark. There was no evidence that the Team had uploaded the logo on Ms. Thomas' behalf or even at her instruction. There was no signed license agreement, no evidence that any fees had been paid for use of the logo, and no evidence regarding efforts by Ms. Thomas to maintain the nature and quality of the services offered under the logo. Therefore, the TTAB found no basis for an implied license from Ms. Thomas.

Accordingly, The TTAB dismissed the opposition because Ms. Thomas had not met her burden of proving that the Team was not the owner of the mark it had used and sought to register.

Takeway

When one party creates a copyrighted work and permits another party to use that work as a mark for goods or services, the trademark rights of the first user generally will prevail unless that use is deemed to be use by the creator as the licensor of the trademark rights. This can be accomplished if:

1. There is a written trademark license between the creator and the user, or

2. The creator exercises actual control over the nature and quality of the goods or services rendered under the mark, which is required whether or not there is a written agreement.

However, a trademark license can adversely affect the rights of the copyright owner. For example, an exclusive trademark license may prevent the creator from freely licensing the use of the copyrighted work to a different party for use as a trademark in violation of the rights granted to the exclusive licensee.

On the other hand, if a logo is used as a trademark without permission, the creator may assert its copyright rights against the unauthorized trademark user, of course subject to any applicable contractual or fair use defense.

Bottom Line

Experienced intellectual property counsel should be consulted early to set up appropriate rights in a logo under both copyright and trademark law if the creator and the user will be different parties.

For further information, contact William M. Borchard or your CLL attorney.