

IP Suits Over Brand Owner Font Use Offer Cautionary Tales

By **Dyan Finguerra-DuCharme and Mallory Chandler** (November 28, 2023)

Fonts are valuable commercial assets protected by intellectual property. Use of a font on product packaging, on a website or in marketing materials exposes the brand owner to potential claims of infringement by the software developer or creative designer.

This article explores the history of fonts; the U.S. District Court for the Northern District of California's recent *Laatz v. Zazzle Inc.* decision, among others; and provides a road map for keeping brand owners out of trouble when it comes to the use of fonts.

A Brief Background on Typefaces and Fonts

While the word "font" is used ubiquitously to describe the style of text one sees on a screen, product or in print, there is a difference between a font and a typeface. Typefaces are collections of letters, numbers and symbols with a standard design theme.

Fonts are specific digital files comprising all the characters of a particular typeface. Thus, typefaces are like a genus while the fonts are the species that fall within that genus — e.g., the genus *Equus*, and the species horses, zebras and donkeys.

There are generally five types of typefaces: serif, sans serif, script, monospaced and display. A serif typeface is identified by a line or stroke attached to the end of a letter, sometimes called a tail. A sans serif typeface does not include a tail at the end of the letters.

Script typefaces are characterized by flowing loops and letterforms that are generally connected. The letters that make up monospaced typefaces take up the same amount of horizontal space on the page or screen. Finally, display typefaces vary widely in their appearance and are typically used for titles, headlines or short phrases. There are hundreds of thousands of fonts that fall into one or many of these typeface categories.

What IP Protection Is Available for Fonts?

All three intellectual property disciplines can protect certain aspects of fonts: trademark, patent and copyright. Trademark law protects the name of a typeface, like "cooper black" or "helvetica," but not the design of the typeface or font itself. While logos using a certain font are subject to trademark protection, it is the overall logo that is protected, which includes the terms, not just the font itself.

Typefaces can be protected by design patents, which protect the ornamental design of a typeface for 15 years. The U.S. Patent and Trademark Office has issued almost 400 design patents covering typefaces over the last 20 years. In fact, the first design patent ever issued in the United States was in 1842 to George Bruce for a typeface.[1]

While typefaces lack the requisite minimal creativity threshold to qualify for copyright protection, the computer code that generates a font is protectable by copyright. Therefore,



Dyan Finguerra-DuCharme



Mallory Chandler

a claim for copyright infringement of a font is not technically based on protection of the font design, i.e., how the font looks, but more specifically is based on protection of the source code that generates the font design.

Specific Licenses From Type Foundries vs. the Open Font License: When Do You Have to Pay?

Obtaining a license to use a font is a pretty simple process. A type or font foundry is an organization that publishes typefaces and releases fonts.[2] Each font is subject to an end-user license agreement, or EULA, which dictates what the user can and cannot do with the font it licenses.

Typically, there are six types of font licenses: (1) desktop font licenses, (2) web font licenses, (3) digital ad licenses, (4) mobile app licenses, (5) electronic publication licenses, and (6) server font licenses.[3]

A desktop font license typically enables the user to install the font on their computer and use it for a range of services, including in logo designs, images for websites and social media, as well as in print media, souvenirs and merchandise.[4]

A web font license is used for a single domain, and the price of a web font license is usually dictated by the number of views one estimates it will receive on its webpage.[5]

A digital ad license is exactly as the name describes — the license allows the use of a font within digital ads displayed on the web or on mobile devices. Similar to the web font license, the cost of a digital ad license depends on the number of "impressions" the licensee estimates it will receive on its ads.[6]

A mobile app license allows the licensee to embed the licensed font into mobile phone platforms (iOS, Android, Windows, etc.) and a set number of application installations.[7]

An electronic publication license — also known as an "e-pub license" — allows the licensee to embed the licensed font into electronic documents like e-books, e-magazines and e-newspapers.[8]

Finally, a server font license allows the installation of a font on a server that is accessed by remote users or website visitors.[9] These licenses are commonly used by web-based businesses that offer personalization services.[10]

The number of licenses required, and the cost of the license, are determined by the foundry or owner issuing the license. Also, depending on the types of uses, a licensee may need to purchase multiple licenses to cover its intended uses.

For example, should Law360 license the font it uses to publish its articles, it is likely subject to, at least, a web font license as well as a mobile app license for its desktop and mobile readers.

Many foundries and font owners also offer customized commercial licenses depending on how restrictive the font owner intends to be with its font or based on what the licensee is looking to do with the font.

However, not every font is subject to a paid license. Many fonts are part of what is known as open-source licensing — free, general licenses where the fonts are free to obtain, use

and share, so long as the user does not sell the typeface or font and proper credit is given to the creator. The majority of open-source fonts use the SIL International Open Font License, or OFL.[11]

Consequences of Using a Font Without a Proper License

Brand owners and product designers should always check to make sure they are paying for the correct license for a font they want to use, or check that the desired font is subject to the OFL or another similar open-source license.

Otherwise, the user could end up like Zazzle Inc., an online marketplace sued for allegedly using plaintiff Nicky Laatz's fonts under an improper license, copying the software subject to that license onto its own servers, and using the fonts on its website, making them available to tens of millions of users of Zazzle's services without compensating the plaintiff.[12] On Oct. 23, the U.S. District Court for the Northern District of California issued an order granting in part and denying in part the plaintiff's motion for partial summary judgment.

Or like Rite Aid, which was sued last year in the U.S. District Court for the Eastern District of Pennsylvania by Brand Design Company Inc. d/b/a House Industries for allegedly using the font neutraface as the basis for its new logo and product packaging, among other things, in violation of the desktop license for the font, which specifically prohibits the use of the font in logos.[13]

In addition to claims for breach of contract of the desktop license, Rite Aid is also facing claims for false designation of origin for filing trademark applications using the plaintiff's font, state and common law claims of unjust enrichment, as well as a request for an accounting of profits and actual, enhanced and exemplary damages, and attorney fees.[14]

However, the copyright infringement implications of font use are nuanced, as explained by Shake Shack Enterprises in its September 2022 complaint in the U.S. District Court for the Southern District of New York for declaratory judgment of noninfringement against House Industries.[15]

After receiving a cease and desist letter from House Industries alleging copyright infringement of the neutraface font as used in the Shake Shack logo, Shake Shack filed a declaratory judgment action for noninfringement. In the complaint, Shake Shack alleged the typeface used to create its logo back in 2004 is in the public domain, and House Industries only has copyright protection over the source code that comprises the software used to generate the font, but not over the typeface itself.[16]

Shake Shack claimed that because it did not use House Industries' software to create the Shake Shack logo, it is not liable for copyright infringement.[17] House Industries counterclaimed for breach of contract.[18]

Conclusion

Before using a font as part of your brand design, website or other marketing materials, make sure that the font is freely available or you have obtained the necessary license. If a creative agency created marketing materials or designed a brand logo, make sure it has the proper font licenses and, at the very least, you are indemnified for any claims of misuse of a font.

And if you receive a letter or threat of infringement from a font owner, do your due diligence to assess the legal merits of the claim.

Dyan Finguerra-DuCharme is a partner and co-chair of the trademark practice and fashion group at Pryor Cashman.

Mallory Chandler is an associate at the firm.

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[1] U.S. Patent No. USD1 (issued Nov. 9, 1842).

[2] Google Fonts, https://fonts.google.com/knowledge/glossary/type_foundry (last visited Nov. 13, 2023).

[3] Licensing Options, Fonts.com, <https://www.fonts.com/info/services/licensing-options> (last visited Nov. 13, 2023).

[4] Id.

[5] Id.

[6] Id.

[7] Id.

[8] Id.

[9] Id.

[10] Id.

[11] SIL Open Font License (OFL), https://scripts.sil.org/cms/scripts/page.php?site_id=nrsi&id=ofl (last visited Nov. 13, 2023).

[12] Complaint at ¶¶ 6-9, Nicky Laatz and Nicky Laatz Creations UK Ltd. v. Zazzle Inc. and Mohamed Alkhatib, Case No. 5:22-cv-04844-BLF (N.D. Cal. Aug. 24, 2022), ECF No. 1; 22-cv-04844-BLF (N.D. Cal. Oct. 23, 2023).

[13] First Amended Complaint at ¶¶ 2-10, Brand Design Company, Inc. d/b/a House Industries v. Rite Aid Corporation et al., Case No. 2:22-cv-01174-WB (E.D. Penn. Dec. 8, 2022), ECF No. 87.

[14] See, e.g., id.

[15] See, e.g., Complaint, Shake Shack Enterprises LLC et al. v. Brand Design Co. Inc., d/b/a House Industries, Case No. 1:22-cv-07713-VM (S.D.N.Y. Sept. 9, 2022), ECF No. 1.

[16] See id. at ¶¶ 1-6.

[17] Id.

[18] See, e.g., Answer and Counterclaims, Shake Shack Enterprises LLC et al. v. Brand Design Co. Inc., d/b/a House Industries, Case No. 1:22-cv-07713-VM (S.D.N.Y. Nov. 16, 2022), ECF No. 13.