

What's In A Font And Why It Matters In Copyright Fights

By **Tiffany Hu**

Law360 (September 16, 2022, 5:43 PM EDT) -- Shake Shack is the latest company to be accused of infringing a type foundry's copyrighted font based on the Neutra typeface, but the burger chain's preemptive suit to shut down those claims illuminates an important difference between a typeface and a font, attorneys say.

Shake Shack on Sept. 12 filed a declaratory judgment action against House Industries, saying that after 16 years without a complaint, the font foundry was trying to "shake down" the fast-casual restaurant chain for licensing fees to continue using its logo and signage.

The burger maker said Shake Shack's "bespoke design" was created for the chain and is based on the Neutra typeface, which was developed in the 1930s by Robert Neutra in relation to his architectural projects and is now in the public domain, it said.

House Industries in 2002 developed a geometric, sans-serif font software called Neutraface, which the foundry has said was influenced by the works of Neutra. The font was used for the title of the 2008 James Bond film "Quantum of Solace" and is reportedly used in official city communications for Washington, D.C., but Shake Shack said it didn't use House's product.

While many people use the terms "typeface" and "font" interchangeably, copyright law treats each differently, attorneys told Law360.

Typefaces are the "visual appearance of the letters" and generally are not protectable under copyright law because they lack the "requisite level of creativity," according to Jason Kravitz of Nixon Peabody LLP. By contrast, fonts — or font files — refers to the software or program that generates the typeface on a screen or page, he said.

"That software, a font file, can be protectable under copyright law — assuming it has the requisite level of creative authorship — in the same way any software application can be protected," Kravitz said.

House Industries has accused other companies of using its fonts, such as arts and crafts chain Michaels and NBCUniversal. More recently, it sued Rite Aid in March, alleging that the pharmacy company breached licensing agreements by misusing the foundry's Neutraface font for a new logo. The case is ongoing.

If the burger maker can establish that its logo was an independent creation as claimed, then it will be

difficult for the font foundry to establish a claim for copyright infringement, Stephen J. Strauss of Buchalter Law Firm said.

"One of the main tenets of copyright infringement is built in the name itself: You have to show that there's copying," Strauss said. "Even if there may be something that looks exactly the same way [as the font in question], there's no infringement because there's no copying, and there's no misuse of their software because there was no copying."

There have not been many rulings involving font copyright disputes. Many, including the actions House Industries filed against Michaels and NBCUniversal, have been voluntarily dismissed. Other font foundries have also dropped their accusations against big-name companies for allegedly copying their fonts, such as Font Diner's lawsuit against gummy bear maker Haribo and HypeForType's suit against Universal Music Group, both filed in 2017.

The reasons parties might settle vary, though settlement is "frequently achieved once the parties determine the costs of pursuing or defending a lawsuit outweigh the benefits of a successful outcome," according to Emily Kappers of Crowell & Moring LLP.

"Without knowing the underlying facts, it is possible the parties found it most beneficial to enter into a settlement agreement, which might include, for example, a lengthy license that permitted the defendants to continue use of the Neutraface font," Kappers said. "It is likewise possible that these other parties lacked the same defenses Shake Shack claims to enjoy in the present case."

If the Shake Shack case moves forward, attorneys say they are curious to see where it goes and how House Industries will respond. The issue of copyright misuse is also interesting — the burger maker's claim that House Industries is extending the bounds of its copyright — as this can be an equitable defense to an infringement claim, says Meaghan Kent of Venable LLP.

"And so a shield as opposed to a sword, it may ultimately help support Shake Shack's argument for recovery of fees and costs," Kent said.

Some, like Richard Mandel of Cowan Liebowitz & Latman PC, say the new case may be a straightforward one if Shake Shack is found not to have used or relied on House Industries' software, as copyright regulations make it clear that typefaces are not protectable.

"Even if it's not groundbreaking, a precedent in the area could be useful given the prevalence of these claims circulating out there over the past several years," Mandel said.

In a statement to Law360 on Friday, Shake Shack said that its logo has represented the brand for more than a decade, and that it is "taking a stand against House Industries, a company that holds no rights in the typeface used in our branding and publishes software Shake Shack does not use."

"House has nonetheless threatened to sue Shake Shack unless we agree to pay them exorbitant software license fees," Shake Shack wrote.

A representative for House Industries did not return a request for comment.

--Editing by Peter Rozovsky.

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