

Protecting and Communicating Your Brand in a Social World

Robert W. Zelnick and Korey Anvaripour, McDermott Will & Emery LLP

The enormous increase of personal blogs and social networking websites has offered innovative channels for businesses to market their products and services with largely consumer-created content. But brand owners should be mindful that developing and investing in robust trademark enforcement strategies can help prevent third-party misuse of their valuable trademarks.

Opportunities, Expectations and Challenges

Any of the more than 500 million active Facebook users can tell you the impact that the popular social networking website has had on the ability to share content and interact online with friends and relatives. The growing popularity of that social networking site, along with others such as Twitter and Yelp, has also created extraordinary opportunity for companies and their brands to interact more directly with consumers and thereby increase brand awareness. In some cases, consumers have come to expect brand owners to communicate with the public quickly via social networking, particularly in matters of significant public attention or newsworthiness.

Because a trademark's key function is to indicate source and reputation, social media creates opportunities, expectations and challenges for brand owners who must "police" the marketplace to ensure that their brand's message isn't being corrupted or taken in an undesired direction. Thus, brand owners who seek the benefits of exposure on social networking sites should regularly monitor and

assess content on the various social network platforms, staying mindful of how popular these sites may be with the brand's target consumers.

The Social Web

Both Twitter and Facebook allow their members to adopt free user names and personalized domain names. For example, any user who wishes to start using Twitter, or "Tweeting," as it is commonly called, can create their own account with a personalized sub-domain name, i.e., www.twitter.com/user. Twitter will then allow the user to post text updates via SMS, instant messaging, e-mail, Twitter's website and mobile applications, any of which are displayed on the user's personalized Twitter page. In addition, users can "follow" one another, by subscribing to read the updates of other Twitter users. Similarly, Facebook, the world's largest social network, announced last year that it would allow users to create customized usernames for their profiles, with accompanying personalized URLs, i.e. www.facebook.com/user. Within the first fifteen minutes after that announcement, more than 500,000 users had claimed a personalized Facebook URL. According to Alexa, an Internet data collection company which monitors web traffic statistics, both Twitter and Facebook are among the top ten most visited websites globally, with Facebook ranked only behind Google in terms of total web traffic worldwide. According to one Facebook executive, more than 8 billion minutes are spent on Facebook every day.

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Marketing Your Brand

Many companies have recognized the social web as fertile ground for brand exposure and promotion. The business benefits of creating pages or fan sites on social websites is already widespread across the most popular social networks, and many companies actively market their brands and interact with the millions of internet users who are active in the online communities. Virgin America, Whole Foods, HTC, Lady Gaga, and Red Bull, to name a few, all have active Twitter accounts and Facebook fan pages, which are variously used to communicate special deals and news; and even to serve as forums for consumer feedback and corporate communications. Skittles prominently displays its Twitter mentions on its homepage, which allows any Twitter user to write "Skittles" on their own page and then appear on the live feed of Twitter posts on Skittles.com. That option is in addition to the more than 8 million fans who "like" Skittles on Facebook and receive real-time updates from the candy company in their Facebook news feeds. Lululemon, a popular Yoga-inspired athletic apparel company, has more than 160,000 fans on its Facebook page, a portal where fans can post comments and questions about Lululemon products, and also link to other company-created social websites for fans: e.g., the Vimeo.com page, where video clips of community yoga events can be shared with fans; the Flickr.com page, where fans can see photo albums uploaded by the Lululemon team; and the Twitter page, where over 35,000 followers receive real-time updates with links to articles the company wishes to share.

Monitoring Your Brand – Read the Terms of Use

This model of using social media to market brands to consumers comes with some potential legal issues. Just as in the boom days of the dot-com bubble, when cybersquatters acquired domain names only to sell them back to the rightful trademark owners, "username squatters" have emerged, attempting to secure the potentially valuable sub-domains of popular brands that have

yet to make an appearance on the social network. Many of the world's most recognized brands, e.g., General Electric, Duracell and Colgate, have yet to market their respective brands on the microblogging service. Some companies may believe that their business objectives are not furthered by creating social media identities. Others might be hesitant to create a third-party operated site, where the company would be dependent on the terms of service of the hosting site for content regulation. Indeed, the terms of service can vary widely among the various social media sites. And while it is easy for anyone to start a conversation about a company or its products on Facebook or Twitter, it is much more difficult for the companies to control that conversation. A quick glance at the Twitter newsfeed on Skittles.com, for example, will reveal more than a few negative tweets about the popular candy.

In order to help protect companies that decide to participate in social media, Twitter has outlined a Trademark policy to help prevent username squatters from creating accounts using others' brand names. The policy states that:

[U]sing a company or business name, logo, or other trademark-protected materials in a manner that may mislead or confuse others or be used for financial gain may be considered a trademark policy violation. Accounts with clear intent to mislead others will be suspended; even if there is not an explicit trademark policy violation, attempts to mislead others may result in suspension.¹

Moreover, Twitter specifically prohibits "username squatting," advising users that accounts that are inactive for more than 6 months may be removed without further notice, taking into account 1) the number of accounts created; 2) creating accounts for the purpose of preventing others from using those account names; 3) creating accounts for the purpose of selling those accounts; and 4) using feeds of third-party content to update and maintain accounts under the names of those third parties.²

Twitter also attempts to confirm authenticity of accounts featuring well-known names so users can trust that the accounts they follow are legitimate. Facebook similarly requires that users not post content or take any action that infringes or violates someone else's rights, and Facebook warns that the site can remove any content or information if Facebook believes it violates this statement.³

Monitoring Your Brand – Be Proactive

While both Facebook and Twitter provide policies that help protect company brands on their respective sites, it remains the trademark owner's ultimate obligation to be proactive and "hands-on" about protecting its rights. Many times, a savvy brand owner will act with a scalpel rather than a saw, in recognizing that the value of good publicity can be maximized with only minor tweaks to content. Strategies may include developing a companywide standard of what are objectionable uses of the trademark, and proactively securing username variants of the mark on popular sites. Making smart use of the terms of use and take-down remedies provided by the most popular social networking sites can help deter misuses and limit the potential for an escalated legal battle.

Under the Lanham Act, which is the United States federal trademark statute, one is liable for trademark infringement if he or she "use[s] in commerce any reproduction counterfeit, copy or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods . . . [in which] such use is likely to cause confusion or to cause mistake or deceive."⁴ However, the success of a trademark infringement claim in the social media context depends in part on whether the alleged infringer's use of the mark on a Facebook or Twitter page is legally a "use in commerce." If the defendant is not using her Facebook page to sell goods or services, some federal courts disagree about whether the brand owner has a valid claim for relief under the Lanham Act. It is for this reason that brand owners must be mindful that much of

the policing of their marks remains in their own hands. Facebook does provide brand owners with an IP infringement form that trademark owners can submit to report claims of trademark infringement by a Facebook user. Facebook also states that it will promptly remove or disable access to the infringing content; however, it strongly encourages the complainant to contact the alleged infringer directly.⁵

Additionally, companies may wish to seek outside help in monitoring social media usage of their marks. This can involve registering with one of the many increasingly popular social media watch services or "reputation protectors," which can monitor brand and mark usage on more than 500 social media sites around the Internet. Outside trademark counsel who are experienced with new media are also a valuable resource for brand protection and usage strategies.

Pursue Trademark Enforcement Remedies in the Right Cases Against the Right Parties

There may be situations where a trademark owner decides to pursue more aggressive action to protect its brand on social networking sites. An example would be a situation where a third-party's misuse of the mark presents a particularly unsavory connotation, or a fraudulent misuse of the brand. Traditional means of trademark protection, including sending a cease-and-desist letter or even filing suit against the infringing third-party, may be appropriate. However, even in instances where the infringing party cannot be found, the proper party to take action against is often not the social network itself.

For starters, suing the social media website may not be very effective, since trademark owners that have pursued relief against the social media providers themselves generally have been unsuccessful. For example, in September 2009, natural gas distributor Oneok, Inc. sued Twitter for trademark infringement in the U.S. District Court in Tulsa, Oklahoma for permitting an anonymous third

party's registration of the username ONEOK, a company trademark.⁶ The next day, the case was voluntarily dismissed, and the ONEOK Twitter account has since been transferred to Oneok. Brand owners must be cognizant that it is unrealistic to expect Twitter, Facebook, or any other large social networking website to police the usernames of its millions of users, and specifically to forbid the use of every trademarked name in existence.

Best Strategy: A Positive and Defensive Brand Strategy

Social media gives companies nearly limitless opportunities for brand promotion, and in some cases the public has come to expect brand owners to comment quickly via social media on breaking news that affects their brands. But increased presence and content on social media networks increase the potential for trademark misuse. Companies need to be mindful that it is not always in their best interest to take away publicity, and sometimes a marginal misuse on a popular platform helps promote their brand, to the degree that the "good" can outweigh the "bad." However, companies should take steps to avoid potential infringements before they occur, such as branding accounts before potential abusers do and adopting internal protocols by which representatives can report potential trademark abuse to social websites themselves, who may then take appropriate action. The best strategy for protecting your brand on social media is to reconcile positive marketing goals with risk management and good policing, to achieve a "win-win" on a range of targeted social networks.

Robert W. Zelnick (rzelnick@mwe.com) is a partner in the firm McDermott Will & Emery LLP, where he heads the firm's Trademark Practice Group. Mr. Zelnick offers a full-service trademark practice, with special focus on trademark enforcement, trademark litigation, trademark licensing, client counseling, false advertising, unfair competition and related sub-disciplines. Korey Anvaripour (kanvaripour@mwe.com) is an associate at McDermott, Will & Emery LLP, where he focuses his

practice on intellectual property litigation, as well as new media and entertainment law.

¹ See The Twitter Rules, available at <http://twitter.zendesk.com/forums/26257/entries/18311> (last visited Sept. 14, 2010).

² *Id.*

³ See Facebook Statement of Rights and Responsibilities, available at <http://www.facebook.com/terms.php?ref=pf> (last visited Sept. 14, 2010).

⁴ 15 U.S.C. § 1114.

⁵ See Facebook Copyright Policy, available at http://www.facebook.com/legal/copyright.php?howto_report (last visited Sept. 14, 2010).

⁶ *Oneok, Inc. v. Twitter, Inc.*, No. 09-CV-00597 (N.D. Ok. Sept. 15, 2009).