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Social networking can lead to tricky issues for trademark owners

On Facebook and Twitter, a variety of people not associated with a trademark may refer to it, and some of them may abuse the mark.

BY ETHAN HORWITZ

Facebook has made news in recent months by attempting to protect the prefix "Face" as a trademark, after previously protecting the suffix "book," and it looks likely that it will be successful in this endeavor. But, ironically, it is Facebook itself that provides some of the most fertile new ground for corporate trademark violation.

Social networking media including Facebook and Twitter have emerged as novel marketing methods for corporations eager to promote their brands to targeted audiences in almost real time. Through these media, millions of users can "like" or "follow" specific products. Social-network-savvy marketers can reach a dedicated audience of people whose profiles identify them as target consumers. While social networking offers tremendous upside, it has faults, particularly regarding intellectual property protection. Trademarks may be used by a variety of people not associated with the trademark owner, and some of them may abuse the mark. Abuse runs the gamut from use of a mark as a personal identifier within a profile to posting content misleadingly attributed to the manufacturer to online identity usurpation.

Against this landscape, determining whether, when and how to assert legal rights is a balancing act. Methods are being developed to help, but as seen below they are just a tool rather than a complete solution to the problem. One social networking site, Facebook, will assist registered mark owners in protecting their IP rights from imposters and user name squatters. For example, in conjunction with the launch of "vanity" URLs, e.g., www.facebook.com/oprah, www.facebook.com/thenorthface, Facebook took steps to allow registered trademark owners to prevent "name squatting" by reserving URLs that consisted of or contained their marks. Yet this pre-emptive strike against infringement only partially resolves URL squatting, especially given how difficult it is to police potential abuses and the backlash that enforcement can bring.

For instance, while only the Starbucks Corp. may have the stand-alone "Starbucks" Facebook URL, the www.facebook.com/ilovestarbucks URL is already registered to a Starbucks fan in Los Angeles who does not appear to have any affiliation with Starbucks. If this Facebook user chooses to include a link to the Starbucks Facebook group or posts the Starbucks Logo on her profile, confusion could result about whether her content is sanctioned by Starbucks. Nonetheless, Starbucks may hesitate to ask this fan to seek a new URL — many mark owners tolerate (and even embrace) fan references to their brands to preserve customer good will. Starbucks needs to weigh the nominal risk of confusion created by this type of fan reference against the potential notoriety associated with alienating a fan — especially when news spreads quickly within social networks. With bad publicity, public opinion can shift dramatically;

Facebook users even have the option of joining the "Starbucks Sucks" Facebook group. Starbucks may determine that the potential bad press for taking a fan to task is more costly than the de minimis risk of confusion.

Moreover, in many instances mark owners may "tolerate" social networking infringements simply because complete searches of these media are nearly impossible to conduct. With more than 500 million active Facebook users spending more than 700 billion minutes per month on the site, the potential for new Facebook groups and posted content is hard to fathom. Given this level of activity, even an exceedingly thorough search is only current for as long as it takes to run that search.

And even when a search is run, the results contain many references for which no action is warranted. A search for McDonald's would uncover the Facebook profile for "McDonald's McCafe," www.facebook.com/mcdonalds.mccafe, one of the thousands (if not tens of thousands) of McDonald's-related Facebook pages. Much in this profile suggests a relation to McDonald's, such as the "McCafe™" designation in place of a personal photo and the listing of Ronald McDonald House Charities as an "Interest." Yet there is other content that would suggest there is not a relationship, such as the reference to an actress in Bravo TV's *The Real Housewives of Atlanta*. Weighing this example of an "innocent" infringement by a fan, when damage to the mark seems slight against the time and effort to discover and address every Facebook infringement like this, suggests that effort would be better spent going after more harmful infringements.

FACEBOOK'S GROUP PAGES

Facebook also has group pages — pages devoted to a subject or company where that company does not control the page or its content and where anyone can post anything. Such content on group pages can confuse viewers who assume the page is sponsored by that company. In fact, "related post" content is an automatic stream of public posts, linked from the group page, that simply happen to mention the group page's topic. For instance, a profile named the "The New York Times Company" and bearing the calligraphic capital "T" associated with *The New York Times* header offers a "related post" announcing that Sherman's March constituted "war crimes" against the people of Georgia.

Although *The New York Times* is not the sponsor of this content, the group's use of a calligraphic capital "T" in conjunction with the group name "The New York Times Company" may falsely suggest that *The New York Times* has printed, sponsored or otherwise endorses this point of view. If this group is legitimately sponsored by *The New York Times*, is this an area in which the paper should moderate or disclaim content, or does that risk giving credence to the opinions expressed through the related posts? If this is an "imposter" group, should *The New York Times* rely on the discerning Facebook user to deduce that or should it insist that the group be disabled? Either way, the paper runs the risk of stifling user comment and baiting critics.

Distinct from these "innocent" infringements, social networking has also become a viable mechanism for direct criticism of particular brands, companies and even their patrons. Some of the most egregious social-networking trademark abuses are those whereby a critic posts the mark of the organization at issue to foster a link between content and brand identity for the sake of invective, e.g., group pages named Burger King Sucks, Wal-Mart Sucks and even Facebook Sucks. Although viewers are unlikely to be confused about the origin of content on a "sucks" page, trademark dilution (rather than infringement) or libel is still a consideration. In this instance, a brand owner has to consider whether to ignore the content or seek legal recourse despite the fact that the company will almost surely run the risk of further invective for calling attention to the "sucks site" in the first place. The choice between potentially allowing brand tarnishment and being labeled a trampler of First Amendment rights, among other things, is a difficult one.

Aside from creating a forum for brand criticism, social networking can lead to impersonation, a source of confusion by itself. For instance, Tony La Russa, manager of the St. Louis Cardinals, brought a cybersquatting suit against Twitter after he discovered that a Twitter user was "tweeting" vulgar comments about St. Louis Cardinals players through a Twitter account bearing La Russa's name, twitter.com/TonyLaRussa. Although Twitter's terms of use expressly prohibit impersonation and accounts that have "the clear intent to confuse or mislead," monitoring account names to find those that are likely to confuse is a time-consuming and expensive proposition. Even though Twitter reserves the right to reclaim account names if necessary to prevent trademark infringement, the same considerations — customer alienation, calling greater attention to the content than it would otherwise receive, public image — must be balanced when choosing a course of action.

That being said — and although social media require those tasked with brand protection to make increasingly complicated judgment calls — sometimes the "if you can't beat them, join them" strategy is best. For instance, the Nestlé Nesquik USA Facebook page appears to be moderated by a Nesquik representative, who, among other things, answers user questions, responds to user comments and plugs the Nestlé Nesquik brand. Nesquik also maintains a Twitter account to announce coupons and other promotions. More likely than not, Nesquik's frequent posts and obvious social networking presence pre-emptively discourage abuse.

Social networking can provide a distinct advantage to those companies that use it correctly, but it also has risks both to those who use it and even to those who do not. Each company must balance for itself whether and how to combat those risks.

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