

# **Safeguarding your brands on social media**

**Social media has changed the way consumers and brands interact. That creates exciting business opportunities. But trademark owners need to be aware of the potential risks – and what they can do to mitigate those risks.**

In just a few short years, social media has evolved from a novel distraction to a central part of our social fabric worldwide. Its rapid growth and integration in our daily lives is breathtaking. It is estimated that more than 2.2 billion people globally use social media platforms – nearly 30% of the world’s population.<sup>1</sup> That number continues to grow; Facebook alone adds half a million new users every day.<sup>1</sup>

Social media has also become central to brand marketing strategies, creating an entirely new way for brands to engage directly with customers. This creates exciting market opportunities – but it also presents some significant risks to trademark owners that shouldn’t be ignored, according to Pamela Deese, intellectual property partner at Arent Fox.

## What are the risks?

While brand exposure on social media can be a good thing, these platforms are also rife with cases of brand misuse and abuse. Risks include:

- **Username squatting**, when someone other than the brand owner registers a brand as their username. As with domain squatting, this could be intended to mislead consumers or as a tactic to force the brand owner to purchase the username at an exorbitant cost. In July 2015, Beer Exchange LLC filed suit against

web app developer Bexio LLC, alleging trademark infringement by Bexio, which registered the Instagram username “thebeerexchange” – the same handle Beer Exchange LLC uses on Twitter.<sup>2</sup> The case was resolved out of court.<sup>3</sup>

- **Impersonation**, when someone poses as a representative of a well-known brand, often with the intention of tarnishing the brand’s reputation. A recent example involved a Facebook user posing as a customer service representative for retailer Target, responding to consumer posts with offensive comments. The prankster used an avatar that looked like the Target logo, leading many consumers to believe the prankster was speaking on behalf of Target.<sup>4</sup>
- **Improper affiliation**, when a social media user chooses a username that implies an affiliation or sponsor relationship between a well-known brand and their own product or service. For example, in April 2015, someone created a username profile on Snapchat called “Lobo Snaps” that featured the logo of the University of New Mexico Lobos athletic teams. The users, allegedly a group of UNM students, used the account to post explicit photos. Despite disclaimers by Lobos Snaps on its Twitter account that it had no affiliation with UNM, university officials submitted a complaint to Twitter, alleging improper use of their registered trademarks.<sup>5</sup>
- **False or misleading statements** about a brand on social media. These include statements made inadvertently by a consumer or intentionally by a competitor or disgruntled customer or former employee.

<sup>1</sup> <http://www.socialmediatoday.com/social-networks/kadie-regan/2015-08-10/10-amazing-social-media-growth-stats-2015>

<sup>2</sup> <https://mibiz.com/news/food-biz/item/22769-what%E2%80%99s-in-a-user-name-kalamazoo-beer-exchange-alleges-app-maker%E2%80%99s-instagram-handle-infringes-on-trademark>

<sup>3</sup> [https://www.pacermonitor.com/public/case/8723359/Beer\\_Exchange,\\_LLC\\_v\\_Bexio,\\_LLC](https://www.pacermonitor.com/public/case/8723359/Beer_Exchange,_LLC_v_Bexio,_LLC)

<sup>4</sup> <http://time.com/3996746/man-target-facebook-troll/>

<sup>5</sup> <http://www.kob.com/article/stories/s3780253.shtml#.ViVOfmSrTUZ>

It is important to enforce unauthorized uses of your brand or risk losing your rights. The key is to prioritize enforcement efforts based on your business, your brand and the specific risk involved.

In 2013, software company AvePoint, Inc. filed suit against competitor Axceler, alleging Axceler had made false and deceptive statements about AvePoint on social media, including allegedly setting up a fake LinkedIn account. As of October 2015, the case is pending.

## Constantly evolving threats

Adding to the challenge, Deese says, is the constantly changing nature of social media.

“It’s hard to stay ahead of the curve – new venues keep popping up. As soon as kids saw that adults were using Facebook, they moved to Twitter and then to other social media platforms. Most recently, Meerkat and Periscope apps are generating a great deal of conversation, and with those conversations are concerns about IP rights. There’s always some new social media platform offering the potential for using other people’s intellectual property,” she says, adding that this makes identifying and responding to trademark misuse very challenging.

“It’s a game of whack-a-mole. You deal with one instance of trademark misuse on one platform and then another one pops up somewhere else,” Deese says. “It requires a constant effort on the part of a brand owner, which can be time-consuming and expensive. But you can’t just put your head in the sand and ignore the threat.”

## Start with a strategy

So what’s a brand owner to do? Deese says the key is having a strategy for protecting your brands on social media, including both prevention and response.

Deese pointed to some basic best practices for managing brand risk on social media:

- **Search and register new trademarks**, including searching for uses on social media. “That’s step one, making sure that appropriate searches are performed in all channels and all jurisdictions where you may use the mark, and registering them appropriately,” Deese advises, adding that for companies involved with retail goods, registering the mark with the U.S. Customs Service is also an important tool to utilize as a first line of defense against imported counterfeit products.
- **Register trademarks as usernames** on major social media sites. Even if you have no immediate plans to start engaging with consumers on social media, it’s wise to make sure your brand is “locked up” so other users cannot register it.

Deese notes that this may be difficult for brands with names that have other meanings and, therefore, may already be in use to represent other things. For example, searching Twitter for “Mars” turns up not only tweets by the famous candy maker (@MarsGlobal), but also the Mars Discovery rover (@MarsDiscovery) and the Mars One foundation (@MarsOneProject), as well as “horrorcore” rapper Mars (@Mars).

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**Pamela M. Deese**  
Partner, Arent Fox LLP

- **Include social media in licensing agreements.** Deese says trademark owners entering into licensing agreements can require licensees to submit certain social media components for approval before they go live. "You don't want to be surprised by how your brand is being used by authorized partners," she says, "That's why licensors also need to monitor their licensees' social media activities and guide them accordingly."

- **Monitor proactively.** Don't wait until problems come knocking. Know the landscape and be aware of who is using your brand and how they are using it. That means monitoring use of your trademarks in a wide range of online platforms, including social media sites. Because the social media landscape is changing constantly, that monitoring must be consistent.

Deese notes that the more popular the brand, the greater the potential for its use and misuse on social media. "The silver lining is that you are attracting a lot of attention, which is a good thing. But with that comes the responsibility to maintain your brand. You don't want to be deemed to have abandoned your trademarks by not monitoring and following up to stop misuse."

- **Have a plan and a budget.** "You have to determine how much you can do. Think about the magnitude of the impact of misuse on your brand. Then determine

a budget of time or money you can set aside to monitor what's going on with your brand on social media."

Deese notes that for some companies, the potential impact on their brands is so significant that they have teams dedicated to watching social media. Even if you don't choose this approach, she says, "You should have someone in your organization responsible for taking the lead on this issue."

## **Plan your response**

When brand misuse on social media is discovered, what recourse do brand owners have? As with traditional cases of trademark infringement, responding rapidly is important. But it's equally important to respond thoughtfully, Deese emphasizes. Determine the type of enforcement strategy you want to take. Consider the seriousness of the infringing activity and the cost of proceeding or not.

"Assuming you can find out who the offender is – which can be very difficult – think carefully before you send a cease and desist letter," she says. "Whatever you send will probably end up on their page, especially if they don't like your company or brand. There are plenty of examples where cease and desist letters backfired and simply added fuel to the fire."

You can notify the social media platform and request that the infringing or offending post or user be taken down. But this, too, presents challenges. “It’s not in the social media platform’s interest to shut down users, so the follow-up from them is often very slow and frustrating,” Deese notes.

Despite these challenges, it is important to enforce unauthorized uses of your brand or risk losing your rights. The key is to prioritize enforcement efforts based on your business, your brand and the specific risk involved.

## **Enforcement mechanisms: UDRP and Lanham Act**

To defend their trademark rights on social media, brand owners may consider turning to enforcement mechanisms like the Uniform Domain-Name Dispute- Resolution Policy (UDRP) or the Lanham Act. The (UDRP) is an international arbitration process for the resolution of domain name disputes. Under the UDRP, trademark holders may seek the transfer or cancellation of domain names that they believe infringe on their trademark rights without resorting to litigation. However, because the UDRP was created before the social media explosion, it applies only to domain names, not to social media usernames. Unless the UDRP evolves

to encompass social media usernames in the future, it is unlikely to help with a potential infringement.

Another possible enforcement mechanism is the Lanham Act, the primary U.S. trademark statute. However, Deese notes that there may be challenges in meeting the standards outlined in the Act. Under the Lanham Act, a plaintiff must establish that it has a valid mark entitled to protection; and that the defendant used the same or a similar mark in commerce in connection with the

sale or advertising of goods or services without the plaintiff’s consent. The plaintiff must also show that defendant’s use of the mark is likely to cause confusion as to the affiliation of defendant’s goods, services or commercial activities by plaintiff.

“The confusion component may present the greatest difficulty. But it may be worth a good look at the issue and the statute to see if you can make a case for a particular claim,” Deese says.<sup>6</sup>

Deese emphasizes that, despite the novelty of social media, the old rules of trademark ownership still apply. She points to the 2012 case involving NBA star Jeremy Lin whose attorneys sent cease-and-desist letters to medical marijuana dispensaries marketing an herbal offering they called “Linsanity,” playing off a term coined to describe the athlete’s popularity. Deese notes that the offending product was promoted online, including on social media.<sup>7</sup>

## **Vigilance is critical**

As with trademark protection in all venues, the key is vigilance, Deese says. “Brand owners and trademark specialists need to pay attention to what’s happening on social media and make it part of their overall brand protection and clearance strategy,” she says. “Monitoring brands on social media is crucial. You need to do it in a way that is appropriate for your particular brand and your available resources.

“Brand owners and trademark specialists need to pay attention to what’s happening on social media and make it part of their overall brand protection and clearance strategy,” she says. “Monitoring brands on social media is crucial. You need to do it in a way that is appropriate for your particular brand and your available resources. Brand owners cannot afford to ignore it.”

<sup>6</sup> 1-800 Contacts, Inc., Plaintiff-appellee, v. Whenu.com, Inc. and Vision Direct, Inc., Defendants-appellants, 414 F.3d 400 (2d Cir. 2005)

<sup>7</sup> [https://www.huffpost.com/entry/jeremy-lin-linsanity-marijuana-weed-trademark\\_n\\_1371017](https://www.huffpost.com/entry/jeremy-lin-linsanity-marijuana-weed-trademark_n_1371017)

## About the expert

Pamela M. Deese is a partner in the intellectual property group at Arent Fox LLP. Her practice focuses on intellectual property licensing, brand management, sweepstakes, and advertising. She specializes in counterfeiting issues, privacy, online advertising, and celebrity endorsements, including litigating on related matters.

Ms. Deese has chaired panels on social media and trademarks at INTA, licensing and industry conferences. Her presentations include: "Understanding Social Media: What You Need To Know From a Marketing and Legal Perspective," International Licensing Industry Merchandisers' Association (LIMA) 2014 Annual Meeting and "What's in a Name? Is An Ad by Any Other Name Still an Ad?: Distinguishing Between Native Advertisement and Editorial Content," a panel discussion at American Conference Institute's 4th Annual Summit on "Digital Advertising Compliance: Social Media, Sweepstakes & Promotion." In addition to her law practice, Ms. Deese will be teaching IP Licensing at American University's Washington College of Law in the spring of 2016. You can follow her on Twitter @PMDeese or at LinkedIn.

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### AMERICAS

Main office (USA): + 1 (800) 692 8833  
[compumark.us@clarivate.com](mailto:compumark.us@clarivate.com)

Canada: + 1 (800) 561 6240  
[compumark.ca@clarivate.com](mailto:compumark.ca@clarivate.com)

### APAC

Japan: +81 (0)3 4589 2300  
[compumark.jp@clarivate.com](mailto:compumark.jp@clarivate.com)

### EMEA

Main office (Belgium):  
 + 32 2 200 89 98  
[compumark.be@clarivate.com](mailto:compumark.be@clarivate.com)

UK: + 44 020 3564 5888  
[compumark.uk@clarivate.com](mailto:compumark.uk@clarivate.com)

France: + 33 01 57 32 47 99  
[compumark.fr@clarivate.com](mailto:compumark.fr@clarivate.com)

Italy: + 39 02 23 33 1221  
[compumark.it@clarivate.com](mailto:compumark.it@clarivate.com)

Germany: + 49 69 153 253 300  
[compumark.de@clarivate.com](mailto:compumark.de@clarivate.com)

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