



## World Trademark Review

### Engage: trademark protection in social media

International - Adam Smith

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International  
Confusion  
Unfair use  
Internet issues

"What are you doing?" This is the question that social networking website [Twitter](#) poses to each of its users. Over 20% of answers involve brands - around 600,000 per day. "People are using tweets to express their reaction, both positive and negative, as they engage with products and services," confirms Jim Jansen, associate professor at [Penn State University](#) and author of the [study](#) that reveals this staggering statistic. "Tweets are about as close as one can get to the customer."

Social media therefore offer the perfect opportunity for brand owners to engage with consumers; it is becoming increasingly apparent that every brand must have a presence in Web 2.0. While marketing departments are embracing the new world order with enthusiasm, in-house legal teams are naturally more cautious. "Social media presents a whole new risk profile," observes [Timothy Pinto](#), an associate at Taylor Wessing and author of a guide on liability for user-generated content. "Brand owners don't have the control that they had before." This can lead to overreactions, as brand owners seek to exercise their rights in conventional ways that are not appropriate in social media. As a case in point, [Mattel's](#) decision to take legal action over the alleged trademark infringement of [Scrabulous](#) is now regarded as disproportionate and outdated (see "[Scrabulous: not yet game over](#)"). Observers have [argued](#) that the online version of [Scrabble](#) in fact presented an opportunity, not a threat. Instead of suing, [Mattel](#) could have collaborated with the game's creators, thus retaining a certain level of control. This may be an unconventional approach to IP rights management - but it is such a progressive stance that [Dell](#) has chosen to adopt. After a great deal of brand abuse, [Dell](#) finally got around to connecting directly with consumers via its [Direct2Dell](#) website. It is now one of the strongest brands in social media, having sold over \$2 million-worth of computers via [Twitter](#) since it opened its account in 2007. The computer company would not comment on its strategy for this article, but this much is self-evident: engagement is key.

It is a notion also recognized by [The Coca-Cola Company](#). A year ago, the company discovered a fan-created [Facebook page](#). A significant proportion of its 2 million followers were clearly confused into thinking that this page was managed by Coca-Cola. Alerted to the page by Facebook itself, Coca-Cola's legal department set about preparing an action. Coca-Cola's interactive media team instead proposed making friendly overtures to the creators of the page and was thus able to absorb them into its strategy. The fans still manage the site, but Coca-Cola has control; it is by far the most popular page on Facebook, with over 3.7 million fans.

This foray into social media triggered a minor restructuring of Coca-Cola's legal team: one of its in-house trademark counsel now oversees trademark use in social media, dedicating 40% of her time to the online world. This commitment to social media's growing importance is crucial, according to experts. [David Green](#), who developed and implemented a strategy for [Deloitte's](#) internet presence in his former role as global e-marketing director at the company, says that corporations must create a role dedicated to social media. "There is a lag in many organizations in terms of structuring resources," he explains. "But it is important to have a

formal approach - often a three-way split between IT, marketing and legal."

This method is favoured by outside consultants too. Kevin Joy, vice president of [Brand Protect](#), advocates a "cross-organizational" approach. "We recommend the institution of policies across the organization. Having sensitivities, if not expertise, in social media within every department is rewarded." This is happening organically, he adds, as the younger generation moves up the corporate ranks. But there is little point in having a broad-based approach without a coherent strategy in place. "The first thing a company needs to do is develop a policy that is clear about the boundaries," says Green.

On the other side of the equation, social media platforms are becoming more sensitive to the concerns of trademark owners. "We're seeing some fairly dramatic changes in terms of the landscape," observes Joy. Not too long ago, social media websites rarely recognized trademark rights in their terms of service. Now, Facebook's user agreement states: "If you select a username for your account we reserve the right to remove or reclaim it if we believe appropriate (such as when a trademark owner complains about a username that does not closely relate to a user's actual name)... If you repeatedly infringe other people's IP rights, we will disable your account when appropriate." When contacted by *WTR*, Facebook did not wish to elaborate on this policy or its IP protection programme in general. For its part, Twitter provides users with a brief insight into trademark law: "Using 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 trademark infringement."

The micro-blogging site also has a clear procedure for brand owners to report alleged trademark violations, demonstrating how social media sites are gradually acknowledging the legal reality. Facebook proved itself to rights holders this summer when it gave them the chance to register their marks during a fleeting sunrise period before launching its personalized URL programme ([facebook.com/myname](http://facebook.com/myname)). The sunrise period demonstrated that Facebook was increasingly sensitive to IP rights - although its brevity meant that rights holders around the world had to scramble to register their marks. "Everyone knew that it was a priority," recalls Rosemary Brkopac, an account manager at Brand Protect and member of the [International Trademark Association](#) Bulletin Committee. "People stopped what they were doing and got on the site." While Brkopac's clients outsourced this urgent work to Brand Protect, an elite group of large brand owners did not need to worry: *WTR* has learnt that those with strong ties to Facebook were invited to submit a list of their marks that Facebook would register itself.

Facebook and other social media sites are going out of their way to make life easier for mark owners, especially when disparaging comments are made about brands. "In such a case, brand owners shouldn't use a sledgehammer to crack a nut," explains Pinto. "If the comments are in breach of the site's terms, using the report facility should do the trick. Brand owners can also consider engaging with the discussion. Firing off cease and desist letters could backfire and may not be cost effective."

Engaging with users and social media platforms will not just save time and cost; it can also lead to other benefits. Rights holders that develop relationships with social media sites early will have a more active say in how Web 2.0 develops. They may even be able to lean on social platforms to further their own activities - not just commercial, but legal too. In-house legal teams are already using social media to search proactively for trademark infringement. A recent study by [OpSec Security](#), a provider of anti-counterfeiting technology and services, found that counterfeiters and grey-market sellers are evading the law through social media. During the summer, the study found, the number of [Amazon](#) Kindles sold on [eBay](#) to dodge customs regulations shot up threefold. "These findings give impetus to the need to monitor e-commerce platforms to identify black and gray market goods entering the supply chain," the study recommends, naturally plugging its authors' own services.

From almost every angle, social media engagement is a priority for trademark counsel. So what are you doing?

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