

INSIGHT: Trademarks as Hashtags, Not Hashtags as Trademarks

Social Media

These days, even brand-savvy and protective trademark owners are using their marks as hashtags, write Julia Anne Matheson and Meryl Bernstein of Hogan Lovells. By doing so, brand owners are ceding potentially even more control than usual over their trademarks to the public and taking a chance with their brand's reputation and associated goodwill, they write.



By JULIA ANNE MATHESON AND MERYL BERNSTEIN

If Jane Austen were a U.S. trademark lawyer, she might say, "It is a truth universally acknowledged that a hashtag is registrable as a trademark." And Jane would be correct; the U.S. Patent and Trademark Office has stated that it will allow social media hashtags to proceed to trademark registration when the applicable criteria are met. But rather than ask whether hashtags can be registered as trademarks, consider the inverse: Can and should registered (or unregistered, for that matter) trademarks be used as hashtags? Taking this query one step further, what are the legal and practical implications when a brand owner uses its trademark as a hashtag? What about when a third party uses another company's brand as a hashtag?

These questions are difficult to answer by reference to existing case law. And the inherent nature of social media — where a brand's identity is no longer controlled by the brand owner — is in many ways inimical to the traditional tenets of trademark law. By its nature, a trademark is a communicative vehicle. Legally, it communicates that the goods or services it identifies come from a single source and are consistent in quality and purpose. Practically, it is a repository for a host of

other information for the consumer — a favorite taste or texture, a feeling, an experience, a way of being, and much more. Control is a concept entirely absent from the social media universe; once a user posts certain content (assuming his or her account is not private), it is forever in the ether, for anyone to view, repost, comment upon, retweet, abbreviate, illustrate, meme, and more. But this is the new reality of the brand marketplace. And these days, even brand-savvy and protective trademark owners are using their marks as hashtags. By doing so, brand owners are ceding potentially even more control than usual over their trademarks to the public and taking a chance with their brand's reputation and associated goodwill.

What Is a Hashtag?

Hashtags, recognized as a word or phrase preceded by the pound symbol (#), can serve two separate and entirely unrelated functions in social media. On the technical side, they operate as virtual filing cabinets by collecting all content tagged with the same hashtag in one virtual location. On the communicative side, they can also be their own means for messaging about, and

developing content for, a brand. Thus, both the courts and the U.S. Patent and Trademark Office have expressly recognized that a hashtag is capable of both protection and registration as a trademark where it can be shown that it functions in that capacity. A hashtag is thus not protectable and accordingly not registrable if it operates merely as a descriptive device, Robert T. Sherwin writes in the *Harvard Journal of Law and Technology*. A social media handle is a different animal altogether and refers to a social media account or username, often preceded by the “at” or @ symbol.

Hashtags are prolific across numerous social media platforms including Instagram and Twitter and are frequently leveraged by companies as powerful marketing and branding tools. Hashtags can be an effective means to build brand awareness, to encourage the creation of brand-favorable, user-generated content, or for promotional purposes such as launching a social media-based sweepstakes or contest. In some instances, a brand’s hashtag might go viral; the #IceBucketChallenge was a successful campaign for the ALS Association that went viral in the summer of 2013, leading to millions of tagged videos on social media.

As their impact and prevalence grows, the legal implications surrounding the use of hashtags on social media become increasingly important. This article provides legal and practical advice for trademark owners and hashtag users. #Spoiler: we will not be able to provide a definitive statement regarding the likelihood that one’s use of another’s trademark as a hashtag on social qualifies as trademark infringement, as trademark law lags far behind the constantly developing technology in the social media context. Instead, we will analyze the few cases that examine the likelihood of confusion as applied to hashtags and analogize to the more developed case law within the Google keyword advertising context. We will also provide practical advice for brands considering using their trademarks as hashtags on social media.

Recent Case Law on Use of a Third Party’s Trademark as a Hashtag

While limited, the relevant cases that have addressed whether use of another party’s trademark as a hashtag is actionable, and can qualify as infringement, have been consistent in their approach. Just as the public has become savvier about the internet, the courts have become more facile in adapting the traditional likelihood-of-confusion factors and analysis to these new fact patterns. Although the precise wording of likelihood-of-confusion factors varies per jurisdiction, they are essentially the same and include: (1) a comparison of the parties’ respective marks in sight, sound, and meaning; (2) the inherent and marketplace strength of the plaintiff’s mark and the zone of protection to which it should be entitled; (3) similarities in the nature, function, and purpose of the parties’ respective goods and services; (4) similarities in the parties’ respective trade channels (for advertising, marketing, and sales purposes); (5) similarities in the type and identity of consumers and their degree of sophistication or expertise; (6) the degree of care exercised by the relevant consumers in their purchasing decisions; (7) any evidence of actual marketplace confusion; and (8) any evidence that the defendant may have adopted its mark in bad faith

and with the intention of trading off the goodwill or reputation of the plaintiff. All of the jurisdictions agree that not all of the factors will apply or need to be considered in all cases.

Notably, in recent cases assessing likelihood of confusion in the hashtag context, the courts assume a certain degree of consumer sophistication among internet users regarding hashtags and their purpose, focusing on whether the nature of the defendant’s use “is likely to cause confusion, or to cause mistake, or to deceive.” 15 U.S.C. § 1114.

In *Public Impact LLC v. Boston Consulting Group*, 169 F. Supp. 3d 278 (D. Mass. March 11, 2016), a Massachusetts federal district court judge issued a preliminary injunction against Boston Consulting Group’s continued use of the hashtag “#publicimpact” and the handle “@4publicimpact” on Twitter to promote articles and events relating to its nonprofit organization, The Centre for Public Impact: A BCG Foundation (CPI). The plaintiff, Public Impact LLC, was the owner of a federal registration for the mark PUBLIC IMPACT in connection with education consultancy services.

The court approached its analysis of the infringement of the PUBLIC IMPACT trademark and the Twitter uses according to the First Circuit’s likelihood-of-confusion factors, finding discernible differences in the parties’ logo designs. However, with respect to the defendant’s hashtag and Twitter handle, the court found the defendant’s Twitter handle (@4publicimpact) nearly identical to the plaintiff’s mark and the hashtag (#publicimpact) identical. The court also noted that BCG had made use of the hashtag and handle to identify itself, as contrasted with the plaintiff trademark owner. In particular, the court found that: (1) “CPI’s username, ‘@4publicimpact,’ automatically attaches to every posting made on CPI’s Twitter account, and, by definition, serves to identify the source of the post”; and (2) that BCG used its “hashtag #publicimpact as a mark” to “announce and promote articles written by BCG consultants.” The court’s finding on the key factors of similarity of the marks and nature of the use drove its analysis with respect to the remaining factors.

The court ultimately concluded that because of the relatively high level of sophistication of the parties’ respective consumers and the discernible distinctions between the parties’ logos, the plaintiff was unlikely to succeed on the merits of its claim of infringement relative to the PUBLIC IMPACT logo mark. In contrast, it concluded that because the defendant’s hashtag and Twitter handle were identical or virtually identical to the plaintiff’s word mark, and the parties were competitors who offered overlapping services, that it was “likely that even a sophisticated consumer could be confused” by the defendant’s Twitter uses in relation to plaintiff’s mark. Accordingly, the court granted the plaintiff’s preliminary injunction with respect to the defendant’s Twitter activity, but declined to do so for its use of the CPI mark.

Similarly, in *3 Ratones Ciegos v. Mucha Lucha Libre Taco Shop 1 LLC*, No. 16-cv-04538 (D. Ariz. Sept. 27, 2017), the court found that the plaintiff stated plausible claims for trademark infringement and common-law unfair competition arising from the defendant’s uses of marks similar to its own, in hashtags on social media to identify and promote its own goods and services.

The plaintiff owned registered trademarks for “Lucha libre” and “Lucha Libre Taco Shop” for restaurant

services and the defendant operated similar restaurants under the names “Mucha Lucha Libre” and “Mucha Lucha Taco Shop.” The plaintiff alleged that the defendant used hashtags incorporating the plaintiff’s trademarks to promote its own competing restaurants. Among its allegations, the plaintiff claimed that the defendant made “[c]ertain Instagram postings [which] included the hashtags that incorporated plaintiff’s trademarks #luchalibretacoshop and #luchalibre to refer to one or more of Defendants’ restaurants.” In its likelihood-of-confusion analysis, the court focused on the similarities in the parties’ respective marks, their directly competing services, the overlap in their consumers, and the evidence of actual confusion in concluding that the plaintiff had stated plausible claims for relief.

Notably, each of these cases addresses situations in which a third party uses another’s trademark to promote that party’s own goods and services — as opposed to referring in any way to the trademark owner. It is important to note that these cases do not stand for the proposition that *any* hashtag use of a registered mark is automatically actionable. And thus, they do not offer guidance on the strength of an infringement claim in which the other party uses an owner’s mark in or as a hashtag for other purposes, such as when hashtags are used merely to facilitate the sharing and categorization of posts on a topic.

Can Keyword Advertising Case Law Help Here?

The case law that has developed around the use of a competitor’s trademark as a keyword in online advertising may offer additional guidance on the likely evolution of trademark infringement law as applied to the social media sphere.

In the keyword cases, the threshold issue of whether use of a trademark as a keyword constitutes a use in commerce sufficient to justify a likelihood-of-confusion analysis has been answered firmly in the affirmative. The courts have been consistent in finding that where the plaintiff’s trademark is used exclusively as a driver of traffic invisible to the end user, there is no infringement. The analysis gets more complicated where the trademark appears in the advertiser’s search results themselves.

Most recently, the U.S. District Court for the Southern District of New York concluded that the Alzheimer’s Foundation did not violate the Lanham Act when it purchased as search keywords marks owned by the Alzheimer’s Association’s, including “ALZHEIMERS ASSOCIATION.” *Alzheimer’s Disease and Related Disorders Ass’n Inc. v. Alzheimer’s Found. of Am. Inc.*, No. 10-cv-03314 (S.D.N.Y. April 20, 2018). The court’s findings that, generally, internet users are more sophisticated and, specifically, customers looking to make donations to a nonprofit organization are sophisticated, were critical to its ultimate conclusion that confusion was not likely. The court based its conclusion in large part on the technicalities of the donation-making process. To make donations, donors were required to visit the foundation’s website, which contained no references to the association or use of its marks, but featured many references to the foundation. Thus, the court noted, “[a]t no point while on the [Foundation’s] website during the [multi-step] donation process would a

consumer see any of the Association Marks.” The court acknowledged that the foundation had likely purchased those marks as keywords to facilitate consumers’ ability to find its own website, “in part due to the Association’s size and presence and not only because of the descriptive nature of the words.” This fact was insufficient, in the court’s mind, to justify a finding of likelihood of confusion.

The keyword advertising cases reflect a growing trend in courts relying on the increasing sophistication of consumers and internet and social media participants as an important basis for finding no likelihood of confusion. Just as acceptance of claims on a theory of “initial interest confusion” has continued to wane, the weight of the case law suggests that the bar to establishing a viable infringement claim in the keywords space continues to rise. As a practical matter, trademark owners would be well-advised to think hard about whether the perceived damage sustained from the unauthorized use of their mark as a hashtag, which use may be short-lived, justifies the potential downsides of appearing heavy-handed in the internet space.

Implications of Using Your Mark as a Hashtag

Where the trademark owner itself wants to use its own mark in hashtags on social media for any one of a number of business, promotional, or reputational reasons, it should keep some key considerations in mind.

■ **First and foremost, devise a game plan before you post.** In-house counsel should work with their marketing teams to ensure they understand the risks and implications of using a trademark as a hashtag. Carefully identify the mark that you intend to use for a particular hashtag and the nature of the hashtag itself.

■ Your plan should include designating specific individuals within your organization with responsibility for creating the hashtag, clearing it with your legal department, and monitoring social media-related activity.

■ Your team should be watching for ways in which your hashtag is used by others and adapted, both by changing the hashtag itself and using it on other social media platforms.

■ **Carefully consider which trademarks to use on social media.** Under trademark law, not all marks are created equal; trademark law “ranks” marks according to their degree of distinctiveness in determining the scope of protection to which a mark is entitled. This reality is one to which every trademark owner should be sensitive in selecting the marks to use on social media.

■ Whether to use your house mark or another trademark that is material to your trademark portfolio as a hashtag should involve a careful analysis of risk versus reward. Where the goodwill associated with the mark is critical to the overall consumer perception of your brand, think hard before incorporating that mark as a hashtag on social media.

■ While use of a weak or descriptive mark on social media may make it stronger, it may also significantly undermine your ability to protect that mark going forward. In some cases, marketers use descriptive marks in advertising or on social media to improve product recognition. Beware of using a mark that verges toward descriptiveness; you may be

opening the door to uses of that mark by others that may undermine the mark's ability to continue to serve as an effective source identifier for your company.

■ **Keep basic trademark principles in mind.** The same principles of trademark law apply within and outside of the social media context. Thus, when employing your trademarks on social media, use the same forethought and care as you would employ when, for instance, considering how the mark will appear in traditional media.

■ **Don't "verb" it.** Be careful not to use your mark as a verb, which lends itself to an argument that the mark has become generic.

■ **Don't "noun" it.** Just as Xerox is in a perpetual state of warding off uses of the mark to refer to a generic name for a copy or a copy machine, be wary of using your trademark as a hashtag in a way that could lay the foundation for an argument that the hashtag — and the mark incorporated therein — refers to a product category rather than a source identifier.

■ **Don't be a bully.** The concept of trademark bullying presents more frequently in the social media sphere than in more traditional trademark uses. When deciding whether or not to take enforcement action, consider how flagrant or damaging the use is to your trademark rights in light of the potential reputational harm that could flow from your taking action. And assume that your letter will *itself* be posted to social media and how it will be publicly perceived upon publication.

■ **Expect the unexpected.** Even the best laid plans go awry. Anticipate that even though you have made a strategic decision as to which mark to use as a hashtag and how the mark will be used, social media users may not follow your plan. Draft a "doomsday" scenario at

the outset and be prepared to execute on this plan if the need arises.

#What's Next?

As more brand owners adopt hashtags that incorporate their trademarks, and as third parties use the trademarks of others as hashtags more actively on social media, case law in this area should continue to develop. And just as in the keyword advertising cases, demonstrating likelihood of confusion will be a challenge in an increasingly technologically driven world, with sophisticated users and consumers. In light of this challenge, in-house and outside counsel working with consumer-facing brands should follow some, if not all, of the steps outlined above when using a trademark as a hashtag and otherwise, #stayingtuned as applicable law and technology continue to develop.

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