



Trademark Law and the Internet: Virtual Worlds, Social Networks, Blogs and More

Best Practices for Enforcement in User Generated Content Spaces

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Introduction

The rapid growth of the Internet over the past decade and a half has completely transformed the landscape of business. In the past, consumers obtained information about companies and their products and services largely through one-sided communications, such as television and print advertisements, or through reviews (written by professional journalists) appearing in magazines and newspapers. Today, however, consumers have many more sources of information and communication at their disposal. A potential customer might first learn of a product of interest by reading an industry-related blog, then move on to a Wikipedia entry on the company before reading peer-generated product reviews. A satisfied customer might join a Facebook group or other fan site, or purchase, or even generate, a representation of the company's product in Second Life. On the other hand, a dissatisfied customer may report the negative experience on a blog or third-party review site, thus broadcasting said dissatisfaction for the entire world to see. In the midst of these options, the company's official website



remains an important, but hardly the first or last, source of information. This array of options can be overwhelming to companies and consumers alike—as can be the task of determining the accuracy and reliability of the information provided.

There is little doubt that companies like to maintain control of content that involves them, particularly when that content includes use of the company's trademarks or other valuable intellectual property. Indeed, legal precedents require that companies actively enforce against brand abuses in order to protect their valuable intellectual property rights. Prior to the rise of the Internet, traditional trademark enforcement practices, such as reviewing watch notices, writing cease and desist letters, and filing oppositions with the TTAB, were effective tools in keeping the trademark register and the general marketplace acceptably free of infringing marks. However, the numerous resources now available online as means for companies to promote their brands also present myriad opportunities for infringement. Even companies that do not wish to make use of these online resources are finding that they need to monitor them; for example, Taylor (2003) instructs that brand owners should now expand their trademark searches to include online content to avoid potential infringement (p. 11).¹ On today's Internet, well-meaning customers may copy and use a company's marks on their personal websites without authorization simply because they like the appearance of the marks; sophisticated counterfeiters may set up entire online businesses that appear to offer legitimate, authentic merchandise. Thus, the nature of the Internet is such that a goal of complete control of the online space is neither cost-effective nor practical. Instead of striving for complete control, brand owners must develop best practices that will allow them to monitor relevant online content, pursue removal of content that is most damaging, and correct information inaccuracies. Putting together an appropriate enforcement program requires a rigorous analysis of your business and its purpose and position in the online world, including a thorough understanding of the ways in which both you and other parties will promote and use your brands and trademarks in virtual spaces.

¹ Taylor, A. (2003, August). Trademark searches: Why they are necessary in today's virtual world. *Journal of Internet Law*, 27(2), 11-14.

Responsibility for Enforcement

Who is responsible for trademark enforcement in online spaces offering user generated content? Does the brand owner whose trademarks are featured in these spaces have the primary responsibility for policing for proper use? Or, do the owners, managers, and operators of these spaces bear this responsibility? Where do the third-party content generators come in, including bloggers who choose to remain anonymous? How about the users who make use of these spaces without generating their own content, such as blog and review readers or those who buy (but do not sell) items on eBay?

The short answer is that all of these parties are, to some extent, responsible for enforcement. Each party who encounters UGC—whether as a brand owner or a run-of-the-mill Internet user—bears at least some small degree of responsibility. By embracing this responsibility, Internet users of all purposes can ensure that UGC sites remain beneficial sources of information rather than breeding grounds for IP infringement.

Let us begin with the end users who consume UGC content, but do not contribute directly to its creation. These users might include blog readers, shoppers at online auction sites, or members of virtual worlds who buy and use content generated by others. At a minimum, end users should familiarize themselves with the terms and conditions for use of a UGC space, and should be on the lookout for content that violates those terms. While users cannot be expected to spend significant time policing site content, they should not hesitate to use the site's designated reporting procedures when they encounter content that violates the terms of use. For example, users who notice blog posts that are derogatory or defamatory, or who notice obviously counterfeit goods for sale, should report these violations through the appropriate mechanism. Users can also be responsible consumers of UGC by refraining from encouraging generation of infringing or damaging content. In addition, users should keep in mind that brand owners rely on them to be their eyes and ears in UGC spaces, as users can often notice and report infringement more efficiently than a company's own enforcement systems. Thus, while users may not have a legal requirement to report brand abuses, they should keep in mind that doing so will improve the integrity and reliability of the spaces they use.

Next, third-party content generators should exercise caution before posting content that involves others' trademarks. While some mention of others' trademarks, especially for review or informational purposes, is likely to be allowable under fair use guidelines, content generators should think carefully

about their motives for invoking these trademarks and about potential consequences for misuse. Careful review of the UGC site's terms and conditions, a best practice for any user, is an absolute must for anyone who plans to generate and post content. While some content generators may choose to remain anonymous, they should refrain from using anonymity as an excuse to behave badly online. In addition, third-party content generators should specify that any trademarks or brands are the property of those companies, and that the companies have no connection to the content generators or site operators. Finally, content generators should take a bit of time to monitor the practices of other content generators in the same online spaces, and should report violations of terms of use to the appropriate site operator.

In addition, a company's own personnel who are responsible for generating UGC content must also take care to protect the integrity of the company's brands. Although such personnel are unlikely to engage in actual infringement (unlike third-party content generators), they may cause harm to the company's IP if they do not follow the company's guidelines for use. Company-affiliated UGC content generators, who may include, for example, webmasters, message board moderators, corporate bloggers, and social marketing managers, should receive thorough instruction on the proper use of trademarks, logos, and other IP-related items. They should also ensure that they follow the proper approval channels, which may include review by the company's legal department or outside counsel, before posting brand-related content, and should understand how to address and enforce against improper use (for example, message board posters who are impersonating company personnel).

UGC site owners, managers, and operators generally take the position that they are not responsible for direct policing of all of the content contained in their sites. However, in keeping with the spirit of UGC, they do need to develop a framework that allows site users to police themselves. As mentioned above, site operators should develop terms and conditions of use that are applied to all content generators and users of the site. These terms of use should define, explicitly, what sort of use is permissible and what behavior is considered a violation of policy, and where or to whom violations should be reported, along with procedures for investigating complaints. Site operators should ensure that their reporting mechanisms are available to both brand owners and users who have noticed potential infringement. Penalties for violations should also be indicated, from suspension or banning from the site to possible legal action. As a best practice, site operators should move quickly to investigate complaints and should not hesitate to impose the designated penalties for violations. UGC site

operators should keep in mind that legal requirements may change so that they are subject to additional responsibility for content on their sites; for example, a recent report by the UK government stated, “the impracticality of reviewing all content was not an argument to undertake none at all.”² As a final measure, site operators should ensure that their security measures are adequate to protect legitimate users of their sites. Security breaches that compromise users’ online identities can result in negative publicity for these sites, such as in a January 2009 attack on blog service Twitter in which a hacker gained control of user accounts held by Barack Obama and others.³

Finally, as with the traditional bricks and mortar world, trademark and brand owners ultimately bear the primary responsibility for enforcement in UGC spaces. As indicated in the introduction above, companies are claiming it is not practical, or even possible, for them to monitor and address every single instance of UGC trademark or brand use, particularly for content generated and maintained by third parties. Therefore, there is a strong need for companies to develop consistent enforcement programs that work within their budgets and time constraints and that directly address the most likely sources of online brand abuses. Another strategy for businesses that have been the subject of infringement is to enter UGC spaces themselves, ensuring that they have a brand presence; for example, upon learning that UGC creators in Second Life were creating and selling copies of its merchandise, furniture designer Hermann Miller opened its own Second Life store and launched a “Get Real” ad campaign in the game.⁴ In addition, companies should call on their employees, business associates and customers to keep an eye out for unauthorized trademark and brand use and should allow these parties to report their concerns. Finally, companies should develop relationships with UGC site operators that will allow them to work in partnership to ensure appropriate use. Additional details on developing enforcement programs may be found below.

² MacLeod, C., & Brunger, J. (2008, May). Social networking sites urged to take control. *Managing Intellectual Property*, 183, 107-108.

³ Casale, J., Cenicerros, R., Greenwald, J., & Hoffman, M.A. (2009, January 12). Hack attack is such sweet sorrow for *Twitter*. *Business Insurance*, 43(2), 27.

⁴ How can we protect our IP rights in Second Life? (2008, October). *Managing Intellectual Property*, 183, 110-111.

Developing an Enforcement Policy and Program

What UGC Content Is of Greatest Concern?

While many companies have embraced UGC by offering opportunities for user generated content even on their own official websites, others remain reluctant to move beyond the Web 1.0 world of static, non-interactive information. Given the time, energy, and financial resources that a company could easily devote to the enforcement of UGC, this reluctance is perfectly understandable. However, today, even companies that do not offer UGC spaces of their own will likely find themselves the subject of, or at least reluctant participants in, others' UGC content. Even small companies with a minimal web presence may find that their services are reviewed on local blogs or that their products are resold on eBay or Craigslist. Thus, all companies should make at least a small investment in developing a UGC enforcement policy and program.

A company's first task is to determine what sort of content and use poses the most significant concerns, and what may be ignored. In general, companies should be concerned with, and should plan to monitor and address, the following types of content:

- Sale of counterfeit goods and services
- Direct trademark or brand infringement (use of exact trademark or logo), especially when said infringement creates a likelihood of confusion
- Derogatory/defamatory speech (not an objective critique) that is directly damaging to a company
- False or misleading information (i.e., a Wikipedia entry that contains significant inaccuracies regarding a company's business or history)
- Impersonation of company personnel (i.e., a blogger who claims to be an official company representative, but who actually has no affiliation with the company)

The following types of content are often considered lower priority in a UGC enforcement program, particularly due to the content generators' First Amendment rights in the United States and similar doctrines in other jurisdictions; however, a company may wish to monitor content on the following:

- Product or service reviews
- Most blog or message board posts, even if the information in said posts is not entirely positive regarding the company or brand
- Limited use of trademarks or brand names on informational (especially not-for-profit) fan sites

Where Do I Look for Infringing Content?

Once a company has determined the sort of content that should be addressed in its enforcement policy, it should determine in which UGC spaces active enforcement is warranted. While the scope of spaces will likely depend upon the company's industry and budget, the company will likely want to include the following sites, to some extent, in its program:

- Wikipedia®—to ensure accuracy of company information
- Facebook®, MySpace®, and other social networking sites—to ensure that any fan sites or groups are clearly labeled as such and not misrepresented as official company sites
- Twitter™—again, to ensure that bloggers are not misrepresenting themselves as company personnel
- Second Life®, or any other virtual worlds that may feature recreations of a company's products
- eBay®—to ensure counterfeit goods are not being sold
- Major industry blogs (for example, Kotaku® for companies in the video game industry)
- Fan or industry interest sites with a large readership, especially those that include message boards or peer reviews
- Amazon.com® and/or other online shopping sites that offer peer reviews or other UGC, if the company's products are sold there

As the popularity of Internet sites waxes and wanes quickly, this list may be considered a starting point at the present time, but should not be considered exhaustive. New UGC sites are emerging all the time, and older sites may lose popularity or relevance.

How Do I Respond to Infringing Content?

As with other areas of trademark infringement, the options for addressing infringing content in UGC spaces are quite broad, ranging from a gently worded request to remove the content to a full-blown lawsuit. In determining how to respond, companies should consider the following:

- Who posted the content—is it an individual operating a not-for-profit site, or a sophisticated counterfeiter?
- What do I want the result to be? (I.e., is removal of the content sufficient, or are additional penalties warranted?)
- Has the company suffered any damage, either monetary damage or damage to its reputation, as a result of the content?
- Does the content violate any laws? Does it violate the use policy of the site or space on which it was posted?

If the company has not suffered any real damage, and if the infringer is an individual who is likely to be uninformed about trademark laws, a soft touch in the form of a polite request to remove or change the content may be best. If the content presents an outright violation of the law or the site's use policy, a more strongly-worded letter may be warranted, and evidence of counterfeiting or continued blatant trademark infringement is likely to be grounds for additional legal action.

However, in responding to UGC content issues, companies should be aware that these responses themselves may become the subject of additional UGC content. For example, a blogger who is sent a cease and desist letter may, instead of removing the content as requested, post a copy of the letter on the blog site, along with any additional correspondence. Such exchanges can quickly generate a good deal of web traffic and can result in negative publicity for the company, especially if the cease and desist letter appears especially heavy-handed in proportion to the content in question. As much UGC can actually result in positive publicity and exposure for a company, efforts to clamp down on what many view as legitimate fan or review sites may very well alienate current and potential customers. This risk does not, in any sense, mean that companies should avoid enforcement in UGC spaces, as there are also significant risks associated with failing to monitor and enforce in these spaces. Companies should simply be aware that they may experience some backlash if their enforcement

efforts appear extreme and do not offer some flexibility to create UGC, and should plan their communications accordingly.

Conclusion

Ultimately, a consequence of the advent of UGC is that companies face additional trademark and brand enforcement challenges. Companies may view this as a daunting development, especially as the enforcement of trademarks and brands in user generated content spaces on the Internet may appear to be an onerous task. Indeed, enforcement efforts may be very time-intensive, even all-consuming, and still may not achieve the ideal goal(s) of the brand owner. However, as the content in UGC spaces is not only user-generated, but also user-monitored, many potential infringement issues will resolve themselves through user action. For the issues that are not resolved within the user community, the development of a consistent enforcement program, and a commitment to monitor the most critical sites, will go a long way toward keeping the most widely-used UGC spaces acceptably free of truly damaging, infringing content, leaving legitimate users to enjoy the benefits of these spaces.

Checklist and Questionnaire for Developing a User Generated Content Enforcement Program

Consider the following items when developing a program for enforcement of online user generated content relating to your brand:

1. Determine current and desired position of brand on the Internet. Do you want to promote your brand using user generated content, or is static, non-interactive web content sufficient to maintain your desired brand position? This will require an analysis of your business model, as well an understanding of how your customers use the Internet.
2. If you prefer to use static, non-interactive (Web 1.0) content, are your customers or other Internet users likely to invoke your brand in UGC spaces anyway? (For example, products or services that are popular with the general public are more likely to be the subject of UGC than niche brands or those offering business-to-business products/services.)
3. Research the current use of your brand in UGC. In which spaces is your brand currently being used or discussed?
4. Of the current UGC uses, which are of great concern (i.e., direct brand infringement or counterfeiting) and which are of lesser concern (i.e., objective product or service reviews)?
5. What resources (time, financial, and other) is your company able to devote to UGC enforcement? Do you have sufficient resources to maintain an enforcement program in-house, or will you need to enlist the assistance of outside counsel or other vendors? Note that your allocation of resources should depend, in part, upon whether your brand is a popular subject of UGC and whether the uses are generally harmful or of lower concern (as indicated in item 4 above).
6. Develop a relationship with the relevant UGC site owners, operators, and managers; understand their mechanisms for reporting and responding to content in violation of their terms of use, and ask for their assistance with addressing brand abuses.
7. Ensure that employees (particularly those who deal directly with UGC, but all employees to some extent) understand proper brand and

trademark use, and provide a system for these employees to report any potentially infringing online content they encounter. To the extent possible, provide the same information to other business associates and customers, and ensure that they understand the value of their assistance with maintaining brand integrity.

8. Develop a system for consistent and regular review of relevant UGC spaces, adding and removing sites periodically as they wax and wane in popularity.
9. Develop a system for responding to infringing content, ensuring that responses are consistent and that they are appropriate for the level of use involved, balancing the need to protect the brand with the potential for poor publicity as a result of overly heavy-handed responses.