

SOCIAL MEDIA: BRAND AND MARKETING RISKS IN 2018

Presented by:

Richard E. Peirce

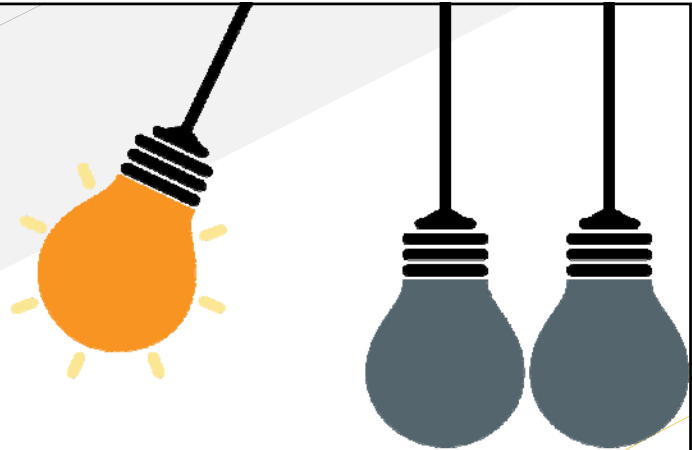
Member

Eckert Seamans Cherin & Mellott, LLC
Two Liberty Place
50 South 16th Street, 22nd Floor
Philadelphia, PA 19102

215.851.8398
rpeirce@eckertseamans.com



Social Media: Brand and Marketing Risks in 2018



**ECKERT
SEAMANS**
ATTORNEYS AT LAW

PRESENTED BY:
RICHARD E. PEIRCE

LEGAL PRIMER © 2018 Eckert Seamans Cherin & Mellott, LLC. All rights reserved.

August 9, 2018

Introduction

- Social media sites/services are hot Internet real estate and popular “television” programs.
- Companies are no longer using social media to just “talk” with consumers. There is raw advertising at work.
- Companies want to advertise, and consumers want to be dazzled!

**ECKERT
SEAMANS**
ATTORNEYS AT LAW

Trademarks, Usernames, and Other “Things”

- Traditional trademark use on social media can be anything but traditional.
- Are hashtags protectable as trademarks?
- Username Squatting (facebook.com/brand).
 - Issues can seem similar to domain names/cybersquatting, but not always. You are now at the mercy of the provider.
 - Self help tools may be the best option.
 - Litigation may work, but not the UDRP.

Trademark Fair Use

- All use is not infringing use, and social media does not change that rule.
 - Comparative advertising can be tricky.
 - Nominative and descriptive both exist.
 - Fair Use:
 - 1) the product or service in question must be one not readily identifiable without use of the mark;
 - 2) only so much of the mark may be used as is reasonably necessary to identify the product or service; and
 - 3) the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.

Trademark Fair Use

- Can you use another entity's logo? Most of the time, it is not needed to make the point. It could also raise copyright issues depending on the nature of the logo.
- What about trademark parody?
 - Does it pass the laugh test?
 - People need to "get it."
 - Similar and different (similar enough to bring to mind the mark being parodied, yet different enough to avoid confusion).
 - How close are the goods and services?
 - Are you prepared to be sued?

Copyright Issues and Fair Use

- Infringement can take many forms. It can include videos, music, and pictures, to name a few.
- Section § 107 of the Copyright Act (criticism, comment, news reporting, teaching, scholarship, or research) – They are not always an infringement. Analysis is done under the below factors:
 - 1) the purpose and character of the use;
 - 2) the nature of the work;
 - 3) the amount and portion used; and
 - 4) the effect of the use (on the potential market or value of the work).

Copyright Enforcement

- Removal of infringing material can be done through the Digital Millennium Copyright Act. Most social media sites have a DMCA take down procedure in place (or they should!) under 17 U.S.C. § 512 of the Copyright Act.
- There is no DMCA equivalent under federal trademark law, but social media sites are mindful of the contributory infringement theory if applicable.

Right of Publicity

- This can be very deceiving on social media. The manner in which content is shared can give a company false comfort.
- Right of publicity is governed by state law, and can be very broad (name, photo, likeness, etc.).
- Copyright ownership vs. right of publicity concerns (e.g., retweet a photo taken by someone else that features a celebrity not under contract) - Even though the social media functions may allow it, it does not mean it is allowed.

Ownership of Content

- Social media sites usually have rules in place relating to who owns what once it is posted.
- Even if ownership is not transferred, the rules may provide for the grant of a very broad license.
- Posting copyrighted content may decrease its value.
- If the company plans to use something on social media, it must understand where it can go.

Preventing Brand Damage

- Given the speed that content travels, the ability to control content after it is posted should be something a company understands.
- If content is deleted, can it still be used by the social media service or its other users?
- If a company accidentally posts confidential or incorrect information, what are the risks?
- Any IP attached to such content can only increase the potential for damage.

Preventing Brand Damage

- Overreaction and other questionable IP and brand enforcement tactics can get a company into trouble on social media.
- Trademark bullies will get exposed.
- All uses are not infringing uses, so be mindful of form enforcement.

Operating Social Media Locations

- Companies need to have a user generated content and/or website policy that covers (among other things):
 - DMCA take down procedure and what happens with other IP violations.
 - IP ownership and licenses for UGC.
 - Indemnification against infringement.

Operating Social Media Locations

- Be consistent in take down practices.
- Copyright repeat offenders must go. Make sure a policy is in place.
- Once a company gets specific knowledge of infringing content, act to remove it.
- “Willful blindness” will not work.
- Be able to say to a court ... “we take IP infringement seriously, and we took ... actions to stop it.”

Advertising and Employee Issues

- Restrictions should be in place on how employees use company intellectual property.
- This may include preventing employees from using company logos in commercial ways or registering social media usernames that contain the company’s trade name or mark.
- A closer call comes when an employee wants to identify his or her employer as part of his or her social media profile.
- What about off duty behavior? Negative behavior?

Ownership/Control of Accounts

- Certain types of employees may use social media accounts for both personal and business interaction. This is not always a clean situation.
- If there is a social media account that a company can rightfully claim “ownership” to, it should take steps to outline the process in writing.
- Where is the “vault” for these accounts and the applicable usernames and passwords?

False Advertising

- Aside from issues under state consumer protection laws, federal law provides a cause of action for false advertising.
- False Advertising and Lanham Act (15 U.S.C. § 1125)
 - *“Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any ... false or misleading description of fact, or false or misleading representation of fact, which ... (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person’s goods, services, or commercial activities, shall be liable ...”*

False Advertising

- What about puffery or assertions of superiority?
Generally, not actionable.
- “We are better!” “This is the greatest product ever!!!”

Defamation vs. Protected Speech

- Defamation is a state law issue, so the legal definition will vary from state to state.
- In general, defamation claims can involve analysis of:
 - The false or defamatory communication made by the Defendant that applies to the Plaintiff.
 - An understanding of its false nature by those who hear/see it.
 - An understanding that the false statement applies to Plaintiff.
 - Some level of harm or damages.
 - No applicable defenses.

Section 230 of the CDA

- Social media sites that allow user generated content will generally enjoy a broad immunity against liability for any user generated content that is defamatory (Section 230 of Communications Decency Act, 47 U.S.C. § 230).
- *§ 230(c)(1) (Treatment of publisher or speaker) - No provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider.*
- You can ask, but the immunity is broad and tough to circumvent.

The FTC and Endorsements

- According to the FTC, an endorsement “means any advertising message (including verbal statements, demonstrations, or depictions of the name, signature, likeness or other identifying personal characteristics of an individual or the name or seal of an organization) that consumers are likely to believe reflects the opinions, beliefs, findings, or experiences of a party other than the sponsoring advertiser, even if the views expressed by that party are identical to those of the sponsoring advertiser.”
- One issue covered by the FTC’s Guidelines involves the disclosure of “material connections.”
 - Employees?
 - Other endorsers?
 - Free product recipients?

Social Media Influencers

The “material connection” issue can be relevant when influencers are used. The FTC’s goal is for consumers to have additional information to help them evaluate product/service/business endorsements.

- When is this type of disclosure required? Paid by company? Owner of company?
- How does this work with services such as Snapchat and Instagram? Words superimposed over the images? What about tags at the end of a post? Likes on Facebook? What needs to be done for consumers to read and understand the disclosure?
- Will certain coded tags such as #ads or #ambassador work?
- Companies need to monitor influencers regularly.

Consumer Review Fairness Act

With some exceptions, the statute bars a form contract that:

- “(A) prohibits or restricts the ability of an individual who is a party to the form contract to engage in a covered communication [the review];
- (B) imposes a penalty or fee against an individual who is a party to the form contract for engaging in a covered communication; or
- (C) transfers or requires an individual who is a party to the form contract to transfer to any person any intellectual property rights in review or feedback content, with the exception of a non-exclusive license to use the content, that the individual may have in any otherwise lawful covered communication about such person or the goods or services provided by such person.”



Thank You.

- 👤 Richard E. Peirce
- 📞 215.851.8398
- ✉️ rpeirce@eckertseamans.com
- 🌐 eckertseamans.com

PRACTICE AREAS:

[Intellectual Property](#)

[Life Sciences](#)

[Data Security & Privacy](#)

[Telephone Consumer Protection Act \(TCPA\)](#)

STATE ADMISSIONS:

Pennsylvania

New Jersey

COURT ADMISSIONS:

U.S. District Court for the Eastern
District of Pennsylvania

U.S. Court of Appeals for the
Third Circuit

EDUCATION:

J.D., cum laude, Syracuse
University College of Law, 2000

B.A., cum laude, Rowan
University, 1997



Richard E. Peirce

MEMBER

Rich Peirce focuses his practice on trademark, copyright, Internet, and e-commerce issues. These include issues related to Internet brand protection strategies, online brand disputes, user generated content, online defamation and product disparagement disputes, search engine advertising, website linking, CAN-SPAM, copyright disputes and fair use, social media, false advertising, website policies and privacy, licensing, domain name disputes, and the FTC guidelines on the use of endorsements and testimonials in advertising.

Rich is an adjunct professor of law at Temple University School of Law, where he teaches Law of Electronic Commerce.

REPRESENTATIVE MATTERS

- Internet brand protection strategies for new and existing businesses, products, and/or services.
- Online brand management and disputes on user-generated content sites such as Wikipedia.
- Online defamation and product disparagement disputes, including issues with anonymous postings.
- Search engine advertising issues, including those involving the purchase and use of search engine keywords.
- Legal issues with website linking, including proper use of marks and logos.
- CAN-SPAM issues with email.
- Unauthorized use of clients' copyrighted material (photographs, marketing materials, etc.) online and how best to remove such materials.
- Misuse of clients' brands on social media sites such as Facebook and Twitter.
- Brand, counterfeiting, and false advertising disputes on e-commerce sites such as Amazon.com.
- Company social media use policies for employees.
- Website terms of use, privacy, and other related website policies, including rules for managing user generated content and other blogging functions.
- Intellectual property licenses and assignments, including those involving trademarks, copyright, and domain names.
- Anonymous negotiation and acquisition of domain names.

- Domain name cybersquatting disputes and litigation, including those under the Uniform Domain Name Dispute Resolution Policy.
- Trademark and copyright fair use issues, including parody and comparative advertising issues.
- Federal Trade Commission guidelines on use of endorsements and testimonials in advertising.
- Trademark, copyright, and unfair competition litigation.
- Trademark clearance and prosecution, including in foreign countries.
- Software license issues, including use of open source software.

PROFESSIONAL AFFILIATIONS

- Pennsylvania Bar Association
- New Jersey Bar Association
- American Bar Association
- ALM Internet Law & Strategy, Board of Editors
- Temple University, Adjunct Professor

AWARDS AND RECOGNITION

- Selected for inclusion in The Best Lawyers in America
- Selected for inclusion in Pennsylvania Super Lawyers – Rising Star
- Selected for inclusion in Chambers USA America's Leading Lawyers in Business for Intellectual Property
- Selected for inclusion in World Trademark Review magazine's WTR 1000 (Pennsylvania)

NEWS AND INSIGHTS

PUBLICATIONS

- ["Online International Trademark Issues: Some Practical Considerations"](#), Internet Law & Strategy, January 2012.
- ["Crafting Corporate Social Media Policies: Striking the Right Balance Between Marketing Boon and Company Liability"](#), The BNA Electronic Commerce & Law Report, April 2010.
- "Six Strikes and...well...it depends...The Copyright Alert System," Eckert Seamans' Legal Update, March 2014.
- "Generic top level domains and rights protection mechanisms," Eckert Seamans' Legal Update, Spring 2013.
- "Online International Trademark Issues: Some Practical Considerations," ALM Internet Law & Strategy, January 2012.
- "Social Media in the Workplace," Electronic Commerce & Law Report, BNA, Inc., April 21, 2010.
- "Keeping Up with On-Line Brand and Other Related Scam," ALM Internet Law & Strategy, September 2008.

MEDIA COVERAGE

- "Tech Giants Face Lawsuit From Victims Of Terrorist Attack," KYW Newsradio 1060 in Philadelphia, May 12, 2017.
- "Fyre Festival Controversy Still Burning– New Lawsuit Takes On Social Media Endorsements," KYW Newsradio 1060 in Philadelphia, May 10, 2017.
- "Playboy Playmate Could Face Charges for Body-Shaming Snapchat Post," KYW Newsradio 1060 in Philadelphia, September 7, 2016.
- "Could Sharing Your Netflix Password Make You A Federal Criminal?" KYW Newsradio 1060 in Philadelphia, July 12, 2016.
- "Second Circuit Revives Copyright Case Against Google, YouTube," ALM's Entertainment Law & Finance and Internet Law & Strategy, May 1, 2012.
- "Facebook's New 'Community Pages' Could Muddle How Consumers Find Brand's Pages," BNA's Patent, Trademark & Copyright Journal, August 2010.

SPEAKING ENGAGEMENTS

- "World of Trolls" Where Dangers Lurk" co-presented at PBI's 2017 Business Law Institute program, November 2017.
- "Not All Fun and Games: Running Online Promotions," presenter, PBI Business Law Institute, November 16, 2016.
- "Drafting Cease and Desist Letters in the Age of the Streisand Effect," co-presenter, Clear Law Institute webinar, September 26, 2016.
- "Analyzing Intellectual Property Licenses and Avoiding Pitfalls," Business Lawyers Institute, PBI, November 2015.
- "Contractual Issues with Online Agreements," 2014 Technology Institute, Pennsylvania Bar Institute (PBI), June 2014.
- "Making Sense of Fair Use," Intellectual Property Law Institute, PBI, April 2014.
- "Hot Issues in Social Media — Handling Gripe Content," co-presenter, 19th Annual Business Lawyer's Institute, PBI, November 2013.
- "Fair Use or Foul: Copyrights, Trademarks, Social Media & Universities," co-presenter, 2013 NAICUSE-SNIN Research Conference, September 2013.
- "Cyber Smearing – Someone Is Not Playing Nice on the Internet," Eckert Seamans' Continuing Legal Education (CLE), August 2013.
- "Defamation and Online Reviews," Philadelphia Legal Secretaries Association, April 2013.
- "Social Media and IP," Intellectual Property Committee CLE, PBI, March 2013.
- "Internet Privacy and Emerging Issues Relating to Online and New Media Enforcement," Roundtable Discussion for the International Trademark Association, September 2011.
- "Copyrights for Non-Specialists," ALI-ABA video seminar, March 2011.

- "Recognizing and Handling Online Fraud & Scams Using Company IP," ALM Internet Law & Strategy, December 2010.
- "The Impact of Social Networking Sites on e-Commerce," e-Commerce: Legal and Practical Issues, PBI, December 2010.
- "Recognizing and Handling Online Fraud & Scams Using Company IP," co-presenter, 16th Annual Business Lawyers' Institute, PBI, November 2010.
- Guest Lecturer, Temple Law School E-Commerce Law Class, April 2010.
- "IP Pitfalls in Doing Business Outside the U.S.," co-presenter, Business Lawyers Institute, November 2009.
- "Cybersquatting and Other Online Brand Related Scams and Frauds," Eckert Seamans' CLE, August 2008.
- "Frauds, Scam and Squatters," Hot Topics in Internet Law for Business Lawyers, ALI-ABA, June 2008.