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#CautionBusinesses: Using Competitors' Hashtags Could Possibly Lead to Trademark Infringement

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#CAUTIONBUSINESSES: USING COMPETITORS' HASHTAGS COULD POSSIBLY LEAD TO TRADEMARK INFRINGEMENT

By Debbie Chu

I. INTRODUCTION

*“Well, I’ve been afraid of changin’/Cause I’ve built my life around you...”*¹ These lyrics play in the background as television viewers watch a man tending a Clydesdale foal in a stable.² He feeds him, plays with him, and even sleeps with him.³ Time passes by, and the foal, now all grown up, parts ways with his breeder as a truck arrives at the farm to pick him up.⁴ Three years later, the breeder reads in the newspaper that the Clydesdales will be in a parade in his town.⁵ He arrives at the procession just in time to see his Clydesdale march by.⁶ Once it concludes, the Clydesdale runs to his breeder who then embraces him.⁷

This was Budweiser’s 2013 Super Bowl commercial, titled “Clydesdales Brotherhood,” that tugged at peoples’ heartstrings.⁸ A few days before the actual commercial appeared on television, a picture of the foal debuted on Budweiser’s Twitter⁹ account asking followers to suggest names for the little fel-

¹ FLEETWOOD MAC, *LANDSLIDE* (Reprise Records 1975).

² Listitude, *Budweiser Super Bowl Commercial – Clydesdales Brotherhood*, YOUTUBE (Feb. 4, 2013), <https://www.youtube.com/watch?v=8v6KKMtjm54>.

³ *Id.*

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

⁹ Twitter is a social networking website that allows its members to post and read short messages, known as “tweets.” Chris Messina, a social technology expert, created the very first hashtag on Twitter. Vanessa Doctor, *Hashtag History: When and What Started It?*, #HASHTAGS.ORG (May 30, 2013), <https://www.hashtags.org/featured/hashtag-history-when-and-what-started-it/>.

low.¹⁰ The tweet garnered a lot of attention from the general public, with more than 60,000 name suggestions.¹¹ People were enthusiastic to chime in with their ideas because they wanted Budweiser to use their suggestions in the Super Bowl commercial.¹² The tweet was so successful that publications, such as Adweek and Business Insider, covered the hashtag (#Clydesdales) and commercial campaign.¹³

Budweiser is one of the many businesses that use hashtags on social media to advertise its brand.¹⁴ A hashtag offers numerous benefits for companies, but the most important advantage is that they raise brand awareness by facilitating the process of boosting sales and profitability.¹⁵ Budweiser, for instance, used #Clydesdales to engage people in conversations regarding the name selection for the foal.¹⁶ Its hashtag undoubtedly raised awareness for the Budweiser brand.¹⁷

Hashtags have become ubiquitous, and their widespread popularity on the Internet appeals to companies to use them for marketing products and services.¹⁸ As hashtags continue to propagate, inevitably intellectual property implications arise.¹⁹

¹⁰ The tweet says: “This year’s #SuperBowl star? Our new #Clydesdales foal – and we need help to name it. Tweet us ideas via #Clydesdales.” Budweiser (@Budweiser), TWITTER, (Jan. 27, 2013, 3:42PM), <https://twitter.com/budweiser/status/295678270509301761>.

¹¹ Marcus Guido, *When TV and Social Meet: How 3 Companies Successfully Used Hashtags in Commercials*, KEYHOLE (Mar. 8, 2016), <http://keyhole.co/blog/how-companies-successfully-used-hashtags-in-commercials/>.

¹² *Id.*

¹³ *Id.* See also Tim Nudd, *Budweiser’s First Tweet Asks Fans to Name Baby Clydesdale, Star of Its Super Bowl Ad*, ADWEEK (Jan. 28, 2013), <http://www.adweek.com/news/advertising-branding/budweisers-first-tweet-asks-fans-name-baby-clydesdale-star-its-super-bowl-ad> (covering the success of Budweiser’s tweet since joining Twitter); Laura Stampler, *Budweiser Just Joined Twitter and Here’s Its First Tweet*, BUSINESSINSIDER (Jan. 28, 2013), <http://www.businessinsider.com/budweiser-just-joined-twitter-and-heres-its-first-tweet-2013-1> (discussing the age-identifying technology on Twitter allowing Budweiser to market people 21 years old and over).

¹⁴ Red Bull’s #PutACanOnIt, Coca Cola’s #ShareACoke, Charmin’s #TweetFromTheSeat, Oreo’s #OreoHorrorStories, Audi’s #WantAnR8, KFC’s #NationalFriedChickenDay, Denny’s Diner #CollegeIn5Words are examples of how companies have used their hashtags successfully. See Michael Patterson, *7 Examples of Successful Hashtag Companies*, TINTUP (Aug. 10, 2015), <http://www.tintup.com/blog/7-examples-of-successful-hashtag-campaigns/>.

¹⁵ *The History and Power of Hashtags in Social Media*, DIGITAL MARKETING PHILIPPINES, <http://digitalmarketingphilippines.com/the-history-and-power-of-hashtags-in-social-media-marketing-infographic/> (last visited Feb. 5, 2017).

¹⁶ Guido, *supra* note 11.

¹⁷ *Id.*

¹⁸ Heather Brown, *Good Question: How did the pound sign become a hashtag?*, CBS NEWS (Nov. 7, 2013), <http://minnesota.cbslocal.com/2013/11/07/good-question-how-did-the-pound-sign-become-a-hashtag/>.

¹⁹ Robert T. Sherwin, *#HaveWeReallyThoughtThisThrough?: Why Granting Trademark*

In October 2013, the United States Patent and Trademark Office (“USPTO”) recognized that a hashtag is “registrable as a trademark or service mark only if it functions as an identifier of the source of the applicant’s goods or services.”²⁰ However, two years later, in August 2015, a federal district court case in California, in *Eksouzian v. Albanese*, decided hashtags cannot be protected by trademark law because hashtags are just merely descriptive devices.²¹ At the time of this writing, *Eksouzian* has not yet been appealed, so the future of hashtag trademark protections remains uncertain.²²

It is apparent that there are conflicting views, namely those of the USPTO and the federal district court in California, on whether hashtags should deserve trademark protection. This Comment argues that certain hashtags qualify for trademark protection because they function similarly as slogans and taglines for businesses.²³ Part II of the Comment will explain the history of hashtags and their role in social media. Part III will provide a background on trademark law. Part IV will then lay out the argument that hashtags function as trademarks and hence should deserve trademark protection. Part V will provide some recommendations for companies on using hashtags wisely to avoid potential trademark infringement lawsuits. Part VI will ultimately conclude that trademark law should protect hashtags and that trademark infringement hinges on the way companies use hashtags.

II. WHEN HASHTAGS AND SOCIAL MEDIA COME TOGETHER

A. What are Hashtags?

The Merriam-Webster Dictionary defines hashtag as “a word or phrase that starts with the symbol # and that briefly indicates what a message (such as a tweet) is about.”²⁴ A hashtag is a form of metadata, which is “a set of data that

Protection To Hashtags Is Unnecessary, Duplicative, and Downright Dangerous, 29 HARV. J. L. & TECH. 456, 458-59 (2016).

²⁰ U.S. PATENT & TRADEMARK OFFICE, TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1202.18 (5th ed. Sept. 2007).

²¹ *Eksouzian v. Albanese*, No. CV 13-00728, 2015 WL 4720478, at *15-16 (C.D. Cal. Aug. 7, 2015).

²² Carrie L. Kiedrowski & Charlotte K. Murphy, *Are Hashtags Capable of Trademark Protection under U.S. Law?*, INTA.ORG (Feb. 1, 2016), <http://www.inta.org/INTABulletin/Pages/AreHashtagsCapableofTMProtectionunderUSLaw.aspx>.

²³ *Id.* Slogans and taglines are protected by trademark law, so hashtags should deserve the same protection. See Rich Stim, *Can a Slogan Be a Trademark?*, NOLO, <http://www.nolo.com/legal-encyclopedia/can-slogan-be-trademark.html> (last visited Feb. 5, 2017).

²⁴ *Hashtag Definition*, MERRIAM WEBSTER DICTIONARY, <https://www.merriam->

describes and gives information about other data.”²⁵ A hashtag is an indexing tool that groups messages relating to a particular hashtag.²⁶ A hashtag is similar to a hyperlink.²⁷ To demonstrate how a hashtag functions an individual may click on the hashtag and will then be instantly brought to another page where there are related topics and pictures pertaining to the same hashtag.²⁸ For instance, an Instagram user may click on #ootd and be brought to another page displaying pictures of “outfits of the day.”²⁹

The first hashtag actually made its appearance in 1988 in Internet Relay Chat (“IRC”) to categorize items, such as images, messages, and videos into groups.³⁰ The purpose of the pound symbol (#) was to facilitate the process of searching hashtags and to obtain relevant content related to them.³¹ Hashtags became popular in August 2007 when Chris Messina introduced them on Twitter.³² He first posted the hashtag, #barcamp,³³ in August 2007, with a tweet inquiring about: “?how do you feel about using # (pound) for groups. As in #barcamp [msg]??”³⁴ Messina created #barcamp in hopes of organizing discussions and online exchanges concerning the topic of Barcamp.³⁵ He hoped to create inner social circles on the website “to provide users the proper restrictions that would limit conversations to more specific ones that would only relate to a particular audience.”³⁶ He thought that “tweets should target certain members of the inner circle so that people can easily respond to these [and that] creating the inner circles would also lead to targeted users and avoid random visits from individuals who may not be truly interested in a particular is-

webster.com/dictionary/hashtag (last visited Feb. 7, 2017).

²⁵ *Metadata Definition*, MERRIAM WEBSTER DICTIONARY, <https://www.merriam-webster.com/dictionary/metadata> (last visited Mar. 28, 2017).

²⁶ Rebecca Hiscott, *The Beginner’s Guide to the Hashtag*, MASHABLE (Oct. 8, 2013), <http://mashable.com/2013/10/08/what-is-hashtag/#In5koWWaakqf>.

²⁷ *Id.*

²⁸ *Id.*

²⁹ “#ootd” stands for “outfit of the day,” and usually appears in photos of snazzy outfits. Instagram is a social networking phone app that allows users to share photos and videos from a smartphone. *How Do I Use Hashtags?*, INSTAGRAM HELP CTR., <https://help.instagram.com/351460621611097> (last visited Feb. 7, 2017).

³⁰ Jomer Gregorio, *The History and Power of Hashtags in Social Media*, DIGITAL MARKETING PHILIPPINES, <http://digitalmarketingphilippines.com/the-history-and-power-of-hashtags-in-social-media-marketing-infographic/> (last visited Feb. 7, 2017).

³¹ Amanda MacArthur, *The History of Hashtags*, LIFEWIRE, <https://www.lifewire.com/history-of-hashtags-3288940> (last updated Aug. 30, 2016).

³² Doctor, *supra* note 9.

³³ *Id.* BarCamp is an international network of user-generated conferences regarding technology and the Internet. *Id.*

³⁴ *Id.*

³⁵ *Id.*

³⁶ *Id.*

sue or topic.”³⁷ Later, in July 2009, Twitter officially adopted the use of hashtags, hyperlinking terms with the pound sign in front of the word or phrase.³⁸ Currently, Twitter users can participate in trending discussions simply by clicking or tapping on the hashtag.³⁹ Since Messina’s introduction of hashtags on Twitter, hashtags have become increasingly popular on other social media platforms.⁴⁰

B. What is Social Media?

The term “social media” encompasses many websites and applications, such as Facebook, Instagram, and Twitter. In today’s world, almost any website through which an individual can communicate with others could be considered social media. So, how does one exactly define social media? The formal definition of social media is “web-based communication tools that enable people to interact with each other by both sharing and consuming information.”⁴¹

The history of social media traces back to a long time ago, back in 1997, when the first social media website known to the general public was Six Degrees.⁴² Six Degrees acquired its name from the concept of six degrees of separation.⁴³ This social media platform facilitated the process of users connecting with their friends and family members by allowing them to list the names of their friends and family members who already have an account on the website or people who have not yet joined the website.⁴⁴ People, who were not yet on the website but were listed on the user’s account, were invited to become a member of Six Degrees.⁴⁵ If invitees confirmed a relationship with an existing user but did not register for an account on the website, they would receive oc-

³⁷ *Id.*

³⁸ Gregorio, *supra* note 30.

³⁹ Doctor, *supra* note 9.

⁴⁰ *Id.*

⁴¹ Daniel Nations, *What is Social Media? Explaining the Big Trend*, LIFEWIRE, <https://www.lifewire.com/what-is-social-media-explaining-the-big-trend-3486616> (last updated Dec. 07, 2016).

⁴² Drew Hendricks, *Complete History of Social Media: Then and Now*, SMALL BUS. TRENDS (May 8, 2013), <http://smallbiztrends.com/2013/05/the-complete-history-of-social-media-infographic.html>.

⁴³ The concept of six degrees of separation is that anyone in the world can connect to another person in another part of the world “through a chain of acquaintances that has no more than five intermediaries.” Margaret Rouse, *Six Degrees of Separation* WHATIS, <http://whatis.techtarget.com/definition/six-degrees-of-separation> (last updated Sept. 2014). See also Danah M. Boyd & Nicole B. Ellison, *Social Network Sites: Definition, History, and Scholarship*, 13 J. OF COMPUTER-MEDIATED COMM., 210, 214 (2007).

⁴⁴ *The History of Social Networking: How it All Began*, WEBDESIGNER (Feb. 13, 2016), <https://1stwebdesigner.com/history-of-social-networking>.

⁴⁵ *Id.*

casional emails to remind them to sign up.⁴⁶ Users could send messages and post bulletin board items to other users who are in their first, second, and third degrees, and would be able to view their connections to other users on the platform.⁴⁷ Six Degrees was then sold to YouthStream Media in December 2000.⁴⁸

Six Degrees introduced the world to the concept of social media, and subsequently blogging websites became popular in 1999.⁴⁹ After the popularization of blogs, social media emerged quickly.⁵⁰ In August 2003, eUniverse employees launched Myspace,⁵¹ a social media platform that allowed its users to create profiles and connect with friends. By July 2006, Myspace became the most visited website in the United States and its web traffic surpassed that of Google Search and Yahoo! Mail.⁵² Many other social media platforms came forth after the creation of Myspace.⁵³ Currently, there are numerous social media websites that allow users to virtually reach the maximum number of people without meeting face-to-face.⁵⁴

The growth of social media has increased at a rapid rate.⁵⁵ Thus, marketers have increased their budgets to advertise on social media along with other advertising channels. A report shows that “three quarters of advertisers surveyed indicated that they use [social media], and [sixty-four] percent of advertisers said they were increasing their paid social media advertising budgets in 2013[.]”⁵⁶ The increase of social media use will make it more attractive for other companies to follow suit.

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ *Id.*

⁴⁹ Hendricks, *supra* note 42.

⁵⁰ *Id.*

⁵¹ eUniverse employees were the first Myspace users. Timothy Stenovec, *Myspace History: A Timeline of the Social Network's Biggest Moments*, HUFFINGTON POST, http://www.huffingtonpost.com/2011/06/29/myspace-history-timeline_n_887059.html (last updated Aug. 29, 2011).

⁵² *The History of MySpace.com*, SOCIAL SALES HQ, <http://socialsaleshq.com/the-history-of-myspace/> (last visited Feb. 7, 2017).

⁵³ Photobucket, Flickr, YouTube, Facebook, Twitter, Tumblr, Spotify, Foursquare, and Pinterest all emerged. Drew Hendricks, *supra* note 44.

⁵⁴ Photobucket, Flickr, YouTube, Facebook, Twitter, Tumblr, Spotify, Foursquare, and Pinterest all emerged. *Id.*

⁵⁵ One out of every seven people in the world has a Facebook page, and approximately four in five Internet users visit social network sites and blogs. NIELSEN, PAID SOCIAL MEDIA ADVERTISING REPORT 3 (2013), <http://www.nielsen.com/us/en/insights/reports/2013/the-paid-social-media-advertising-report-2013.html>.

⁵⁶ NIELSEN, PAID SOCIAL MEDIA ADVERTISING REPORT 2 (2013), <http://www.nielsen.com/us/en/insights/reports/2013/the-paid-social-media-advertising-report-2013.html>.

C. How are Hashtags Used on Social Media?

Each social media platform uses hashtags in its unique way. Facebook, for instance, incorporated hashtags in June 2013, allowing Facebook users to click on the URL and participate in discussions.⁵⁷ Pinterest displays content that is tagged with a hashtag, so Pinterest users may search for a particular topic when they click on the hashtag on a user's profile.⁵⁸ For Instagram, users can locate certain Instagram photos by simply tapping on the hashtags.⁵⁹ However, if the user does not choose to include hashtags in his or her photos, this particular user's photos will remain private and no one will have access to them.⁶⁰ On Google +, users may click on the Google + hashtag and they will be brought to the original tagged post as well as other posts tagged with the same hashtag.⁶¹

The concurrent popularity of social media and hashtags caused companies to jump on the bandwagon and use hashtags on social media to market their brand. Hashtags can facilitate relationships between companies and potential customers.⁶² A quick glance at the topics listed in a hashtag can give companies an idea of what potential customers are interested in and what they actually think about their products.⁶³ They are much more efficient than surveys and they can generate candid conversations about the company's reputation.⁶⁴ Potential customers can click on a hashtag associated with a particular company and then they would have the opportunity to view other people's comments or post their thoughts under the same hashtag.⁶⁵ Hashtags increase company visibility to the general public.⁶⁶

III. BACKGROUND ON TRADEMARK LAW

Using hashtags on social media is a great advertising tactic for businesses to expose their brands. In fact, some companies are even rushing to file applications to claim trademark protections for their hashtags.⁶⁷ But, before we delve

⁵⁷ Gregorio, *supra* note 30.

⁵⁸ *Id.*

⁵⁹ *Id.*

⁶⁰ *Id.*

⁶¹ *Id.*

⁶² *Id.*

⁶³ *Id.*

⁶⁴ *Id.*

⁶⁵ *Id.*

⁶⁶ *Id.*

⁶⁷ For instance, Coca-Cola applied to register #REDCAN as a trademark, so we can expect them to use #REDCAN in their social media platforms to market their brand. *Trademark Question: Can You Use Another Company's Trademark As A Hashtag?*, DAVID LIZERBRAM & ASSOC. (Aug. 4, 2015), <http://lizerbramlaw.com/2015/08/04/trademark-question-can-you-use-another-companys-trademark-as-a-hashtag/>.

into the argument that hashtags deserve trademark protection, it is important to first gain an understanding of what trademark law is.

A. What is Trademark Law?

The Lanham Act defines trademark as “a word, phrase, slogan, symbol, or design, or combination thereof that identifies the source of the goods and services of one owner.”⁶⁸ The purpose of a trademark is to help consumers identify products and company brands easily at first glance.⁶⁹ An example of a trademark is the Apple logo on Apple computer products.⁷⁰ This Apple logo makes it easy for consumers to distinguish Apple computer products from other computer brands, such as Microsoft computers, whose logo is a multi-colored flag.⁷¹ The authenticity of the Apple logo helps consumers know that they are in fact purchasing a genuine Apple product.

B. Requirements for a Trademark

For a mark to function as a trademark, a mark must be distinctive, meaning it “must be capable of identifying the source of a particular good.”⁷² Courts use four different groups to categorize the degree of distinctiveness of each type of mark: 1) arbitrary or fanciful, 2) suggestive, 3) descriptive, or 4) generic.⁷³ The degree of trademark law protection depends on which group the mark belongs in.⁷⁴ The following is a list of the four categories with their degrees of protection in descending order.

Arbitrary or Fanciful

Arbitrary and fanciful marks are “inherently distinctive, so they are given the highest degree of trademark protection.”⁷⁵ These types of marks “do not

⁶⁸ 15 U.S.C. § 1127 (2016).

⁶⁹ 15 U.S.C. § 1127 (2016).

⁷⁰ *Apple Trademark List*, APPLE, <http://www.apple.com/legal/intellectual-property/trademark/appletmplist.html> (last visited Jan. 24, 2017).

⁷¹ *Id. General Microsoft Trademark Guidelines*, MICROSOFT, <https://www.microsoft.com/en-us/legal/intellectualproperty/trademarks/usage/default.aspx> (last visited Jan. 27, 2017).

⁷² *Overview of Trademark Law*, HARVARD LAW, <https://cyber.harvard.edu/metaschool/fisher/domain/tm.htm> (last visited Feb. 11, 2017).

⁷³ *Id.*

⁷⁴ *Id.*

⁷⁵ *Id.*

bear a logical relationship to the underlying product.”⁷⁶ For instance, Kodak, a camera brand, does not bear a logical relationship to cameras because the word “Kodak” inherently does not have anything to do with cameras.⁷⁷ Another example would be Nike “swoosh,” which bears no inherent relationship to athletic shoes because the “swoosh” logo inherently does not have anything to do with athletic shoes.⁷⁸

Suggestive Mark

Like arbitrary or fanciful marks, suggestive marks are inherently distinctive and are given a high degree of trademark protection. Suggestive marks evoke a characteristic of the underlying product.⁷⁹ For instance, “Coppertone” identifies a brand of suntan lotion, but does not specifically describe the underlying product.⁸⁰ Imagination is required to connect the word with the underlying product.⁸¹ On the other hand, the word is not entirely unrelated to the underlying good.⁸²

Descriptive

Unlike arbitrary or suggestive marks, descriptive marks are not inherently distinctive.⁸³ These descriptive marks convey to us some aspect of the product or service.⁸⁴ For instance, “Vision Center” describes a characteristic of the underlying service, which offers optical services.⁸⁵ They are protected only if they have acquired a secondary meaning.⁸⁶ A descriptive mark acquires secondary meaning when consumers make a connection that the mark is associated with a particular product.⁸⁷ For instance, “Holiday Inn” acquired its secondary meaning since the consumers associate that term with a particular provider of hotel services, and not with hotel services generally.⁸⁸ It is not required that the consumers identify the specific producer; it is only required that the prod-

⁷⁶ *Id.*

⁷⁷ *Id.*

⁷⁸ *Id.*

⁷⁹ *Id.*

⁸⁰ *Id.*

⁸¹ *Id.*

⁸² *Id.*

⁸³ *Id.*

⁸⁴ *Id.*

⁸⁵ *Id.*

⁸⁶ *Id.*

⁸⁷ *Id.*

⁸⁸ *Id.*

uct comes from a single producer.⁸⁹ Courts use four factors to determine whether a particular mark has acquired a secondary meaning: (1) the amount and manner of advertising; (2) the volume of sales; (3) the length and manner of the term's use; (4) results of consumer surveys.⁹⁰

It is important to keep in mind, though, that a descriptive mark qualifies for protection and federal registration at the USPTO only after it has acquired secondary meaning.⁹¹ Therefore, in order for descriptive marks to qualify for trademark protection, a period of time may pass by after the initial use of the mark in commerce and before it acquires a secondary meaning.⁹² It is only after it has acquired a secondary meaning that trademark protection begins.⁹³

Generic

Trademark law does not protect generic marks because they have become so common in society that consumers use them to identify a particular product.⁹⁴ Generic marks describe the category to which the products and services are a part of.⁹⁵ Marks that are not initially generic can become generic gradually, a process known as genericide, so they would be unprotected by trademark law.⁹⁶ An example of a generic term is "computer" since it refers to all computers and computer equipment.⁹⁷ Therefore, if a manufacturer sells a particular brand of computer, such as Dell and HP, this particular manufacturer would have no exclusive right to use the term "computer."⁹⁸

B. Acquiring rights in a trademark

There are two ways for a trademark to acquire rights, either via common law or via registration which is provided for by the federal trademark statutes.⁹⁹ The term "common law" means that trademark rights are acquired through use

⁸⁹ *Id.*

⁹⁰ *Id.*

⁹¹ *Id.* A trademark has acquired its secondary meaning when consumers identify a trademark with a particular product over a period of time. *Id.*

⁹² *Id.*

⁹³ *Id.*

⁹⁴ *Id.* If generic marks were protected, it would grant too much power to a particular manufacturer for having a competitive advantage. *Id.*

⁹⁵ *Id.*

⁹⁶ *Id.*

⁹⁷ *Id.*

⁹⁸ *Id.*

⁹⁹ *Common law trademark rights*, BITLAW, <http://www.bitlaw.com/trademark/common.html> (last visited Feb. 3, 2016).

and are not governed by statute.¹⁰⁰ Common law trademark rights are “developed under a judicially created scheme of rights governed by state law.”¹⁰¹ Federal registration, on the other hand, is governed by federal statute.¹⁰² Federal registration is “not required to establish common law rights in a mark, nor is it required to begin use of a mark.”¹⁰³ Federal registration is always preferred because it gives a trademark owner additional rights that are not available under common law.¹⁰⁴

Under common law, for instance, if a company is the first one to sell “Orange” computers to the public, then this particular company has “acquired priority to use that mark in connection” with the sale of computers.¹⁰⁵ This priority is only limited to the geographic area in which the company sells the computers, including potential areas that the company expects to expand their business or areas where the reputation of the mark has been established.¹⁰⁶

C. Trademark infringement

It is important to note that the USPTO does not enforce a party’s right in a mark, file lawsuits against alleged infringers, or even aid trademark owners in policing marks against infringement.¹⁰⁷ Since the USPTO does not police marks, the mark can become weak or generic as time passes by.¹⁰⁸ Once a mark acquires rights, trademark law protection starts by providing the appropriate remedies to the trademark owner.¹⁰⁹

Improper use of trademarks may constitute trademark infringement.¹¹⁰ Once a party owns the rights to a certain trademark, that party can sue other parties, who use the trademarks improperly, for trademark infringement.¹¹¹ To establish a trademark infringement under the Lanham Act, the plaintiff must prove three things: “(1) the mark is valid and protectable; (2) the plaintiff owns the mark; and (3) the defendant’s use of the mark is likely to cause consumer confusion.”¹¹² When determining whether there is trademark infringement, courts

¹⁰⁰ *Id.*

¹⁰¹ *Id.*

¹⁰² *Id.*

¹⁰³ *Id.*

¹⁰⁴ *Id.*

¹⁰⁵ *Overview of Trademark Law, supra* note 72.

¹⁰⁶ *Id.*

¹⁰⁷ *See id.* (explaining the various laws by which trademarks are protected but does not inform as to who the enforcement bodies are).

¹⁰⁸ *Id.*

¹⁰⁹ *Id.*

¹¹⁰ *See id.* (explaining various ways that improper use can come about and constitute trademark infringement).

¹¹¹ *Id.*

¹¹² *Trademark Infringement, CORNELL LAW,*

consider the standard of “likelihood of confusion.”¹¹³ The phrase “likelihood of confusion” means the consumer is misled as to the source of the goods or as to the “sponsorship or approval of such goods.”¹¹⁴ When determining whether consumers are likely to be confused, courts generally examine various factors: “(1) the strength of the mark; (2) the proximity of the goods; (3) the similarity of the marks; (4) evidence of actual confusion; (5) the similarity of marketing channels used; (6) the degree of caution exercised by the typical purchaser; (7) the defendant’s intent.”¹¹⁵ For instance, the use of an identical mark on the same product would cause a likelihood of confusion among consumers and therefore constitute trademark infringement.¹¹⁶ If another company uses Nike’s slogan “Just Do It,” then that company could have infringed on Nike’s trademark rights.¹¹⁷ After all, when consumers see “Just Do It,” they would immediately associate it with Nike’s brand.¹¹⁸ If they see “Just Do It” on a different company’s product, they would be under the false impression that Nike endorsed this particular company or the two companies are somehow related to one another.¹¹⁹

There is no bright-line rule to determine whether there is trademark infringement, so courts use the factors set forth above.¹²⁰ However, there are many close cases, which have led to inconsistencies in outcomes of cases.¹²¹ For instance, when “the marks are similar and the products are also similar, it will be difficult to determine whether consumer confusion is likely.”¹²² In *AMF Inc. v. Sleekcraft Boats*, the owners of the mark “Sleekcraft” used the mark associating with the sale of boats used for the purpose of family recreation.¹²³ They sued for trademark infringement against a company that used the mark “Sleekcraft” in for the sale of high-speed performance boats.¹²⁴ The court

https://www.law.cornell.edu/wex/trademark_infringement (last visited Feb. 4, 2017).

¹¹³ *Overview of Trademark Law*, *supra* note 105.

¹¹⁴ *Id.*

¹¹⁵ *Id.*

¹¹⁶ *Id.*

¹¹⁷ See Marcus Fairs, *Nike’s “Just do it” slogan based on a murderer’s last words, says Dan Weiden*, DEEZEN (Mar. 14, 2015), <http://www.deezen.com/2015/03/14/nike-just-do-it-slogan-last-words-murderer-gary-gilmore-dan-wieden-kennedy/> (discussing the origins of the Nike brand and how it’s association with products connects a person’s mind to the brand).

¹¹⁸ *Id.* (associating people’s connection with the brand and inferring that if a person sees the Nike logo on the product, they will assume it is endorsed by Nike and will uphold the same quality aspects of the brand).

¹¹⁹ *Overview of Trademark Law*, *supra* note 113.

¹²⁰ *Id.*

¹²¹ *Id.*

¹²² *Id.*

¹²³ *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 346 (1979).

¹²⁴ *Id.*

reasoned that, because the two types of boats were in different markets (one is for family recreation and the other one is for high-speed performance boats) the products were related but not identical.¹²⁵ The court held that the use of the term Sleekcraft could cause confusion among consumers.¹²⁶

On the other hand, there is a pending case on a possible trademark infringement concerning Vineyard Vine's iconic smiling pink whale.¹²⁷ In August 2015, Vineyard Vines sued Rehoboth Lifestyle Clothing Co. for selling tops and sweatshirts that display its company's name "Rehoboth" adorned with Vineyard Vine's whale trademark.¹²⁸ The lawsuit alleges that Rehoboth Lifestyle's use of the whale creates confusion among consumers and specifically stated that Rehoboth's merchandise "deprives Vineyard Vines of its absolute right to determine the manner in which its image is presented to the public" ¹²⁹ The attorney for Rehoboth defended the company by stating that the whale on Rehoboth's merchandise is "noticeably different" from the Vineyard Vines whale and that the USPTO has registered "dozens upon dozens of smiling whale logos to various applicants, many of them for clothing."¹³⁰ However, consumers think otherwise and believe that Rehoboth's whale leads people to think the striking resemblance of the whale is associated with Vineyard Vines.¹³¹ A particular individual, who has worked in retail for many years, said she "raised an eyebrow when she saw the whale shirts in Rehoboth Lifestyle recently."¹³² Another person said, "[w]hen you see the whale, you see quality. It's all about quality [t]hese days, brand is everything."¹³³ Law school professors have also weighed in on this issue, and Laura Heymann, Vice Dean and professor of law at William and Mary Law School, stated that "it will come down to the factual question of how likely such confusion is "between Vineyard Vines logo and the ones used by Rehoboth Lifestyle Clothing."¹³⁴ Though there has not been a ruling in this case yet, this case is one of the many examples that demonstrate that there is no bright-line rule in determining whether a trademark infringement has occurred.

¹²⁵ *Id.* at 348.

¹²⁶ *Id.* at 352-53.

¹²⁷ Maureen Milford, *Whale war: Vineyard Vines, Rehoboth shop clash over logo*, DELAWARE ONLINE (Aug. 16, 2015), <http://www.delawareonline.com/story/money/business/2015/08/16/whale-wars-clash-vineyard-vines-logo/31754455/>.

¹²⁸ *Id.*

¹²⁹ *Id.*

¹³⁰ *Id.*

¹³¹ *Id.*

¹³² *Id.*

¹³³ *Id.*

¹³⁴ *Id.*

IV. HASHTAGS AS TRADEMARKS

A. USPTO Recognizes Hashtags as Trademarks

In 2013, the USPTO acknowledged that a term containing a pound sign (or hash symbol) may be registered as a trademark, but “*only* if it functions as an identifier of the source of the applicant’s goods or services.”¹³⁵ Since 2013, the USPTO has registered over 100 hashtags as trademarks, including: ¹³⁶ #STEAKWORTHY for “restaurant services,” ¹³⁷ #MYCHASENATION for “entertainment services, namely, conducting motorsports racing events; regulating, governing and sanctioning motorsports racing,”¹³⁸ #LIKEAGIRL for “providing information in the field of female empowerment, anti-gender discrimination via social media,”¹³⁹ and #THESELFIE for “photography and videography equipment, namely, remote shutter releases.”¹⁴⁰

The Trademark Manual of Examining Procedure (“TMEP”) states that a hashtag could be registered if it includes a disclaimer of the term “hashtag” or the hash symbol “in cases where they are separable from other registrable matter.”¹⁴¹ The USPTO, however, will not allow registration of marks, which contain only the hash symbol “combined with merely descriptive or generic wording for goods or services.”¹⁴² For instance, the USPTO Office did not register the following hashtags under Section 2(e)(1) of the Trademark Act:¹⁴³

#PINUPGIRL CLOTHING for “online shopping site and retail stores featuring women’s vintage inspired clothing, swimwear, footwear, cosmetics, handbags, purses, wallets, belts, jewelry, sunglasses, scarves, and headwear”¹⁴⁴; and #HASHTAGSKATE for “skateboards, skateboard decks, skateboard grip tapes, skateboard rails, skateboard riser pads, skateboard trucks, skateboard

¹³⁵ U.S. PATENT & TRADEMARK OFFICE, TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1202.18 (5th ed. Sept. 2007).

¹³⁶ Kiedrowski & Murphy, *supra* note 22.

¹³⁷ Logan’s Roadhouse has registered this trademark. #STEAKWORTHY, Registration No. 4,695,901. *See also Logan’s Roadhouse, Inc. Trademarks*, JUSTIA.COM (Nov. 25, 2016), <https://trademarks.justia.com/owners/logan-s-roadhouse-inc-2468302/>.

¹³⁸ #MYCHASENATION, Registration No. 4,699,905 (NASCAR has registered this trademark).

¹³⁹ #LIKEAGIRL, Registration No. 4,785,927 (The Proctor and Gamble Company has registered this trademark).

¹⁴⁰ #THESELFIE, Registration No. 4,650,601 (The M&S Accessory Network has registered this trademark).

¹⁴¹ *See* U.S. PATENT & TRADEMARK OFFICE, TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1202.18 (5th ed. Sept. 2007).

¹⁴² *Id.*

¹⁴³ Kiedrowski & Murphy, *supra* note 22.

¹⁴⁴ *Id.*

wax, skateboard wheels, bags for skateboards, ball bearings for skateboards, nuts and bolts for skateboards, harnesses specially adapted for carrying skateboards, inline skates and toy scooters; athletic supporters, athletic tape, shoulder pad elastic for athletic use, shoulder pad laces and lacelocks for athletic use, throat protectors for athletic use, elbow guards and pads for athletic use, hand pads for athletic use, knee guards and pads for athletic use, leg guards and weights for athletic use, shin guards and pads for athletic use”.¹⁴⁵

The USPTO examines applications for hashtags similarly to how they examine traditional marks.¹⁴⁶ The USPTO will only allow for an individual or company to register a mark if the mark “contains words or phrases that function independently as a source identifier.”¹⁴⁷ Simply adding a hashtag to a descriptive word or phrase will not make it possible for the USPTO to register the mark absent secondary meaning.¹⁴⁸

When determining whether to register a hashtag as a trademark, the USPTO examines the following four factors: (1) context, (2) placement of the hash symbol in the mark, (3) how the hashtag is being used; and, (4) types of goods or services identified.¹⁴⁹ These four factors will be discussed as follows:

i. Context in which hashtag is used

The context in which a hashtag is used is a contributing factor in determining whether a particular hashtag deserves trademark protection.¹⁵⁰ After all, a trademark functions as a source identifier.¹⁵¹ In other words, if it does not serve this purpose, then it is no longer a trademark anymore.¹⁵²

Hashtags are often used to organize people’s comments in a specific category. For instance, the hashtag #38weeks, would gather pictures of women who are in their thirty-eighth week of pregnancy.¹⁵³ #38weeks does not function as a source identifier. Another example would be #SEWFUN.¹⁵⁴ When one company attempted to register the hashtag #SEWFUN for sewing instructions, the

¹⁴⁵ *Id.*

¹⁴⁶ *Id.*

¹⁴⁷ *Id.*

¹⁴⁸ *Id.*

¹⁴⁹ Daliah Saper, *Are Hashtags Intellectual Property?*, BUSINESS.COM (June 19, 2015), <http://www.business.com/legal/are-hashtags-intellectual-property/>.

¹⁵⁰ *Id.*

¹⁵¹ *Id.*

¹⁵² *Id.*

¹⁵³ #38weeks, INSTAGRAM, <https://www.instagram.com/explore/tags/38weeks/?hl=en> (last visited Feb. 3, 2017).

¹⁵⁴ *See* U.S. PATENT & TRADEMARK OFFICE, TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1202.18 (5th ed. Sept. 2007).

USPTO denied registration.¹⁵⁵ The USPTO reasoned that the “proposed mark #SEWFUN for instruction in the field of sewing appears on a specimen comprising a screenshot of a social networking site [is] used merely to organize users’ comments about sewing classes [the] applicant offers”¹⁵⁶ and hence “the mark must be refused registration for failure to function as a service mark.”¹⁵⁷ The company only used the mark in a social media forum, on Twitter, to categorize users’ comments about sewing classes.¹⁵⁸ It did not use #SEWFUN to identify its company. In other words, the hashtag was not used as a source identifier, which is the requirement for a mark to be trademarked.

ii. The placement of the hashtag

Since the hashtag symbol is a pound sign, the placement of the hashtag symbol determines whether the hashtag is indeed a hashtag. If the hashtag symbol is used before a number, then the hashtag will just be a number.¹⁵⁹ To illustrate, a number 10 appearing after the pound sign is not a hashtag.¹⁶⁰ Rather, it would be number 10.¹⁶¹ If the hashtag symbol can be separated from the other part of the hashtag, this will unlikely be considered a hashtag and hence cannot be a trademark.¹⁶² For instance, a company had to disclaim the so-called hashtag “#INGENUITY” for business consultation, simply because there is a space between the hashtag symbol and the word itself.¹⁶³

iii. How the hashtag is being used

If a hashtag is used to refer to a company’s social media campaign or to index a social media message, the hashtag is not protected by trademark.¹⁶⁴ The mere fact that a company uses a hashtag in its social media account or advertising material does not mean it can be protected by trademark.¹⁶⁵ Since the hashtag is not used to identify the source of a good or service, it cannot deserve

¹⁵⁵ Saper, *supra* note 149.

¹⁵⁶ U.S. PATENT & TRADEMARK OFFICE, TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1202.18 (5th ed. Sept. 2007).

¹⁵⁷ *Id.*

¹⁵⁸ Saper, *supra* note 149.

¹⁵⁹ *Id.*

¹⁶⁰ *Id.*

¹⁶¹ *Id.*

¹⁶² *Id.*

¹⁶³ *Id.*

¹⁶⁴ *Id.*

¹⁶⁵ *Id.*

trademark protection.¹⁶⁶

iv. Types of goods or services identified

The hashtag cannot simply just describe or “generically identify the underlying goods or services.”¹⁶⁷ For instance, employing the use of hashtags “#coffee” for a coffee shop does not identify the source of the coffee.¹⁶⁸ Here, the “#coffee” hashtag is just describing the relevant product type.¹⁶⁹ However, a specific type of coffee, on the other hand, such as “#Starbucks,” “signifies a specific source of coffee.”¹⁷⁰ Likewise, Nike’s slogan “Just Do It” is still considered a trademark when it is hashtagged (#JustDoIt) because consumers will identify the slogan with Nike.¹⁷¹

For a hashtag to be trademarked, it “must follow the same trademark rules as words and symbols.”¹⁷² This means it “must signify a specific source of goods or services.”¹⁷³ As the aforementioned factors demonstrate, there is no bright-line test to determine whether there a particular hashtag deserves trademark protection. Therefore, courts must weigh each factor carefully.

While the USPTO states that trademark law does not protect hashtags because they do not generally qualify as source identifiers, they usually function “merely to facilitate categorization and searching within online social media.”¹⁷⁴ The USPTO does not take an absolute stance on whether hashtags deserve trademark protection,¹⁷⁵ having both approved and rejected registrations of hashtags.¹⁷⁶ In the instances where USPTO accepted registrations, the USPTO pointed out that the “specimen submitted in support of the registration application evidenced use of the hashtag mark as a trademark, not merely as a means of facilitating on-line searching.”¹⁷⁷ Each hashtag, the USPTO emphasized, displayed the hashtag mark in a non-Internet context relating to the

¹⁶⁶ *Id.*

¹⁶⁷ *Id.*

¹⁶⁸ *Id.*

¹⁶⁹ *Id.*

¹⁷⁰ *Id.*

¹⁷¹ *Id.*

¹⁷² *Id.*

¹⁷³ *Id.*

¹⁷⁴ See U.S. PATENT & TRADEMARK OFFICE, TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1202.18 (5th ed. Sept. 2007).

¹⁷⁵ David Kohane, *Undecided: Trademark Protection for Hashtags*, IPWATCHDOG (June 24, 2016), <http://www.ipwatchdog.com/2016/06/24/undecided-trademark-protection-hashtags/id=70111/>.

¹⁷⁶ Examples of marks accepted for registration include #HOWDOYOUKFC (KFC Corporation, for restaurant services), #BLAMEMUCUS (used in connection with MUCINEX brand medications), and #BESTFEELINGS (used by S.C. Johnson for air fresheners). *Id.*

¹⁷⁷ *Id.*

companies' goods or services.¹⁷⁸ However, the USPTO rejected several hashtags on the grounds that the display of hashtag "merely evidenced use as a hashtag for online social media."¹⁷⁹

B. Hashtags are Similar to Domain Names

Businesses' hashtags are similar to domain names in that both can act as source identifiers.¹⁸⁰ TMEP states that a domain name will be registered only if "the mark, as depicted on the specimen, [is] presented in a manner that will be perceived by potential purchasers to indicate the source and not as merely an information indication of the domain name address used to access a website."¹⁸¹ Brands decide to trademark their domain name where "it forms an essential part of their branding."¹⁸² The website itself, such as "Yahoo" in yahoo.com, "must generally be capable of distinguishing the goods or services in order for a trademark to be registered."¹⁸³ In *REA Group Ltd. v. Real Estate 1 Ltd.*, the Court held that top-level domain names¹⁸⁴ could be essential elements of a brand.¹⁸⁵ The Court held that Real Estate 1 had infringed on "realestate.com.au" trademark "on the basis of evidence of widespread consumer recognition of the mark."¹⁸⁶ The "realestate.com.au" logo was considered as a domain name in its entirety, and "the inclusion of .com.au as part of that essential feature was necessary because 'realestate' on its own would not be sufficiently distinctive to establish brand identity, being a term commonly required in the industry."¹⁸⁷ The domain name "realestate1.com.au" was too "deceptively similar" to the registered "realestate.com.au," hence infringing that trademark.¹⁸⁸

Businesses' hashtags, like domain names, could be essential features of brands. For instance, #HOWDOYOUKFC was an essential feature of Ken-

¹⁷⁸ *Id.*

¹⁷⁹ *Id.* #TAKETHERIDE for beer was rejected because it was only used for online social media. *Id.*

¹⁸⁰ *Id.*

¹⁸¹ See U.S. PATENT & TRADEMARK OFFICE, TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1215.02(a) (5th ed. Sept. 2007).

¹⁸² Chris Paver, *Who owns hashtags and can you trademark your own?*, MUMBRELLA (June 27, 2016), <https://mumbrella.com.au/who-owns-hashtags-and-can-you-trade-mark-your-own-375766>.

¹⁸³ *Id.*

¹⁸⁴ A top-level domain name is the part located to the right of the dot "." in an URL address. Some common examples are .com, .net, and .org.

¹⁸⁵ Paver, *supra* note 182.

¹⁸⁶ *Id.*

¹⁸⁷ *Id.*

¹⁸⁸ *Id.*

tucky Fried Chicken, so the USPTO could register the hashtag for trademark protection. #HOWDOYOUKFC was an effort to gauge how consumers were feeling about the company: “It allows consumers to tell us what it is they love about our brand, whether it’s the discovery of our new LTO’s¹⁸⁹ or a rediscovery of an older item like a pot pie that they maybe haven’t had in a while but are now rediscovering.”¹⁹⁰ Thus, #HOWDOYOUKFC helped KFC with its brand evolution. Trademark law protects certain domain names, and the same conclusion should be reached for business hashtags.

C. Hashtags are Similar to Slogans and Taglines

Hashtags function similarly as slogans and taglines for companies. A slogan is defined as a “brief attention-getting phrase used in advertising or promotion”¹⁹¹ and a tagline is defined as “a reiterated phrase identified with an individual, group, or product.”¹⁹² There are two types taglines or slogans that companies seek trademark protection of: (1) taglines tied to an advertising campaign or sales of a good or service; and (2) taglines or slogans that are on merchandise intended to invoke or amuse people and drive them to purchase the merchandise.¹⁹³ Courts have decided that slogans as trademarks have the same scrutiny as non-slogan trademarks.¹⁹⁴ To qualify for trademark protection, taglines or slogans must be inherently distinctive or creative or have a secondary meaning that is associated with a product or service.¹⁹⁵

Business hashtags fit under the description of slogans and taglines. They are short phrases that are designed to grasp peoples’ attention in hopes of generating more conversation about a particular company’s brand. If slogans are subject to the same scrutiny as non-slogan trademarks, then hashtags should also receive the same protection.

D. Hashtags Function as Source Identifiers, Not Merely Descriptive Devices

As mentioned in an earlier part of this Article, trademarks serve as source identifiers and hence are not merely descriptive devices. In *Eksouzian v. Al-*

¹⁸⁹ LTO’s are Limited Time Offers.

¹⁹⁰ Tamara Omazic, *KFC Wants to Know: #HowDoYouKFC?*, QSRMAGAZINE (Jan. 9, 2014), <https://www.qsrmagazine.com/news/kfc-wants-know-howdoyoukfc>.

¹⁹¹ *Slogan Definition*, MERRIAM WEBSTER DICTIONARY, <https://www.merriam-webster.com/dictionary/slogan> (last visited Feb. 5, 2017).

¹⁹² *Tagline Definition*, MERRIAM WEBSTER DICTIONARY, <https://www.merriam-webster.com/dictionary/tagline> (last visited Feb. 5, 2017).

¹⁹³ Heather Repicky, *Can You Trademark That Tagline*, NUTTER: UNCOMMON LAW (Jan. 16, 2015), <http://www.nutter.com/Can-You-Trademark-That-Tagline-01-16-2015/>.

¹⁹⁴ *See Roux Lab., Inc. v. Clairol Inc.*, 427 F.2d 823, 831 (C.C.P.A.) (1970).

¹⁹⁵ Repicky, *supra* note 193.

banese, the Court held that hashtags were merely descriptive devices.¹⁹⁶ The competitors that manufactured and sold compact vaporizer pens (e-cigarettes) had a settlement agreement to resolve a trademark dispute in a previous case.¹⁹⁷ The plaintiffs sued to enforce the agreement and “the defendants counterclaimed and accused the plaintiffs of materially breaching the agreement by their use of certain hashtags.”¹⁹⁸ The agreement, in particular, explicitly prohibited the plaintiffs from using the words “cloud,” “cloud v” and/or “cloud vapes” in close association with the words “pen” and “penz” among others, in connection with their products as a unitary trademark.¹⁹⁹ For instance, the plaintiffs were not allowed to use the unitary mark CLOUD PENS.²⁰⁰ But, the plaintiffs could still use “pen” to accurately describe their product as a “pen.”²⁰¹ The defendants stated the “plaintiffs materially breached the agreement by using the hashtags #cloudpen and #cloudpenz in Instagram posts and in promotional contests.”²⁰² It is apparent that the “defendants owned federal registrations for the mark CLOUD PENZ covering “[e]lectronic cigarettes; [s]mokers’ articles in the nature of vaporizers, namely, electronic handheld vaporizers for personal inhalation of dry herbs and oils, and smokeless cigarette vaporizer pipes.”²⁰³

The court in *Eksouzian* concluded that the plaintiffs did not breach the settlement agreement by using #cloudpen “because *hashtags are merely descriptive devices, not trademarks*, unitary or otherwise, in and of themselves” (emphasis added).²⁰⁴ The court reasoned that the term “pen” was merely a descriptive term for the products and cited the TMEP provision, which states “[t]he addition of the term HASHTAG or the hash symbol (#) to an otherwise unregistrable mark typically cannot render it registrable.”²⁰⁵ The #cloudpen was merely “a functional tool to direct the location of Plaintiffs’ promotion so that it is viewed by a group of consumers, not an actual trademark.”²⁰⁶ The outcome of the case, however, would probably be different if the defendant had owned a trademark registration for CLOUDPEN without the hash symbol.²⁰⁷

¹⁹⁶ *Eksouzian v. Albanese*, No. CV 13–00728, 2015 WL 4720478, at *8 (C.D. Cal. Aug. 7, 2015).

¹⁹⁷ *Id.* at *1. See also Kiedrowski & Murphy, *supra* note 143.

¹⁹⁸ Kiedrowski & Murphy, *supra* note 143.

¹⁹⁹ *Eksouzian v. Albanese*, 2015 WL 4720478, at *7.

²⁰⁰ *Id.*

²⁰¹ *Id.*

²⁰² Kiedrowski & Murphy, *supra* note 198.

²⁰³ *Id.*

²⁰⁴ *Eksouzian v. Albanese*, 2015 WL 4720478, at *8.

²⁰⁵ *Id.* at *7–8.

²⁰⁶ *Id.* at *8.

²⁰⁷ Kiedrowski & Murphy, *supra* note 143.

#Justdoit and #Shareacoke are slogans for Nike and Coca-Cola, respectively.²⁰⁸ An average individual would associate these two slogans with their companies. Imagine that a sneaker company posts an Instagram photo of sneakers with #Justdoit in the caption. It would be reasonable for a person to think that the sneakers are from Nike, but the sneakers are, in fact, not Nike's product. #Justdoit, in this scenario, is not merely a descriptive device, but a source identifier. #Justdoit serves to identify Nike as the source of goods or services, and hence signify a particular standard of quality.

There is an argument that hashtags can never function as trademarks because hashtags cannot be source identifiers.²⁰⁹ The author of a law review article writes:

A hashtag is incapable of identifying a single, particular source because the very purpose of hashtags is to categorize multiple sources. Not only does a hashtag catalog multiple sources across various media and outlets, it can seldom distinguish one source from another source, an essential trademark element. In other words, hashtag users are under the assumption that anyone can freely use a hashtag in a post on the Internet, whether that is on Twitter, Facebook, Instagram, etc., and that the very purpose of the metadata tag is to provide easy access to multiple sources. Because anyone can include any hashtag in any post, consumers understand that a hashtag containing a trademark does not necessarily mean the post came from the owner of said trademark; posts can originate from anyone.²¹⁰

This position is, in fact, inaccurate as it is demonstrated in a previous section of this Article. The issue with this argument is that it does not consider the fact that companies may use hashtags to advertise their products on a social media platform. For instance, if Reebok, an athletic shoe company, uses Nike's slogan "Just Do It" in its hashtag, at this juncture, this particular hashtag is not just merely "categoriz[ing] multiple sources" as the author of the law review article claims. In fact, this hashtag would undoubtedly cause consumer confusion. It would be reasonable for an individual to think that Reebok shoes are Nike shoes.

E. Hashtags Cause Consumer Confusion

Case law demonstrates that hashtags could potentially cause consumer confusion. In *Public Impact, LLC v. Boston Consulting Group, Inc.*,²¹¹ for in-

²⁰⁸ Camille Storms, *The Power Of #Hashtags*, MARGINMEDIA (Apr. 11, 2016, 12:03 PM), <http://blog.marginmedia.com.au/our-blog/the-power-of-hashtags>.

²⁰⁹ Elizabeth A. Falconer, Note, *#CanHashtagsBeTrademarked: Trademark Law and the Development of Hashtags*, 17 N.C. J.L. & TECH. ON. 1, 31 (2016).

²¹⁰ *Id.* at 33.

²¹¹ *Public Impact, LLC v. Boston Consulting Group, Inc.*, 169 F. Supp. 3d 278, 285 (D. Mass. Mar. 11, 2016) (Public Impact filed a motion for injunctive relief against Boston Consulting Group, Inc., in federal court in N.C., for trademark infringement advancing an

stance, an education policy and management consulting firm that owns a federal registration for the mark PUBLIC IMPACT, sought a preliminary injunction to prevent the defendant, Boston Consulting Group (or BCG), from using the hashtag #PublicImpact and the username @4PublicImpact on social media.²¹² The court, after deciding that BGC had not sufficiently proved that “public impact” is generic for consulting services, the court reasoned that BCG’s use of the username and hashtag was likely to constitute trademark infringement, given the similarity of the services provided by the two organizations.²¹³ At the end, the court decided to enjoin BCG from using the phrase “public impact” with two or fewer letters, numbers, or characters appended in any form on social media or in other marketing activities.²¹⁴

Another notable case concerning consumer confusion is *Fraternity Collection, LLC v. Fagnoli*.²¹⁵ Fraternity Collection, a clothing manufacturer, sued former designer Elise Fagnoli on her use of the hashtags #fratcollection and #fraternitycollection.²¹⁶ Fraternity Collection and Fagnoli signed a contract that Fagnoli would design Pocket Shirts known as Francesca Joy.²¹⁷ Unfortunately for Fagnoli though, Fraternity Collection found out that Fagnoli was selling the same Pocket Shirts to competitor Fashion Greek.²¹⁸ Fraternity Collection immediately terminated its relationship with Fagnoli.²¹⁹ Fagnoli, however, used her Instagram account (elise_francesca_) to market her Francesca Joy shirts using the #fratcollection and #fraternitycollection hashtags.²²⁰ When Fraternity Collection filed this lawsuit against Fagnoli, she moved to dismiss Fraternity Collection’s Lanham and trademark infringement claims.²²¹ The court in the Southern District of Mississippi denied Fagnoli’s motion and held that the hashtags were enough to prove false advertising and trademark infringement claims.²²² The Court noted that the use of a competitor’s name or product as a hashtag in social media posts “could, in certain circumstances, deceive consumers.”²²³ This case was settled, but it “offers little insight into

ordinary confusion claim and a “reverse confusion” claim. The court granted Public Impact’s motion for injunctive relief in part and denied in part).

²¹² *Id.* at 283-85.

²¹³ *Id.* at 288.

²¹⁴ *Id.* at 297.

²¹⁵ *Fraternity Collection, LLC v. Fagnoli*, 2015 WL 1486375, *1, *2 (S.D. Miss. Mar. 31, 2015).

²¹⁶ *Id.* at *2.

²¹⁷ *Id.* at *1.

²¹⁸ *Id.*

²¹⁹ *Id.*

²²⁰ *Id.*

²²¹ *Id.* at *2.

²²² *Id.* at *4.

²²³ *Id.*

whether hashtagging could ultimately render a party liable for trademark infringement as opposed to simply being sufficient to survive a motion to dismiss at the pleadings stage.”²²⁴

A final case concerning consumer confusion is *TWTB, Inc. v. Rampick*. There, a federal district court in New Orleans ‘enjoined the operator of a New Orleans restaurant from using the name “Lucy’s” and surfer-themed trade dress because they were confusingly similar to the licensed marks and trade dress that were associated with the restaurant when it was operated under license as “Lucy’s Retired Surfer’s Bar & Restaurant (LRSBR).”²²⁵ Initially, TWTB had argued that there was no likelihood of confusion since LRSBR is a licensing company and TWTB operates a restaurant service, so there was no apparent competition between the two companies.²²⁶ TWTB had a license to operate a restaurant and bar with LRSBR’s trademarks, but the license was terminated.²²⁷ Without a valid license, TWTB continued to operate a restaurant and bar with the name “Lucy’s.”²²⁸ The Court stated that the “relevant analysis is whether ordinary consumers believe that the restaurant and bar is still licensed by or affiliated with LRSBR.”²²⁹ Under the terms of the License Agreement, the trademark LUCY’S RETIRED SURFER’S BAR & RESTAURANT was used to advertise a restaurant and bar with a surfer theme. Since the license was terminated and TWTB was still using the word “Lucy’s” to advertise a restaurant and bar with a surfer theme, the Court found that this factor supported a likelihood of confusion.²³⁰ The Court held that TWTB was “clearly holding itself out to be the same business” as the licensed LUCY’S RETIRED SURFER’S BAR & RESTAURANT.

Aside from these aforementioned cases, the fact social media websites have trademark infringement policies is a strong indicator that they are aware of potential trademark infringement claims on their sites. Of course, their policies would include the use of hashtags. Twitter’s policy, for instance, advises that companies should “promote, honest, authentic, and relevant content”²³¹:

Advertisers may not mislead or confuse users by inaccurately or deceptively

²²⁴ Bruno Tarabich, *Can a Hashtag Be Trademarked? #ItDepends*, TRADEMARK WELL (Jan. 12, 2016), <http://trademarkwell.com/can-a-hashtag-be-trademarked-itdepends/>.

²²⁵ Cheryl Beise, *New Orleans restaurant must cease using name “Lucy’s” and surfer-theme trade dress*, LAW DAILY REPORTING SUITE (Jan. 21, 2016), http://www.dailyreportingsuite.com/ip/news/new_orleans_restaurant_must_cease_using_name_lucy_s_and_surfer_theme_trade_dress.

²²⁶ *TWTB, Inc., v. Rampick*, 152 F. Supp. 3d 549, 557 (E.D. La. Jan. 20, 2016).

²²⁷ *Id.* at 564.

²²⁸ *Id.* at 571.

²²⁹ *Id.* at 564.

²³⁰ *Id.* at 560.

²³¹ *Trademark policy for twitter ads*, TWITTER, <https://support.twitter.com/articles/20170140> (last visited Jan. 27, 2017).

representing their brand or product. Accordingly, using trademarked materials in Twitter Ads copy in a manner that misleads or confuses users is a policy violation. Twitter's Trust & Safety team enforces this policy by responding to legitimate authorized complaints from trademark holders. Any resulting decisions are within Twitter's sole discretion, within the bounds of applicable law.²³²

In short, Twitter's policy does not allow companies to post tweets that mislead users about the companies' brand affiliation.²³³ Tweets always contain hashtags, which, if improperly used, could lead consumers to think that they are affiliated with the original company.

Instagram is another social media platform that has a trademark infringement policy. It points out what trademark violations may include, such as "using a company or business name, logo or other trademark-protected materials in a manner that may mislead or confuse others about its brand or business affiliation."²³⁴ It also includes what does not constitute a violation, such as "using another's trademark in a way that has nothing to do with the product or service for which the trademark was granted is not a violation of Instagram's trademark policy."²³⁵

Lastly, Facebook has a trademark infringement policy. It articulates the purpose of trademark law, which is to "prevent confusion among consumers about who provides or is affiliated with a product or service."²³⁶ Furthermore, it states that an:

[O]wner of a trademark may be able to prevent others from using its trademark (or a similar trademark) in a way that would confuse people into thinking that there's a relationship between the trademark owner and a person who isn't authorized to use the trademark of that the trademark owner endorses that other person's products or services.²³⁷

The fact that these social media platforms have implemented a trademark infringement policy demonstrates that they know content on their websites could possibly mislead other users into thinking that content may be associated with a trademark owner. Since there is an increase of presence of hashtags on social

²³² *Id.*

²³³ Including other brands via sharing links, images, or other embedded media that create user confusion regarding the advertiser's brand affiliation may constitute trademark infringement. *Intellectual Property*, INSTAGRAM, <https://help.instagram.com/535503073130320> (last visited Jan. 27, 2017).

²³⁴ *What if an account is using my registered trademark as its username?*, INSTAGRAM, <https://help.instagram.com/101826856646059> (last visited Jan. 27, 2017).

²³⁵ *Id.*

²³⁶ *Trademark*, FACEBOOK, https://www.facebook.com/help/507663689427413?helpref=hc_global_nav (last visited Jan. 27, 2017).

²³⁷ *Id.*

media, it is indispensable that certain hashtags, which act as source-identifiers, be protected by trademark law.

Offering trademark protection for hashtags would allow companies to have “legal recourse against uncompetitive use of those trademarks by other parties using them for commercial gain.”²³⁸ Rob Davey, a senior director of global services at Thomson CompuMark and author of a hashtag study, reported that clothing, footwear, and headgear are the most common classification of good and services with trademarked hashtags, which more than 800 so far.²³⁹ Companies would encourage customers to use their hashtags, but they would like to prevent their competitors from “using the same traffic for their commercial gain.”²⁴⁰

V. RECOMMENDATIONS FOR COMPANIES ON AVOIDING TRADEMARK INFRINGEMENT

It has been advised that companies should use hashtags to market their products and services.²⁴¹ In fact, research shows that there have been an increasing number of company brands that are trademarking social media hashtags.²⁴² Although hashtags are an efficient way to make company brands known to the public; companies should take caution when using them. Using hashtags in an improper way may potentially cause trademark legal issues.

There are creative ways that companies can use to ensure they do not infringe upon other company trademarks, such as the Oreo cookies-company.²⁴³ During the power outage at the Super Bowl a few years ago, Oreo tweeted a picture of a picture of an Oreo cookie with a caption that said: “You Can Still Dunk In The Dark.”²⁴⁴ When consumers viewed the tweet, they immediately made the connection that Oreos was referring to the Super Bowl power outage

²³⁸ Maghan McDowell, *Protecting Fashion Hashtags With Trademarks*, WWD (Apr. 6, 2016), <http://wwd.com/business-news/media/fashion-hashtag-trademark-10404235/>.

²³⁹ *Id.* Examples include Madewell’s #everydaymadewell, Hudson’s #letyourselfgo and Sketcher’s #gomeb. *Id.*

²⁴⁰ *Id.*

²⁴¹ 3 *Key Hashtag Strategies: How to Market your Business & Content*, WISHPOND BLOG, <http://blog.wishpond.com/post/62253333766/3-key-hashtag-strategies-how-to-market-your-business> (last visited Jan. 27, 2017).

²⁴² Saqib Shah, *Research Reveals Increasing Number of Brands Are Trademarking Social Media Hashtags*, DIGITAL TRENDS (Apr. 1, 2016), <http://www.digitaltrends.com/social-media/research-reveals-increasing-number-of-brands-are-trademarking-social-media-hashtags/>.

²⁴³ Angela Watercutter, *How Oreo Won The Marketing Superbowl With a Timely Black-out Ad On Twitter*, WIRED (Feb. 4, 2013), <https://www.wired.com/2013/02/oreo-twitter-super-bowl/>.

²⁴⁴ *Id.*

because the words “in the dark” implied the outage.²⁴⁵ Consumers absolutely adored the tweet and Oreo successfully conveyed the message without mentioning a Super Bowl trademark.²⁴⁶

The International Trademark Association offers some good advice for companies on protecting their brands on social media.²⁴⁷ When deciding whether to register a hashtag as a trademark, companies should “consider registering only the underlying word or phrase without the hash symbol or the term “hashtag” in order to make clear that it functions as a source identifier.”²⁴⁸ For instance, the outcome in the *Eksouzian* case may have been decided differently if it found that the defendant had actually owned a trademark registration for CLOUDPEN without the hash symbol.²⁴⁹ If this were the case, the court would probably reason that #cloudpen functioned as a source identifier instead of a mere descriptive device.²⁵⁰ Additionally, the mark CLOUDPEN would be broader than #CLOUDPEN and “it would unquestionably allow enforcement against use of the mark without the hash symbol.”²⁵¹

Companies should also “prioritize the development and use of hashtags that do not include the company’s trade name or primary brand.”²⁵² If other courts in the future follow *Eksouzian*, using hashtags that do not consist of trade names or other key trademarks “will help limit the infringing use of such marks by third parties in a manner that companies cannot enforce against.”²⁵³ However, if companies do decide to continue to use hashtags with their names or primary trademarks on social media platforms, they should pay close attention to future cases discussing this hashtag issue.²⁵⁴

Lastly, since hashtags are becoming increasingly popular in social media and marketing campaigns, companies should include language discussing hashtags in settlement agreements.²⁵⁵ For instance, trademark owners, who seek to prevent another company from using a hashtag similar to their trademark should include language in the agreement that states: “[COMPANY] agrees not to use or seek to register the term “[TRADEMARK]” as a trademark, domain name, social media username, or hashtag in connection with

²⁴⁵ *Id.*

²⁴⁶ *Id.*

²⁴⁷ Kiedrowski & Murphy, *supra* note 143.

²⁴⁸ *Id.*

²⁴⁹ *Id.*

²⁵⁰ *Id.*

²⁵¹ *Id.*

²⁵² *Id.*

²⁵³ *Id.*

²⁵⁴ *Id.*

²⁵⁵ *Id.*

[PRODUCTS OR SERVICES].”²⁵⁶ A license agreement “could allow or restrict the use of a term as a hashtag to provide broader protection for trademark owners in the event that hashtags are not protected by trademark law.”²⁵⁷

CONCLUSION

The future of trademark protection for hashtags remains uncertain in light of the *Eksouzian* decision and the USPTO’s stance on the registration of hashtags. Hashtags, when they are used as merely descriptive devices, certainly do not deserve trademark protection. However, hashtags that function as source identifiers must be granted trademark protection. It is only fair for companies because they use these hashtags for their brand recognition and for their commercial gain. If protected by trademark law, these companies would have legal recourse against their competitors who use the hashtags to deceive consumers. Competitors, who use the hashtags to mislead consumers, pose a serious threat to the reputation of companies who have the authority to use the hashtags. As the use of hashtags is becoming popular for marketers, trademark law should not lag and should adapt to the ever-changing time of technology.

²⁵⁶ *Id.*

²⁵⁷ *Id.*