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

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# CAUTION BUSINESSES: 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 Twitter account asking followers to suggest names for the little fel-

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

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

Budweiser is one of the many businesses that use hashtags on social media to advertise its brand. 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. Budweiser, for instance, used #Clydesdales to engage people in conversations regarding the name selection for the foal. Its hashtag undoubtedly raised awareness for the Budweiser brand.

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

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12 Id.
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/.
16 Id. Supra note 11.
17 Id.
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...
describes and gives information about other data.”

A hashtag is an indexing tool that groups messages relating to a particular hashtag. A hashtag is similar to a hyperlink. 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. For instance, an Instagram user may click on #ootd and be brought to another page displaying pictures of “outfit of the day.”

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. The purpose of the pound symbol (#) was to facilitate the process of searching hashtags and to obtain relevant content related to them. Hashtags became popular in August 2007 when Chris Messina introduced them on Twitter. He first posted the hashtag, #barcamp, in August 2007, with a tweet inquiring about: “how do you feel about using # (pound) for groups. As in #barcamp [msg]?” Messina created #barcamp in hopes of organizing discussions and online exchanges concerning the topic of Barcamp. 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.” 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-

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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).


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

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.”

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. Six Degrees acquired its name from the concept of six degrees of separation. 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. 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. 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.
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).
45 Id.
casional emails to remind them to sign up.\footnote{Id.} 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.\footnote{Id.} Six Degrees was then sold to YouthStream Media in December 2000.\footnote{Id.}

Six Degrees introduced the world to the concept of social media, and subsequently blogging websites became popular in 1999.\footnote{Id.} After the popularization of blogs, social media emerged quickly.\footnote{Id.} In August 2003, eUniverse employees launched Myspace,\footnote{Hendricks, supra note 42.} 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.\footnote{Id.} Many other social media platforms came forth after the creation of Myspace.\footnote{Id.} Currently, there are numerous social media websites that allow users to virtually reach the maximum number of people without meeting face-to-face.\footnote{Id.}

The growth of social media has increased at a rapid rate.\footnote{Id.} 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.”\footnote{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.} The increase of social media use will make it more attractive for other companies to follow suit.

\footnote{Id.}{\textit{Id.}}\footnote{Id.}{\textit{Id.}}\footnote{Id.}{\textit{Id.}}\footnote{Id.}{\textit{Id.}}\footnote{Id.}{\textit{Id.}}

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. 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. For Instagram, users can locate certain Instagram photos by simply tapping on the hashtags. 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. 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.

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. 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. They are much more efficient than surveys and they can generate candid conversations about the company’s reputation. 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. Hashtags increase company visibility to the general public.

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. But, before we delve

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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.”\(^\text{68}\) The purpose of a trademark is to help consumers identify products and company brands easily at first glance.\(^\text{69}\) An example of a trademark is the Apple logo on Apple computer products.\(^\text{70}\) 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.\(^\text{71}\) 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.”\(^\text{72}\) 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.\(^\text{73}\) The degree of trademark law protection depends on which group the mark belongs in.\(^\text{74}\) 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.”\(^\text{75}\) These types of marks “do not

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\(^{73}\) 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. 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.

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. 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. It is only after it has acquired a secondary meaning that trademark protection begins.

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. Generic marks describe the category to which the products and services are a part of. Marks that are not initially generic can become generic gradually, a process known as genericide, so they would be unprotected by trademark law. An example of a generic term is “computer” since it refers to all computers and computer equipment. 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.”

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. The term “common law” means that trademark rights are acquired through use.

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

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. 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.

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. Since the USPTO does not police marks, the mark can become weak or generic as time passes by. Once a mark acquires rights, trademark law protection starts by providing the appropriate remedies to the trademark owner.

Improper use of trademarks may constitute trademark infringement. Once a party owns the rights to a certain trademark, that party can sue other parties, who use the trademarks improperly, for trademark infringement. 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.” When determining whether there is trademark infringement, courts
consider the standard of “likelihood of confusion.” 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.” 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.” 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. If another company uses Nike’s slogan “Just Do It,” then that company could have infringed on Nike’s trademark rights. After all, when consumers see “Just Do It,” they would immediately associate it with Nike’s brand. 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.

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

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, DEZEEN (Mar. 14, 2015), http://www.dezeen.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.
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.\textsuperscript{125} The court held that the use of the term Sleekcraft could cause confusion among consumers.\textsuperscript{126}

On the other hand, there is a pending case on a possible trademark infringement concerning Vineyard Vine’s iconic smiling pink whale.\textsuperscript{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.\textsuperscript{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 . . . .”\textsuperscript{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.”\textsuperscript{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.\textsuperscript{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.”\textsuperscript{132} Another person said, “[w]hen you see the whale, you see quality. It’s all about quality . . . . [t]hese days, brand is everything.”\textsuperscript{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.”\textsuperscript{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.

\textsuperscript{125} Id. at 348.  
\textsuperscript{126} Id. at 352-53.  
\textsuperscript{128} Id.  
\textsuperscript{129} Id.  
\textsuperscript{130} Id.  
\textsuperscript{131} Id.  
\textsuperscript{132} Id.  
\textsuperscript{133} Id.  
\textsuperscript{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

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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).
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 laclelocks 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

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145 Id.
146 Id.
147 Id.
148 Id.
150 Id.
151 Id.
152 Id.
USPTO denied registration.\textsuperscript{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\textsuperscript{156} and hence “the mark must be refused registration for failure to function as a service mark.”\textsuperscript{157} The company only used the mark in a social media forum, on Twitter, to categorize users’ comments about sewing classes.\textsuperscript{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.

\textit{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.\textsuperscript{159} To illustrate, a number 10 appearing after the pound sign is not a hashtag.\textsuperscript{160} Rather, it would be number 10.\textsuperscript{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.\textsuperscript{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.\textsuperscript{163}

\textit{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.\textsuperscript{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.\textsuperscript{165} Since the hashtag is not used to identify the source of a good or service, it cannot deserve

\textsuperscript{155} Saper, supra note 149.
\textsuperscript{156} U.S. PATENT & TRADEMARK OFFICE, TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1202.18 (5th ed. Sept. 2007).
\textsuperscript{157} Id.
\textsuperscript{158} Saper, supra note 149.
\textsuperscript{159} Id.
\textsuperscript{160} Id.
\textsuperscript{161} Id.
\textsuperscript{162} Id.
\textsuperscript{163} Id.
\textsuperscript{164} Id.
\textsuperscript{165} Id.
trademark protection.166

iv. Types of goods or services identified

The hashtag cannot simply just describe or “generically identify the underly-
ing goods or services.”167 For instance, employing the use of hashtags “#cof-
fee” 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 con-
sidered 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 a particular hashtag deserves trademark
protection. Therefore, courts must weigh each factor carefully.

While the USPTO states that trademark law does not protect hashtags be-
cause they do not generally qualify as source identifiers, they usually function
“merely to facilitate categorization and searching within online social me-
dia.”174 The USPTO does not take an absolute stance on whether hashtags de-
serve trademark protection,175 having both approved and rejected registrati-
ons 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 empha-
sized, 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 EX-
AMINING PROCEDURE § 1202.18 (5th ed. Sept. 2007).
175 David Kohane, Undecided: Trademark Protection for Hashtags, IPWATCHDOG (June 24,
176 Examples of marks accepted for registration include #HOWDOYOUKFC (KFC Cor-
poration, 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.\textsuperscript{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.”\textsuperscript{179}

B. Hashtags are Similar to Domain Names

Businesses’ hashtags are similar to domain names in that both can act as source identifiers.\textsuperscript{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.”\textsuperscript{181} Brands decide to trademark their domain name where “it forms an essential part of their branding.”\textsuperscript{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.”\textsuperscript{183} In \textit{REA Group Ltd. v. Real Estate 1 Ltd}, the Court held that top-level domain names\textsuperscript{184} could be essential elements of a brand.\textsuperscript{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.”\textsuperscript{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.”\textsuperscript{187} The domain name “realestate1.com.au” was too “deceptively similar” to the registered “realestate.com.au,” hence infringing that trademark.\textsuperscript{188}

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

\textsuperscript{178} Id.
\textsuperscript{179} Id. #TAKETHERIDE for beer was rejected because it was only used for online social media. Id.
\textsuperscript{180} Id.
\textsuperscript{181} See U.S. PATENT & TRADEMARK OFFICE, TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1215.02(a) (5th ed. Sept. 2007).
\textsuperscript{183} Id.
\textsuperscript{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.
\textsuperscript{185} Paver, \textit{supra} note 182.
\textsuperscript{186} Id.
\textsuperscript{187} Id.
\textsuperscript{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’s or a rediscovery of an older item like a pot pie that they maybe haven’t had in a while but are now rediscovering.” 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” and a tagline is defined as “a reiterated phrase identified with an individual, group, or product.” There are two types of 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. Courts have decided that slogans as trademarks have the same scrutiny as non-slogan trademarks. 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.

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-

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189 LTO’s are Limited Time Offers.
195 Repicky, supra note 193.
banese, the Court held that hashtags were merely descriptive devices. The competitors that manufactured and sold compact vaporizer pens (e-cigarettes) had a settlement agreement to resolve a trademark dispute in a previous case. 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.” 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. For instance, the plaintiffs were not allowed to use the unitary mark CLOUD PENZ. But, the plaintiffs could still use “pen” to accurately describe their product as a “pen.” The defendants stated the “plaintiffs materially breached the agreement by using the hashtags #cloudpen and #cloudpenz in Instagram posts and in promotional contests.” 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.”

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). 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.” 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.” The outcome of the case, however, would probably be different if the defendant had owned a trademark registration for CLOUDPEN without the hash symbol.

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197 Id. at *1. See also Kiedrowski & Murphy, supra note 143.
198 Kiedrowski & Murphy, supra note 143.
200 Id.
201 Id.
202 Kiedrowski & Murphy, supra note 198.
203 Id.
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. 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. 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.

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 “categor[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., for in-
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. The court, after deciding that BCG 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. 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.

Another notable case concerning consumer confusion is Fraternity Collection, LLC v. Fargnoli. Fraternity Collection, a clothing manufacturer, sued former designer Elise Fargnoli on her use of the hashtags #fratcollection and #fraternitycollection. Fraternity Collection and Fargnoli signed a contract that Fargnoli would design Pocket Shirts known as Francesca Joy. Unfortunately for Fargnoli though, Fraternity Collection found out that Fargnoli was selling the same Pocket Shirts to competitor Fashion Greek. Fraternity Collection immediately terminated its relationship with Fargnoli. Fargnoli, however, used her Instagram account (elise_francesca_) to market her Francesca Joy shirts using the #fratcollection and #fraternitycollection hashtags. When Fraternity Collection filed this lawsuit against Fargnoli, she moved to dismiss Fraternity Collection’s Lanham and trademark infringement claims. The court in the Southern District of Mississippi denied Fargnoli’s motion and held that the hashtags were enough to prove false advertising and trademark infringement claims. 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.” 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.
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.”

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).” 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. TWTB had a license to operate a restaurant and bar with LRSBR’s trademarks, but the license was terminated. Without a valid license, TWTB continued to operate a restaurant and bar with the name “Lucy’s.” 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.” 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. 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”:

Advertisers may not mislead or confuse users by inaccurately or deceptively

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227 Id. at 564.

228 Id. at 571.

229 Id. at 564.

230 Id. at 560.

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.\textsuperscript{232}

In short, Twitter’s policy does not allow companies to post tweets that mislead users about the companies’ brand affiliation.\textsuperscript{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.”\textsuperscript{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.”\textsuperscript{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.”\textsuperscript{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.\textsuperscript{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

\textsuperscript{232} Id.

\textsuperscript{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. \textit{Intellectual Property,} INSTAGRAM, https://help.instagram.com/535503073130320 (last visited Jan. 27, 2017).


\textsuperscript{235} Id.


\textsuperscript{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.” 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 goods with trademarked hashtags, which more than 800 so far. 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.”

V. RECOMMENDATIONS FOR COMPANIES ON AVOIDING TRADEMARK INFRINGEMENT

It has been advised that companies should use hashtags to market their products and services. In fact, research shows that there have been an increasing number of company brands that are trademarking social media hashtags. 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. 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.” When consumers viewed the tweet, they immediately made the connection that Oreos was referring to the Super Bowl power outage

239 Id. Examples include Madewell’s #everydaymadewell, Hudson’s #letyourselfgo and Sketcher’s #gomeb. Id.
240 Id.
244 Id.
because the words “in the dark” implied the outage. Consumers absolutely adored the tweet and Oreo successfully conveyed the message without mentioning a Super Bowl trademark.

The International Trademark Association offers some good advice for companies on protecting their brands on social media. 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.” 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. If this were the case, the court would probably reason that #cloudpen functioned as a source identifier instead of a mere descriptive device. Additionally, the mark CLOUDPEN would be broader than #CLOUDPEN and “it would unquestionably allow enforcement against use of the mark without the hash symbol.”

Companies should also “prioritize the development and use of hashtags that do not include the company’s trade name or primary brand.” 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.” 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.

Lastly, since hashtags are becoming increasingly popular in social media and marketing campaigns, companies should include language discussing hashtags in settlement agreements. 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].” 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.”

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.

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256 Id.
257 Id.