Tweet and Sour: Staying in control of trade mark on Twitter

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ABSTRACT

Twitter is the world's third largest social networking service. The directness of the service and its large user base has encouraged many organisations to embrace Twitter as a means of attracting clients, connecting with customers, encouraging users to socialise around purchases and driving sales.

However for trade mark owners, Twitter may pose a significant problem, and many brand owners have encountered both cybersquatting and, more seriously, the use of Twitter usernames containing their registered trade marks to their commercial detriment. This article aims to provide a brief summary of the legal and other options available to a trade mark owner who finds the integrity of their brand threatened by a third party on Twitter.

Introduction

Established in March 2006 as a "micro-blogging" website, Twitter is the world's third largest social networking service, and has quickly become a central online outlet for news, trends, buzz and chat.[1] The directness of the service and its large user base has encouraged many organisations to embrace Twitter as a means of attracting clients, connecting with customers, encouraging users to socialise around purchases and driving sales.[2]

However for many trade mark owners, Twitter poses a significant problem. As every Twitter user has a unique username, registering a third party's brand name as a username prevents that third party from operating on Twitter under its mark.[3] Consequently, many "Twittersquatters" have registered brand names with a view to selling the accounts to the brand owner, catching out victims as large as CocaCola and Nike (both were forced to register alternate usernames).[4] Perhaps even more problematic is the use of Twitter usernames containing registered trade marks to the commercial detriment of the trade mark owner; be it indirectly through the unrelated personal of an account holder who the trade mark owner does not wish to be associated with, as a parody of the brand, or through a premeditated scheme undertaken by a commercial rival. In the US, there has already been one litigated example of a company registering a rival's trade mark as a username in order to post "false and defamatory statements".[5]

This article aims to provide a brief summary of the legal and other options available to a trade mark owner who finds the integrity of their brand threatened by a third party on Twitter.

Preliminary Steps

Trade mark owners who opt for legal action will face a significant hurdle in obtaining the true identity and location of an account holder. To create an account, users are only required to submit their name, date of birth, gender and email address. Trade mark rights are territorial, and not knowing the true identity and location of an account holder raises difficulties for advising on the causes of action available to a trade mark owner and the enforcement of any court orders.[6]

Furthermore, although traditional legal enforcement mechanisms such as sending a cease and desist letter or commencing litigation can be effective, they may also be financially imprudent, alienate committed fans and produce significant negative publicity. It is unlikely that litigation against Twitter itself will succeed, as the website does not involve itself in the creation of infringing content.[7]

Terms of service

Twitter offers several tools that brand owners can use to address infringement without going to the time and expense associated with traditional enforcement strategies. Twitter's Terms of Service set out a procedure for claiming copyright infringement; however the prospect of a successful complaint will usually depend on whether a brand owner has a good case of trade mark infringement against an account holder.[8] Given the comparative ease with which a complaint can be lodged with Twitter, it is advisable that brand owners look to Twitter's Terms of Service as a preliminary step before more aggressive measures are considered.

Twittersquating for profit

Terms of Service

Twitter's Name Squatting policy forbids the traditional cybersquatting seen in many domain name disputes and makes provision for users to report such activity. Attempts to sell or extort other forms of payment in exchange for usernames will result in account suspension. Although the policy offers no definition of name squatting, it lists several factors taken into account by Twitter in an investigation, including: (1) "the number of accounts created"; (2) whether the profile has been created for the "purpose of preventing others from using the relevant username"; (3) whether the profile has been created for the "purpose of being sold".[9] Moreover, Twitter's Inactive Account Policy provides that it may shut down profiles that are inactive for more than six months on suspicion of squatting.[10] However, indications at this stage are that it will not do so except in cases of infringement.[11]

Legal Position

In Australia, the courts have not expressly considered the rights of brand owners against Twittersquatters; however comparable precedent dealing with the registration of domain names suggests that the mere registration of a name incorporating a brand will not be sufficient grounds for an action in either trade mark infringement or passing off.[12] A trade mark infringement action will only be successful where there was a 'use' of the registered trade mark on goods and services of the same class to distinguish such goods and services in trade. Similarly, an action for passing off requires that consumers be misled or deceived by a suggested connection between rival products 'in the course of trade'.[13]

However, the UK Court of Appeal has held that cybersquatting may constitute both trade mark infringement and passing off where there is a sale of the squatted usernames. In *British Telecommunications v One in a Million*, the defendants registered domain names incorporating a number of well-known British trade marks without the consent of the trade mark owners, to whom they then offered to sell the domain names.[14] The UK High Court held (and the Court of Appeal confirmed) that the plaintiff's registered and common law rights would be infringed and that there would be likely damage to support an action in passing off. The court also confirmed that use "in the course of trade" means use by way of business and not necessarily as a trade mark. *One in a Million* has been referred to with approval in several Australian cases, and is likely to be of persuasive authority.[15]

Recourse may also be had against squatters under the consumer protection provisions of the *Trade Practices Act 1974 (Cth)*, which will be breached if a party engages in conduct that conveys an overall impression that is contrary to the truth. In *CSR Ltd v Resource Capital Australia,* the Federal Court held that by obtaining registration of domain names incorporating CSR's trade mark, Resource Capital had been misleading and deceptive within the meaning of s 52, or alternatively, had made a false representation that it was affiliated with CSR and RCA per s 53.[16] However, the utility of the Trade Practices Act provisions is likely to be confined to scenarios where the squatter is attempting to sell the username, as the application of ss 52 and 53 is limited to conduct undertaken "in trade or commerce".[17]

Use for personal and business purposes

Terms of Service

Twitter Inc's Trademark Policy states that 'using a company or business name, logo, or other trade mark protected materials in a manner that may mislead or confuse others' may result in account suspension.[18] However, using another's trade mark in a way that has nothing to do with the product or service for which the trade mark was granted is not a violation of Twitter's trade mark policy.

Legal position

A trade mark owner will have a strong case in trade mark infringement against an account holder who tweets about goods or services for a *commercial purpose* (for instance, a rival brand). The key questions to ask in this context are whether the goods or services mentioned on the profile are the same as, similar or related to the goods or services in respect of which the mark is registered and whether the trade mark is well known in Australia.[19]

However, where the account holder has registered the username for unrelated use in their *personal* life, the situation is less favourable for the trade mark owner. Unless the user's tweets advertised or facilitated the sale of goods and services covered by a brand owner's trade mark registration, it would be difficult to argue a case for trade mark infringement. Moreover, it is unlikely that an action would succeed either in passing off (as the

misrepresentation was not made 'in the course of trade') or under the *Trade Practices Act* (as it did not take place 'in trade or commerce').

Parody accounts

Terms of Service

Twitter's terms of service prohibit "pretending to be another person or entity in order to deceive" whilst permitting "parody, commentary, or fan accounts" where the profile offers some indication that it is not legitimate.[20]

Legal position

Although information presented on a parody Twitter account is inaccurate and intended as a joke, in some contexts it may be construed as a genuine use of trade mark. As there are no express defences of parody, criticism or review provided for in the *Trade Marks Act*, an action for infringement may be available. However, courts are reluctant to place fetters on freedom of speech.[21] Therefore, a clear case of infringement must be shown in order to gain relief.

Interestingly, in *Dataflow Computer Services,* the court held that statements made by a bystander commenting on the trade or commerce in which others were engaged were not made in trade or commerce as required by s 52.[22] As such, it is unlikely that the Trade Practices Act provisions will apply in a parody scenario.

Conclusion

In the absence of a UDRP-like dispute resolution mechanism, traditional avenues of redress for trade mark owners on Twitter appear awkward and ineffective; and practitioners of clients with squatted usernames should consider lodging complaints directly with Twitter Inc.

However, in reality, the most effective form of brand protection on Twitter is the premeditative defensive registration of usernames. Trade mark owners should consider a strategy of registering usernames which would be concerning in the hands of a third party, even if they have no interest in actively maintaining a Twitter account (although caution should be taken of the 6 month inactivity limit mentioned above). When checking the availability of a new brand, businesses should simultaneously check the availability of that brand as a username on Twitter.[23] Perhaps key to this process is the new Verified Accounts feature which stamps certain accounts with the "verified account" insignia as an indication of authenticity. Unfortunately Twitter has not said much about its procedures for verifying accounts, noting only that if a user is "verified," Twitter has "been in contact with the person or entity [that] the account is representing and verified that it is approved." [24] The best strategy appears to be persistence.

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[1] Sykvia Kierkegaard, 'Twitter thou doeth?' (2008) 26 *Computer Law & Security Review* 577.

[2] Katherine Milesi and Naomi Civins, 'Why you should Twitter', *Information Age*, Australian Computer Society, August/September 2009, 43–45.

[3] See Ike Papageorge and Deborah Bell, 'Twitter squatting and trade mark infringement: a birds-eye view' (2009) 12(4) *Internet Law Bulletin* 53.

[4] Sally Foreman, 'Strategies to protect brands on social networking sites' (2009) 12(5) *Internet Law Bulletin* 83.

[5] See *Tanner Friedman v. Doe* (ED Mich, 2009).

[6] Sally Foreman, 'Strategies to protect brands on social networking sites' (2009) 12(5) *Internet Law Bulletin* 83.

[7] Liisa M. Thomas and Robert H. Newman, 'Five Steps to Protect Your Trade marks in the Web 2.0 World', *WIPO Magazine* (online), September 2010<http://www.wipo.int/wipo_magazine/en/2010/05/article_0006.html>.

see eg. See eg *Tiffany Inc. v. eBay, Inc* 576 F. Supp. 2d 463, 504-06 (S.D.N.Y. 2008).

[8] Sally Foreman, 'Strategies to protect brands on social networking sites' (2009) 12(5) *Internet Law Bulletin* 83.

[9] Twitter Inc, *The Twitter Rules* <http://support.twitter.com/entries/18311-the-twitter-rules>.

[10] Twitter Inc, *Inactive Account Policy* <http://support.twitter.com/groups/33-report-a-violation/topics/148-policy-information/articles/15362-inactive-account-policy>.

[11] Ike Papageorge and Deborah Bell, 'Twitter squatting and trade mark infringement: a birds-eye view' (2009) 12(4) *Internet Law Bulletin* 53.

[12] *Ibid.*

[13] Felicity Dougherty and Jeremy Storer, 'Protecting brand, image and reputation in social networking media' (2009) 12(5) *Internet Law Bulletin* 83.

[14] See *British Telecommunications plc v One in a Million Ltd* (1998) 42 IPR 289.

[15] See *Architects (Australia) Pty Ltd t/as Architects Australia v Witty Consultants Pty Ltd* [2002] QSC 139; see also *Australian Stock Exchange Ltd v ASX investor Services Pty Ltd* (unreported, Federal Court Burchett J, 3 June 1999); see also Catherine Ekambi, 'Domain names and trade marks – unhappy bedfellows' (2005) 8(2) *Internet Law Bulletin* 30.

[16] See *CSR Ltd v Resource Capital Australia Pty Ltd* (2003) 128 FCR 408.

[17] Domenic Carbone, 'Electronic commerce and protecting intellectual property on the internet' (2009) 37(4) *Australian Business Law Review* 293.

[18] Twitter Inc, *Trademark Policy* <http://support.twitter.com/entries/18367-trademark-policy>.

[19] See Ike Papageorge and Deborah Bell, 'Twitter squatting and trade mark infringement: a birds-eye view'

(2009) 12(4) *Internet Law Bulletin* 53; See also *Trade Marks Act* 1995 (Cth) ss 120(1)-(4).

[20] Twitter Inc, *Impersonation Policy*, <http://support.twitter.com/entries/18366-impersonation-policy>

[21] Ike Papageorge and Deborah Bell, 'Twitter squatting and trade mark infringement: a birds-eye view' (2009) 12(4) *Internet Law Bulletin* 53.

[22] *Dataflow Computer Services Pty Ltd v Goodman* (1999) *168 ALR 169*

[23] Sally Foreman, 'Strategies to protect brands on social networking sites' (2009) 12(5) *Internet Law Bulletin* 83.

[24] Zorik Pesochinsky, 'Almost Famous: Preventing username-squatting on social networking websites' (2010) 28 *Yeshiva University Cardozo Arts & Entertainment Law Journal* 223.