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IP FRONTIERS

The impact of social media on trademark enforcement

Social media is the ultimate equalizer. It gives a voice and a platform to anyone willing to engage

— Amy Jo Martin

In recent years, social media have impacted virtually every area of our daily lives, including the legal landscape. Facebook, Twitter, Snapchat, Instagram, and tumblr — no longer labeled a fad for “the younger generation,” these fast-paced communication tools have rocketed to an unimaginable heights.

The demographics of social media are growing at a staggering rate, making it an increasingly important component of every business. The global reach of the social media, along with its easy access and ubiquitous nature, has allowed social media to profoundly change the ways businesses interact with their customers, other businesses, and the world. And, when large numbers join together for a common cause, the “viral” nature of social media inevitably will make the news and can dramatically change the outcome of a particular situation. Whether you are an active participant in social media or not, it is here to stay and there is no escaping its potential impact.

Trademark enforcement is no exception.

The Internet and social media not only have changed how trademark infringers infringe, it has greatly affected how trademark owners should react (or not react) when they discover infringing activity. Traditionally, when a trademark owner discovered a perceived infringement, they would have their attorney send out a very serious and threatening cease and desist letter. As illustrated by the cases below, with the advent of social media, this traditional method of enforcement must be used with caution, taking into account the risk of social



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media backlash in each and every case, along with other factors such as who is the infringer, how much is the case worth, are there less aggressive ways to approach enforcement, etc.

Café Hon

One of the more publicized trademark enforcement gone awry stories, this trademark

owner enforced her trademark so broadly and aggressively that it took Chef Ramsay and a reality show to pull her business back from the brink of ruin.

The controversy centered around the word “Hon,” a Baltimore term of endearment. Since 1992, Café Hon, Inc. owned a registered trademark CAFÉ HON for restaurant services (Reg No. 1,743,791, shown above). Then, from 2004-2006, Café Hon’s owner filed multiple trademark registrations for the word mark HON in several different classes including retail gift shops, restaurant services, clothing and paper goods. (Reg No. 2,964,744; 3,220,059; 3,095,470). The owner also owned trademarks for HONFest, a street festival that drew in over 60,000 people in 2010, and HONTown, a retail store. At least as early as 2005, Café Hon began enforcing the HON marks against locals, claiming ownership of the term on a wide variety of goods and services.

Café Hon’s overly broad enforcement strategy appeared to prove successful and fly under the radar, until Dec.10, 2010, when a newspaper picked up the story. The story was then picked up by social media, and what followed was an explosion of social media feeds and comments

criticizing Café Hon from claiming ownership over the word “Hon.”

Once it began, there was no stopping the social media engine. By mid-January 2011, Café Hon’s owner issued a public apology for creating the impression she could stop people from using the word HON, but that didn’t stop the social media war. Faced with an uproar on social media, which then escalated to boycotts, protests, vandalism, a story on NPR, and according to at least one source, a “peace” (or restraining) order, in June 2010, the HonFest saw a dramatic drop in visitors and the restaurant was in dire straits because locals stopped going.

The impact on Café Hon was so great that, apparently, desperate measures were needed in order to save the business. In November 2010, Chef Ramsay from the reality show Kitchen Nightmares convinced the owner of Café Hon to relinquish her trademarks for the word “HON,” and admit she had made a mistake by trying to stop others from using the word. In 2011, all three trademark registrations for HON were voluntarily surrendered for cancellation, thus ending the “HONtrovery.”

Battle of the “IPA’s”

Another more recent example of how social media can impact trademark enforcement strategies is *Lagunitas Brewing Company v. Sierra Nevada Brewing Co.* (ND Cal 3:15-cv-00153). In early 2015, Lagunitas filed a lawsuit against Sierra Nevada on a Monday, alleging the label on Sierra Nevada’s new Hop Hunter IPA was substantially similar to the design on Lagunitas’ iconic IPA. Within 24 hours of Lagunitas’ court filing, a social media backlash campaign had spread like wildfire. By Wednesday, a mere two days later,

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Lagunitas voluntarily dismissed the lawsuit, stating it lost its trademark case in the “Court of Public Opinion.”

No social media Oasis in Canada

In this case, a small Canadian store owner, Deborah Kudzman, found herself in the middle of a trademark battle with juice giant Lassonde Industries over her store’s name, “Olivia’s Oasis.” Lassonde owned the registered trademark OASIS for its juice product. After seven years of legal battles and hundreds of thousands of dollars, all it took was a series of tweets to end this battle. In this case, a social media campaign started on a Saturday and went viral with thousands of loyal customers threatening to boycott Oasis juice. In less than 48 hours, Lassonde promised to pay Kudzman’s legal costs and the case had settled.

Bell’s Brewery vs. Innovation Brewery

This recent trademark dispute, involving well-known Bell’s Brewery of Kalamazoo, Michigan, and a small town micro-brewery in Sylva, North Carolina, called Innovation Brewery, is another example of how social media has changed the trademark enforcement landscape.

The dispute centers around Innovation Brewery’s federal trademark application for the mark INNOVATION BREWING (US Serial No. 85/929,587). Innovation’s application was approved by the United States Patent and Trademark Office and published for opposition. Bell’s, which owns registered trademarks for INSPIRED BREWING (Reg No. 3,122,464 and 4,098,319) and uses the slogan and common law trademark “Bottling innovation since 1985,” took issue with Innovation’s trademark application and filed an Opposition Proceeding with the USPTO. Bell’s argues that Innovation Brewing’s use of the trademark “Innovation Brewing” is likely to cause confusion among customers.

Once word got out that Bell’s was challenging Innovation’s trademark application, social media took over with multiple postings on Facebook and other social media platforms. According to several accounts, Bell’s tried to take charge of the bad PR by explaining its position on Facebook. However, Bell’s attempts to win over its customers backfired, resulting in thousands of angry comments from customers

and threats of boycotts. These comments on Bell’s Facebook page have since come down, but thanks to social media, Innovation Brewing received hundreds of new Facebook fans, a petition on change.org, Twitter feeds, a “boycott Bell’s” Facebook page (<https://www.facebook.com/boycottbells/>), and a GoFundMe project to pay legal fees against Bell’s.

Although the social media backlash has settled down, the trademark dispute remains pending, with Innovation Brewery recently winning a motion before the TTAB. And, unless the parties are able to settle, the opposition proceeding will proceed towards discovery and trial.

Practice tips

There are many more examples like these cases. It therefore is imperative that a trademark owner and its counsel be wary of the risks involved, not only with failure to enforce its trademarks, but also with overly aggressive enforcement and the potential for social media backlash. Trademark owners should presume their cease-and-desist letter ultimately will be published online or in the media.

To avoid being tagged as a “trademark bully,” investigate fully and think carefully before you enforce. For example:

- Is the infringing use truly causing confusion in the marketplace or dilution of your trademarks?
- Is the infringer intentionally trying to feed off of your goodwill, or did they simply make a mistake?
- Who is the infringer (e.g. a nonprofit organization raising money for a good cause vs. a Chinese knock-off importer).
- As the trademark owner, are you attempting to stop others from using a term that should not be stripped from the local vernacular?
- Would a modified cease-and-desist letter, with a non-threatening tone, be more appropriate? What about a phone call instead?

These types of questions can be difficult and complex, varying from one circumstance to the next, and once you analyze these and other factors there can be a wide variety of strategies for protecting your marks without necessarily resorting to threats, cease and desist letters, and litigation. Be prepared for

the explosive potential of social media, and be aware of the PR issues you may face if an overreaching cease and desist letter is made public.

On the flip side, social media can assist a trademark owner by raising public awareness if there is unlawful use of your trademark by another. This is particular true when the trademark owner is a smaller company whose trademarks have been improperly usurped by larger companies. Bad PR, or the potential for bad PR, can be the best form of enforcement against an entity misusing another’s trademark, particularly against companies who are concerned with their own brand, reputation and good will.

Conclusion

It is well known that the failure to enforce your trademark can result in abandonment or weakening of your mark, and this is often used by trademark owners to justify an overly aggressive trademark enforcement program. However, while a trademark owner is responsible for enforcing its marks, the courts also acknowledge that it is impracticable to require trademark owners to go after each and every case of infringement. Trademark laws do not require a business to go bankrupt policing its trademarks. They also do not require a trademark owner to enforce its trademarks inappropriately or too broadly.

Given the advent of social media platforms, news travels fast over the Internet and can result in unwanted publicity and a tarnished brand, which is exactly the opposite of what a trademark owner is trying to accomplish through an effective enforcement program. Therefore, whether justified or not, if the potential harm in threatening an infringer outweighs the benefit, your strategy should be modified to fit the facts of the specific misconduct. Not all infringing activity is the same. It is important to adopt an enforcement strategy that allows you to prioritize your infringement targets and to remember that you can utilize both traditional, and non-traditional, methods to maintain the integrity of your trademarks.

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