

Pinterest Spurs Online Sales — And Trademark Risks

Law360, New York (January 03, 2013, 1:05 PM ET) -- Launched in 2010 by Cold Brew Labs Inc., online scrapbooking site Pinterest has become one of the fastest-growing social media websites of all time. But with its business model based on user-shared images and virtual bulletin boards, Pinterest is also among the more risky sites where intellectual property rights are concerned. If case law on online trademark infringement is any indicator, Pinterest will undoubtedly be a source of trademark disputes in the near future.

As the company itself proclaims, Pinterest allows users to create topical, individual virtual bulletin boards on which they can “pin” images linked to third-party websites. Members use their boards to collect, bookmark and share information for projects, such as “Five Ideas for A Contemporary Kitchen,” to display their own products for sale, e.g., jewelry or artwork, or to promote corporate brands.

A March 2012 Experian report estimated that Pinterest received 104 million visits, making it third only to Facebook and Twitter in popularity. Online sharing service Shareaholic reported in January 2012 that Pinterest drives more traffic to websites than Google+, LinkedIn and YouTube combined.

Numerous consumer-facing and business-to-business companies are beginning to use Pinterest, posting not just product images, but also infographics, images linked to e-books, resource guides and white papers, and other educational content. Examples of major brands using Pinterest include General Electric’s “Badass Machines” bulletin board, Intel’s “Geek Chic,” Oracle’s “OpenWorld” and Adobe System’s “Creative Workspaces.” Corporate Pinterest users typically encourage users to repin content on their own Pinterest boards, and some may invite user-generated content.

With each increase in traffic, however, the possibility of infringing a third-party’s intellectual property rights grows. One of the growing pains that all new social media sites have encountered is that consumers or companies sometimes engage in unauthorized use of trademarks, including celebrity names and imagery. In a case closely watched by many Facebook users, Hasbro eliminated the online word game Scrabulous, a Facebook application created by RJ Softwares, with allegations that the name infringed Hasbro’s revered Scrabble trademark for the original word game, in *Hasbro Inc. v. RJ Softwares*, Civ. No. 2008-cv-06567 (S.D.N.Y. July 23, 2008).

In *Nine West Development Corp. v. Does 1-10*, No. 07-cv-7533 (S.D.N.Y. Aug. 24, 2007), Nine West successfully sued the creators of a Facebook account named NINEWESTSHOES that solicited the submission of photographs from young female models to participate in an alleged fashion photography shoot. In *Oneok Inc. v. Twitter Inc.*, No. 4:09-cv-00597 (N.D. Okla. Sept. 15, 2009), Oneok prevailed in a dispute over use of the Oneok name and design mark in connection with a Twitter account. Similarly, in *La Russa v. Twitter Inc.*, No. CV-09-2503 (N.D.C.A. June 5, 2009), the famous Major League Baseball manager Tony La Russa successfully sued Twitter after an imposter created a fake La Russa Twitter account and tweeted “Lost 2 out of 3, but we made it out of Chicago without one drunk driving incident or dead pitcher.”

Many social media sites have developed methods for distinguishing official brand sites. For example, Facebook allows only authorized representatives to administer a Facebook page for a brand, entity (place or organization), or public figure. Twitter has an administrative process through which it certifies that it has verified the authenticity or identity of a Tweet account holder. Twitter claims that it proactively verifies accounts for certain “highly sought users in music, acting, fashion, government, politics, religion, journalism, media, advertising, business, and other key interest areas.” Facebook and Twitter also facilitate the removal of accounts that infringe trademarks and celebrity rights of publicity.

Pinterest, like Facebook and Twitter, clearly states its policies concerning intellectual property rights and provides a method for reporting trademark infringement.. However, it does not have a method for indicating that an account bearing a brand name is the “official” account for that brand. Companies are left to their own approaches to indicating official ownership of their Pinterest pages. For example, McDonald’s landing page states that it is “[t]he official Pinterest page of McDonald’s Corporation.”

Despite these initial efforts, Pinterest offers abundant opportunity for trademark infringement and the misappropriation of celebrity rights of publicity. For instance, a search for “McDonald’s” on Pinterest does not uncover the official McDonald’s site, but a plethora of pins, boards and people apparently unrelated to the company. To locate the official McDonald’s Pinterest account, a user would need to use an external search engine. Of course, that does not necessarily mean that Pinterest is necessarily rife with trademark infringement. Many posts, both positive and negative, appear to be comments on McDonald’s product offerings, health issues generally, and parodies of McDonald’s images.

Congress has limited the applicability of trademark laws to commercial activities, under 15 U.S.C. § 1125(a). Accordingly, trademark infringement applies to marks used in the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistakes, or to deceive, under 15 U.S.C. § 1114(1).

To prove trademark infringement, a plaintiff must establish a likelihood of confusion between the source of the goods or services at issue based on the defendant’s use of the mark at issue. Each U.S. circuit court has adopted its own test for trademark infringement, but all tests are more or less based on related criteria that include the following:

- (1) similarity of the parties’ marks in appearance, sound, connotation, and impression;
- (2) similarity of the parties’ goods or services provided under the marks;
- (3) strength or fame of plaintiff’s mark;
- (4) the trade channels in which the parties’ goods or services provided under the mark are marketed and sold;
- (5) the care exercised by the consumers in purchasing the parties’ goods or services;
- (6) any actual confusion, as in *Polaroid Corp. v. Polarad Elect. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961); *In re E. I. du Pont de Nemours and Co.*, 476 F.2d 1357, 1361 (CCPA 1973); and *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979).

In addition to being entitled to relief from trademark infringement, owners of famous brands can also protect their marks from dilution by blurring or tarnishment. Trademark dilution by blurring occurs when an association arises from the similarity between a famous mark and a lesser-known mark or trade name that impairs the distinctiveness of that famous one. Dilution by tarnishment occurs when such an association harms the reputation of the famous mark. However, 15 USC § 1125(c)(3) of the U.S. Trademark Act specifically excludes those engaging in noncommercial uses, fair uses, and news reporting and commentary from liability for dilution.

For the average user who is not trying to generate interest in their own business, pinning images is likely a traditional noncommercial use, even though viewing the images might drive a visitor to a commercial website. As mentioned above, Pinterest can drive significant traffic to websites on which products are sold. A Pinterest board title may itself be a positive (or a negative) comment on the product, e.g., “Cool Kitchen Appliances.” The uncomfortable juxtaposition of traditional noncommercial uses and significant e-commerce resulting from noncommercial uses will no doubt create a conundrum for those trying to develop a trademark enforcement policy on Pinterest.

While individual consumers may successfully argue that their pins are for noncommercial purposes, companies establishing corporate Pinterest accounts to advertise their brands and products will have a difficult time convincing a court that their own use is noncommercial. Accordingly, as a general rule, corporate Pinterest users should pin not images containing other brands. One exception to this general rule is in the context of comparative advertising; however, companies should exercise caution. While the use of competitor’s trademark in comparative advertising is permissible, it is so only to the extent that the use of the competitor’s mark does not mislead people into presuming some kind of affiliation between the advertiser and the trademark holder, per 16 C.F.R. § 14.15.

In a similar vein, while the pinning of celebrity images abounds on Pinterest, corporate Pinterest users must be very careful regarding individuals’ right of publicity. A person has the right to control the commercial use of his or her image, regardless of his or her status as a celebrity, although one’s right of publicity is based on state law and thus varies state to state. As a general rule, to establish a right-of-publicity infringement claim, one only needs to show that (1) the defendant, without permission, has used some aspect of identity or persona in such a way that plaintiff is identifiable from defendant’s use; and (2) that use is likely to cause damage to the commercial value of that persona. Before pinning images containing individuals, a company should ensure that it has obtained the permission of those individuals and that the permission is broad enough to cover all proposed uses of the individual’s image.

The unauthorized use of a person’s image or likeness outside of the scope of a license is likely to be found to be a misappropriation of that person’s right of publicity. In *No Doubt v. Activision Publishing Inc.*, 192 Cal.App. 4th 1018 (Cal. App. 2011), the court ruled that video game producer Activision had violated the rights of publicity of the popular music band No Doubt. Activision had a limited license for use of No Doubt’s songs and character likenesses in a video game, *Band Hero*, with all usage subject to No Doubt’s prior approval. No Doubt asserted that Activision had instead used the No Doubt intellectual property in a manner that was not approved, that the band never had the opportunity to approve and would not have approved had it been given the opportunity to review.

To stay on the right side of any trademark infringement or right of publicity claims with regard to Pinterest, companies should adopt proactive policies:

1) Review the Content of Images

Even after the company has determined that it owns the copyright in a photograph, that photograph may contain images of people or third-party brands. If it does, third-party trademark or right of publicity rights may be invoked. Legal counsel should review the proposed use of the photographs to determine whether permission should be obtained.

2) Review the Underlying Websites

That an image is available to pin does not always mean that a brand would want the image on its board. Since all images on Pinterest link back to their source websites, brand owners should review source sites for relevance and quality. Does the brand want to be associated with the original website? This could be a public relations concern.

3) Create Internal Guidelines

A company starting a Pinterest page should develop a plan and guidelines before launch with the goal of taking advantage of Pinterest's benefits while limiting the risks. First, the company should appoint an employee to manage content associated with the company's Pinterest boards, and make sure that this person understands the legal risks of intellectual property infringement.

A company should also consider how it will respond to the pinning of products in ways that create consumer confusion or that somehow disparage the company or product, and integrate standard policies and responses into its broader brand protection policy. Finally, companies should educate the employees responsible for preparing and reviewing licenses and endorsement deals to ensure that their contracts reflect the company's Pinterest policy and anticipate potential unauthorized uses.

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