

# The Trouble with Tags: Seeking Mark Protection for Corporate Branded Hashtags—More Trouble Than It’s Worth?

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## I. INTRODUCTION: HASHTAGS AND MARKETING, A LOVE STORY OR A LIABILITY?

Hashtags play a central role in online, social media-based communication for hundreds of millions of users, both in the United States and around the globe.<sup>1</sup> Facebook alone boasts a monthly user count of over 1.5 billion.<sup>2</sup> Instagram hosts another approximately 400 million each month, with Twitter not far behind (at approximately 320 million).<sup>3</sup> These staggering numbers represent a still-to-be-tapped bonanza for

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1. Justin Kerby, *Here’s How Many People Are on Facebook, Instagram, Twitter and Other Big Social Networks*, ADWEEK (Apr. 4, 2016), <http://www.adweek.com/socialtimes/heres-how-many-people-are-on-facebook-instagram-twitter-other-big-social-networks/637205>.

2. *Id.*

3. *Id.*

corporations and advertisers, who are afforded constant and nearly instantaneous access to potential consumers through a simple, searchable device.<sup>4</sup>

Hashtags, composed of a term or terms, grouped without spacing and preceded by a pound symbol, are a form of metadata, “data that describes other data.”<sup>5</sup> This tool allow social media users<sup>6</sup> to search tweets, Instagram photos, Facebook posts, and more through one-click navigation via a hashtag-turned-hyperlink.<sup>7</sup> Hashtags are a tool, a functional method by which users can organize their online social experience, interact with brands, curate their feeds, and examine breaking news and new cultural trends.<sup>8</sup> They are also a valuable form of expression, adaptable to everything from social commentary to literature.<sup>9</sup> This flexibility, combined with the device’s omnipresence across social media, no doubt whets the appetites of many corporate executives, eager to turn fun and fancy into a financial windfall. Corporations reap many benefits from the proliferation of the hashtag.<sup>10</sup>

This Note explores recent scholarship on the trademarkability of hashtags and the unique challenges corporations face in seeking to enforce their exclusive rights in such marks. This Note analyzes whether seeking such protection is worth the trouble and investment in light of (1) a seeming tension between the courts and the U.S. Patent and Trademark Office (USPTO) over the validity of trademark protection for hashtags; (2) the potential hassle of enforcement; (3) the specter of genericism; and (4) concerns about limiting free speech.

It further examines alternative theories for benefits corporations may reap from investing in hashtag-based marketing, even in the absence of trademark protection. Recent scholarship has discussed the ability to trademark hashtags as a matter of policy. This Note explores whether or not, in recognition of the USPTO’s willingness to grant such exclusive rights, it is worthwhile for corporations to seek trademarks for brand hashtags in light of the potential costs, hassles, and potential negative public perception.

## II. BACKGROUND: CORPORATIONS HOP ON THE #BANDWAGON

Businesses can successfully take advantage of hashtags by using them in a way that reflects a “core brand message.”<sup>11</sup> As corporations devote increased resources to maximizing the marketing potential of hashtags, they likewise look for the most effective

4. Jack Marshall, *Companies Increasingly Trademark Hashtags*, WALL ST. J. (Mar. 30, 2016, 6:32 AM), <http://www.wsj.com/articles/companies-increasingly-trademark-hashtags-1459333936>.

5. Elizabeth A. Falconer, *#CanHashtagsBeTrademarked: Trademark Law and the Development of #Hashtags*, 17 N.C. J.L. & TECH. 1, 3 (2016).

6. Perhaps most prominently on Twitter, which introduced the concept of allowing users to identify and, therefore, group tweets by appending a particular #phrase in a Tweet. In 2009, Twitter hyperlinked hashtag terms, allowing users to more easily access similar tweets with identical tags. Shea Bennett, *The History of Hashtags in Social Media Marketing [Infographic]*, ADWEEK (Sept. 2, 2014), <http://www.adweek.com/socialtimes/history-hashtag-social-marketing/>.

7. Rebecca Hiscott, *The Beginner’s Guide to the Hashtag*, MASHABLE (Oct. 8, 2013), <http://mashable.com/2013/10/08/what-is-hashtag/#1hUHLDrhPqG>.

8. Julia Turner, *In Praise of the Hashtag*, N.Y. TIMES MAG. (Nov. 2, 2012), <http://www.nytimes.com/2012/11/04/magazine/in-praise-of-the-hashtag.html?mcub2=O>.

9. *Id.*

10. *Id.*

11. Denise Lee Yohn, *Use Hashtags to Generate Greater Brand Engagement*, FORBES (Feb. 18, 2015, 5:10 AM), <http://www.forbes.com/sites/deniselyohn/2015/02/18/use-hashtags-to-generate-greater-brand-engagement/#3bfc67c02d76>.

way to generate positive “brand engagement.”<sup>12</sup> On Twitter, a hashtag is a quick and easy way to generate discussion about advertisements,<sup>13</sup> and increase interaction between brands and potential consumers.<sup>14</sup>

#### A. Corporate Engagement with Hashtags

Savvy corporations can turn to hashtags as an efficient way to bring in new customers by tapping into the viral nature of social media, particularly by associating their brand with trending topics, holidays, or other social phenomena.<sup>15</sup> In 2015, 97% of Interbrand 100 brands—a rating of the best global brands—<sup>16</sup>that Tweeted incorporated a hashtag.<sup>17</sup>

Over the last 5 years, nearly 2,900 trademark applications have been filed for hashtag word marks, including approximately 1,400 in 2015.<sup>18</sup> That number is up from a paltry seven such applications in 2010.<sup>19</sup> Successfully registered marks include #blamemucus,<sup>20</sup> #LikeAGirl,<sup>21</sup> #TheFitNewYorker,<sup>22</sup> #sayitwithpepsi,<sup>23</sup> and #steakworthy,<sup>24</sup> among others<sup>25</sup>

#### B. Overview of Trademark Law

The Lanham Act (codified in 15 U.S.C. § 1051–§ 1141n) defines a trademark as “any word, name, symbol, or device, or any combination thereof,” used in commerce to indicate the source of the goods, and capable of distinguishing goods from those “manufactured or sold by others.”<sup>26</sup> The definition of a service mark is nearly identical, replacing goods with

12. *Id.*

13. *Id.*

14. Justin Lafferty, *How the Branded Hashtag Emoji is Taking Over Twitter*, ADWEEK (Dec. 1, 2015), <http://www.adweek.com/socialtimes/how-the-branded-hashtag-emoji-is-taking-over-twitter/630826>.

15. *What to Tweet*, TWITTER, <https://business.twitter.com/en/basics/what-to-tweet.html> (last visited Feb. 22, 2018).

16. *The Best 100 Brands 2015 Rankings*, INTERBRAND, <http://interbrand.com/best-brands/best-global-brands/2015/ranking> (last visited Feb. 22, 2018); Yohn, *supra* note 11.

17. Yohn, *supra* note 11.

18. Zach Brooke, *More Brands Getting a #Trademark on Hashtags*, AM. MARKETING ASS’N (Mar. 23, 2016), <https://www.ama.org/publications/eNewsletters/Marketing-News-Weekly/Pages/More-Brands-Getting-a-Trademark-on-Hashtags.aspx>.

19. Marshall, *supra* note 4.

20. See #BLAMEMUCUS, Registration No. 4,508,016 (advertising “pharmaceutical preparations and substances for the treatment of coughs and the symptoms of colds and influenza”).

21. See #LIKEAGIRL, Registration No. 4,899,174 (containing “[f]eminine hygiene products [and] [. . .] [a]dvertising and marketing services provided by means of indirect methods of marketing communications, namely, social media, blogging and other forms of passive, sharable or viral communications channels”).

22. See #THEFITNEWYORKER, Registration No. 4,703,167 (advertising “[a]thletic apparel, namely, shirts, pants, jackets, footwear, hats and caps, athletic uniforms; Athletic pants; Athletic shirts; Hooded sweat shirts; Hoods; Jackets; Jerseys; Long-sleeved shirts; Moisture-wicking sports shirts; Short-sleeved or long-sleeved t-shirts; Sports shirts.”).

23. See #SAYITWITHPEPSI, Registration No. 5,037,848 (representing “soft drinks”).

24. #STEAKWORTHY, Registration No. 4,695,901.

25. See Carrie L. Kiedrowski & Charlotte K. Murphy, *Are Hashtags Capable of Protection Under U.S. Law*, INT’L TRADEMARK ASS’N (Feb. 1, 2016), <http://www.inta.org/INTABulletin/Pages/AreHashtagsCapableofTMProtectionsunderUSLaw-.aspx> (listing other successfully trademarked hashtags).

26. 15 U.S.C. § 1127 (2006).

“services.”<sup>27</sup> The primary requirements of a mark, then, are that it be (1) used in commerce; (2) distinctive, either inherently or through acquired distinctiveness; and (3) serve as a source indicator for the holder’s goods and services.<sup>28</sup> Section two of the Lanham Act states that, subject to statutory restrictions, “no trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature.”<sup>29</sup>

The Lanham Act reflects two theories of justification for granting intellectual property rights in trademarks, including protecting a company’s earned “goodwill” and reputation, and protecting the public by preventing consumer confusion.<sup>30</sup> The Supreme Court has recognized that “[n]ational protection of trademarks is desirable . . . because trademarks foster competition and the maintenance of quality by securing to the producer the benefits of good reputation.”<sup>31</sup>

The Supreme Court has held that “almost anything” capable of distinguishing one holder’s goods or services from another is eligible for protection by trademark, so long as it is inherently distinctive, is used in commerce, and is a source indicator for the relevant goods or services.<sup>32</sup> In his majority opinion in *Qualitex Co. v. Jacobson Prod. Co.*, Breyer wrote:

Since human beings might use as a “symbol” or “device” almost anything at all that is capable of carrying meaning, this language, read literally, is not restrictive. The courts and the Patent and Trademark Office have authorized for use as a mark a particular shape (of a Coca-Cola bottle), a particular sound (of NBC’s three chimes), and even a particular scent (of plumeria blossoms on sewing thread).<sup>33</sup>

### 1. Use in Commerce

To satisfy the requirement that a mark be used in commerce, an applicant must establish “the bona fide use of a mark in the ordinary course of trade,” such as when it is placed on goods to be sold or transported, or when placed on advertisements for services “rendered in commerce.”<sup>34</sup> In addition, applicants may file an intent-to-use application.<sup>35</sup>

### 2. Distinctiveness

As part of identifying the source of goods and services, the mark must be sufficiently distinctive to warrant protection.<sup>36</sup> In the classic trademark case of *Zatarain’s, Inc. v. Oak Grove Smokehouse, Inc.*, the court elaborated on the traditional classifications of potential marks as either (1) generic; (2) descriptive; (3) suggestive; or (4) arbitrary or fanciful

27. *Id.*

28. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769 (1992).

29. 15 U.S.C. § 1052 (2006).

30. *Park ‘N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 198 (1985).

31. *Id.*

32. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162 (1995).

33. *Id.*

34. 15 U.S.C. § 1127 (2006).

35. *Id.* (providing protection for applicants who have not yet actually used the mark in commerce, but plan to).

36. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992).

(arbitrary and fanciful occasionally being placed into separate categories by courts).<sup>37</sup>

Only marks falling into the latter two categories are “inherently distinctive,” and therefore registerable and protectable.<sup>38</sup> Generic marks, for example those using a word that merely uses the word or term used by others to connote the thing itself—TISSUE for facial tissue or LIBRARY for a place to borrow books—are not protectable.<sup>39</sup>

A mark may also become generic through widespread use and subsequent association of the formerly-protected mark with the good or service itself.<sup>40</sup> This phenomenon, known as genericide, results on the loss of exclusive rights in the mark,<sup>41</sup> because it no longer serves as a source identifier for the goods, but as a term that illustrates the “basic nature” of the good or service.<sup>42</sup>

A merely descriptive mark, one that “identifies a characteristic or quality of an article or service,”<sup>43</sup> is not protectable as a trademark unless it acquires distinctiveness through proof of “secondary meaning in the minds of the consuming public.”<sup>44</sup> Suggestive marks suggest a characteristic of the good or service, but do so in a way that requires a leap in imagination to connect the term to the goods or services.<sup>45</sup>

Arbitrary marks are those that, when viewed in the context of the goods at issue, are arbitrary,<sup>46</sup> such as “APPLE” for computers or “CAMEL” for cigarettes.<sup>47</sup> Fanciful marks consist of made-up, concocted terms, such as “KODAK” for cameras.<sup>48</sup> Suggestive, arbitrary, and fanciful marks are all considered inherently distinctive and do not require a showing of secondary meaning.<sup>49</sup>

### 3. *Free Speech Tensions in Trademark Law*

A trademark grants the holder exclusive rights to use the mark in connection with and as a source indicator for the relevant goods and services.<sup>50</sup> The Lanham Act provides two separate, but similar, causes of action for mark holders, including one for federally

37. *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 790 (5th Cir. 1983), *abrogated by* KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 543 U.S. 111, 123 (2004).

38. *Two Pesos*, 505 U.S. at 768.

39. *Zatarains*, 698 F.2d at 790.

40. *See* *Haughton Elevator Co.*, 85 U.S.P.Q. 1 (Com’r Pat. & Trademarks 1950) (holding “the word ‘escalators’ is used generically or descriptively and without any trade mark significance”).

41. 15 U.S.C. § 1064 (2017).

42. *Zatarains*, 698 F.2d at 790 (noting other examples of former protectable marks that became generic, including aspirin and cellophane) (quoting *American Heritage Life Ins. Co. v. Heritage Life Ins. Co.*, 494 F.2d 3, 11 (5th Cir. 1974); *see* Megan Garber, *Kleenex is a Registered Trademark (and Other Desperate Appeals)*, THE ATLANTIC (Sept. 25, 2014), <http://www.theatlantic.com/business/archive/2014/09/kleenex-is-a-registered-trademark-and-other-appeals-to-journalists/380733/> (discussing marks considered on the border between protectable and what I would term “acquired genericness”).

43. *Zatarains*, 698 F.2d at 790 (quoting *Vision Center v. Opticks, Inc.*, 596 F.2d 111, 115 (5th Cir. 1979)).

44. *Id.*

45. *Id.*

46. *Id.*

47. *Trademark Strength, INT’L TRADEMARK ASS’N*, <http://www.inta.org/TrademarkBasics/FactSheets/Pages/TrademarkStrengthFactSheet.aspx> (last visited Feb. 22, 2018).

48. *Id.*

49. *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 791 (5th Cir. 1983).

50. 15 U.S.C. § 1115 (2002).

registered marks<sup>51</sup> and another for unregistered marks.<sup>52</sup> These statutory causes of action aim to prevent false designations of origin and competing marks which are “likely to cause confusion, or to cause mistake, or to deceive” consumers.<sup>53</sup>

However, trademark law also fosters a tension between upholding the public’s interest in avoiding consumer confusion by granting exclusive rights in certain words or phrases and maintaining the public’s interest in freedom of expression.<sup>54</sup> Congress, in protecting against trademark “dilution,”<sup>55</sup> has shown an understanding for the tension between providing a cause of action for harmed mark holders and protecting free speech interests by providing exceptions, whereby people might avoid potential liability when using marks.<sup>56</sup> These include (1) fair use, either descriptive or nominative, of the “famous mark”; (2) use in news reporting or news commentary; and (3) any noncommercial use of the mark.<sup>57</sup> These exceptions, however, only apply to dilution claims, not necessarily to infringement actions as a whole.<sup>58</sup>

Dilution occurs when a famous mark suffers reputational damage, either through blurring (“association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark”) <sup>59</sup> or tarnishment (“association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark”).<sup>60</sup>

### C. Can a Hashtag Be Trademarked?

In 2013, the USPTO began formally recognizing hashtags as trademarkable, so long as they met the requirements of a standard word mark.<sup>61</sup> “A mark consisting of or containing the hash symbol (#) or the term “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.”<sup>62</sup> The determination of whether a mark including the hash symbol constitutes a “hashtag mark” is made on a case-by-case basis.<sup>63</sup> The Trademark Manual of Examining Procedure (TMEP) recognizes the functional role of hashtags, noting that they are used “to identify or facilitate a search for a keyword or topic of interest.”<sup>64</sup> This functional role is reflected in the TMEP’s stance that the addition of a hash symbol or the word

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51. *Id.*

52. 15 U.S.C. §1125 (2012).

53. *Id.*

54. See Pratheepan Gulasekaram, *Policing the Border Between Trademarks and Free Speech: Protecting Unauthorized Trademark Use in Expressive Works*, 80 WASH. L. REV. 887, 891 (2005) (noting “[t]he public utility of trademarks thus cautions against disregarding a defendant’s First Amendment right to use trademarks as a means of efficient communication or creative cultural commentary”).

55. 15 U.S.C. § 1125(c) (2012).

56. Gulasekaram, *supra* note 54, at 892.

57. 15 U.S.C. § 1125(c)(3) (2012).

58. *Id.*

59. 15 U.S.C. § 1125(c)(2)(B) (2012).

60. 15 U.S.C. § 1125(c)(2)(C) (2012).

61. Saqib Shah, *Research Reveals Increasing Number of Brands are Trademarking Social Media Hashtags*, DIGITAL TRENDS (Apr. 1, 2016, 5:21 AM), <http://www.digitaltrends.com/social-media/research-reveals-increasing-number-of-brands-are-trademarking-social-media-hashtags/>.

62. TMEP § 1202.18 (Apr. 2017).

63. *Id.*

64. *Id.*

“HASHTAG” to an otherwise unregistrable mark (including marks that are generic or merely descriptive) will not grant that mark enough distinctiveness to qualify for protection because the symbol or word do not function as source identifiers.<sup>65</sup>

Applicants should disclaim the hashtag where the subsequent wording is distinctive of goods and services, unless the subsequent term is arbitrary or suggestive.<sup>66</sup> As a further limitation, the TMEP notes that if the hashtag is “merely a tag used to reference or organize keywords or topics of information to facilitate searching a topic, the relevant public will not view the hash symbol or the term . . . as identifying the source of the goods or services,” rendering the mark unregistrable.<sup>67</sup> Finally, the TMEP provides that a hashtag symbol may be trademarked for services unrelated to social media if it is sufficiently distinctive and used in connection with goods and services.<sup>68</sup>

### 1. Recent Scholarship

The proliferation of applications for hashtag-based trademarks has coincided with scholarly discussion on both the theoretical basis for granting these devices protection and the soundness of the practice in light of the purposes of trademark law.<sup>69</sup> Texas Tech entertainment and commercial law professor Robert T. Sherwin has explored whether hashtags should be offered such protection, ultimately concluding that they should not.<sup>70</sup> Under his view, hashtags “cuts against the notion” of protection for trademarks because they function as a “tool that *encourages use* by others.”<sup>71</sup>

### 2. Hashtag Trademarks in the Courts

In 2015, the U.S. District Court for the Central District of California decided *Eksouzian v. Albanese*, a case that arose from a settlement dispute between two parties over the use of unitary trademarks.<sup>72</sup> As part of the opinion, the magistrate judge stated that the plaintiff’s use of the hashtag “#cloudpen” did not violate the terms of a settlement agreement, principally because “hashtags are merely descriptive devices, not trademarks, unitary or otherwise, in and of themselves.”<sup>73</sup> Rather, the court found the term “#cloudpen” to be “merely a functional tool to direct the location of Plaintiffs’ promotion so that it is viewed by a group of consumers.”<sup>74</sup>

The week of the decision, the USPTO granted federal registrations to seven new

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65. *Id.*

66. TMEP § 1202.18(a) (Apr. 2017).

67. *Id.*

68. TMEP § 1202.18(b) (Apr. 2017).

69. See generally Robert T. Sherwin, *#havewereallythoughtthisthrough?: Why Granting Trademark Protection to Hashtags is Unnecessary, Duplicative, and Downright Dangerous*, 29 HARV. J.L. & TECH. 455 (2016); Falconer, *supra* note 5; Betsy A. Butwin, *#trademarklaw: Protecting and Maximizing the Value of Trademarks in an Evolving Social Media Marketplace*, 7 CYBARIS: AN INTELL. PROP. L. REV. 110 (2015); see generally Thomas J. Curtin, *The Name Game: Cybersquatting and Trademark Infringement on Social Media Websites*, 19 J.L. & POL’Y 353 (2010).

70. Sherwin, *supra* note 69, at 459.

71. *Id.* (emphasis original).

72. *Eksouzian v. Albanese*, No. CV 13-00728-PSG-MAN, 2015 WL 4720478, at \*1 (C.D. Cal. Aug. 7, 2015).

73. *Id.* at \*8.

74. *Id.*

hashtag marks, a development that neatly juxtaposes the current seeming tension between how the federal office and the judiciary view hashtag marks.<sup>75</sup> Even in light of the *Eksouzian* decision, few courts have yet addressed the issue, and “hashtag jurisprudence is in its budding infancy,” with courts and the USPTO moving in “disparate directions.”<sup>76</sup>

### III. ANALYSIS: PROSPERITY AND PITFALLS

Regardless of whether granting trademark protection for hashtags is supported from a policy standpoint,<sup>77</sup> corporate applicants undoubtedly understand some of the benefits inherent in these branding devices.

#### A. Potential Corporate Benefits of Hashtags

Corporations (and smaller businesses) can use hashtag engagement to promote their goods and services, target certain types of consumers, and track discussion of their brand, products, and promotions.<sup>78</sup> Targeting social media-savvy home-buyers is as easy as appending a #newhome tag to a post, thereby offering access to individual users (potential consumers) searching or discussing that topic online.<sup>79</sup>

Marketers continue to search for innovative ways to expand their influence through hashtags, particularly through methods that reflect the cutting edge of social and cultural online norms. Corporations can more easily personalize their brand by making them more relatable to a tech-savvy crowd.<sup>80</sup> Twitter works with prominent brands in producing hashtag “emojis,”<sup>81</sup> for everything from advertising campaigns to major news and sporting events.<sup>82</sup> This gives hashtags a visual and verbal hook,<sup>83</sup> and has proved to be a successful method of boosting traffic for particular tags.<sup>84</sup> Prominent brands like Coca-Cola, Toyota, and Starbucks have taken advantage of this development.<sup>85</sup> Coca-Cola is a particularly illustrative example of a corporation reaping the benefits of hashtag engagement. In

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75. Falconer, *supra* note 5, at 32; *see also* Alexandra Roberts, *Hashtags Are Not Trademarks—Eksouzian v. Albanese*, TECH. & MARKETING L. BLOG (Aug. 26, 2015), <http://blog.ericgoldman.org/archives/2015/08/hashtags-are-not-trademarks-eksouzian-v-albanese-guest-blog-post-2.htm> (stating “the court’s dicta that ‘hashtags are merely descriptive devices, not trademarks’ suggests it believes hashtags are chronically incapable of serving as source-indicators”).

76. Roberts, *supra* note 75.

77. *Infra* Part IV.D.

78. Newtek, *4 Reasons Businesses Should Take Hashtags Seriously*, FORBES (June 19, 2013, 9:02 AM), <http://www.forbes.com/sites/thesba/2013/06/19/4-reasons-businesses-should-take-hashtags-seriously/#eb3bbeb185a2>.

79. *Id.*

80. Lafferty, *supra* note 14.

81. “Any of various small images, symbols, or icons used in text fields in electronic communication (as in text messages, e-mail, and social media) to express the emotional attitude of the writer, convey information succinctly, communicate a message playfully without using words, etc.” *Emojis*, MERRIAM-WEBSTER (New ed. 2016).

82. Lafferty, *supra* note 14.

83. *Id.*

84. After a brand emoji was added to the #AMA hashtag for the 2015 American Music Awards, the tag emoji’s use skyrocketed from \$2.6 million in 2014 to \$5.4 million in 2015. *Id.*

85. *Id.*



addition to its successful #ShareACoke venture,<sup>86</sup> the company earned praise for its “call to action” in their 2015 #MakeItHappy Super Bowl campaign.<sup>87</sup> Such methods succeed when the hashtag is “well-integrated” and reflects the “core idea” of a brand without distracting from the brand’s message.<sup>88</sup>

These benefits and increasing successful examples of hashtag branding naturally encourage corporations to seek trademark protection for hashtags to protect exclusive use of these devices and control the conversation surrounding their brand.<sup>89</sup> Paradoxically, however, these devices also allow users to proliferate the mark through widespread use on social media platforms, in clear tension with policy ideas centered on exclusive use and maintenance of a mark.<sup>90</sup>

### B. Potential Corporate Drawbacks of Hashtags

Despite some clear benefits and even in light of successful hashtag-centric campaigns, corporations continue to discover that there are many possible pitfalls with this cutting-edge strategy. Because the essence of a hashtag is user interaction, “hashtags . . . are only as valuable as the engagement they produce.”<sup>91</sup> From a corporate perspective, a hashtag is “meaningless” if it does not affect the brand in a positive way.<sup>92</sup> Spreading a core brand idea through the use of a hashtag often exposes a carefully curated message to unwanted appropriation and negativity, because of the ease with which users can access, categorize, and then attach a tag to their own posts.<sup>93</sup> Suddenly, a well-intentioned campaign can veer off the rails, harming the corporation’s public image.<sup>94</sup> Seeking trademark protection for hashtags creates a risk that the rights holder, because of the turbulent and effervescent nature of online cultural paradigms, will hold exclusive rights to a mark that becomes the butt of a joking meme, if not worse.<sup>95</sup> This can happen as a result of bad timing,<sup>96</sup> unexpected vitriol,<sup>97</sup> or what can only be termed a complete lack of social and news

86. *Id.*

87. Yohn, *supra* note 11.

88. *Id.*

89. Marshall, *supra* note 4.

90. Sherwin, *supra* note 69 (“[I]t’s not uncommon to see specific advertising campaigns that center on the hashtag itself—not just as pointer to the company’s Facebook or Twitter page, but as a carefully designed promotion that implores potential customers to actually use the hashtag in the way it was intended.”) (emphasis in original).

91. Yohn, *supra* note 11.

92. *Id.*

93. See generally Kim Lachance Shandrow, *The 5 Worst Twitter Marketing Fails of 2014*, ENTREPRENEUR (Dec. 18, 2014), <https://www.entrepreneur.com/article/240696> [hereinafter Shandrow, *5 Worst Twitter Marketing Fails*].

94. *Id.*

95. *Id.*

96. Airline service Qantas’ #QantasLuxury hashtag was the subject of ridicule after its flights were grounded the day before. See Kate Schneider, *Fail! Qantas red-faced after Twitter campaign backfires*, NEWS.COM.AU (Nov. 22, 2011, 3:38 PM), <http://www.news.com.au/travel/travel-updates/fail-qantas-red-faced-after-twitter-campaign-backfires/news-story/8b6979149ca83aff2662054228131006> (explaining customer dismay with Qantas, attempt at marketing through a hashtag).

97. The infamous #McDStories tag, introduced by McDonald’s, led to users sarcastically reflecting on their worst experiences at the restaurant. See Kim Lachance Shandrow, *The 5 Biggest Twitter Marketing Fails of 2012*, ENTREPRENEUR (Dec. 17, 2012), <https://www.entrepreneur.com/article/225303> (discussing specific company failures when marking on Twitter).

awareness.<sup>98</sup> Likewise, a campaign may be quickly hijacked by individual ne'er-do-wells or even media cites, resulting in a well-intentioned hashtag campaign spreading an unintended, and unfortunate, message.<sup>99</sup>

Additionally, while also creating their own hashtags, corporate brands occasionally latch onto a trending tag in order to insert themselves into mainstream, current conversation, which sometimes produces disastrous results.<sup>100</sup> Seeking to maintain control of a marketing hashtag, then, is not without its practical problems,<sup>101</sup> even including something as trivial as basic proofreading errors.<sup>102</sup> Despite these potential drawbacks, corporations obviously see the benefit in gaining exclusive rights over the use of certain marketing-based hashtags, not just in the United States, but internationally.<sup>103</sup>

### C. Theory and Policy

By granting trademark protection to hashtags, the USPTO is allowing large corporations to curate their message and bully potential infringers on social media sites, thus protecting these brands from constitutionally-protected criticism.<sup>104</sup> Attorney Betsy Butwin recognized this when noting that “paradoxically,” mark owners would benefit from “marketing upside generated by third-party hashtags of their marks,” while also having the ability to police for potential infringement.<sup>105</sup> Sherwin argues corporations seek trademark protection for hashtags to “increase leverage over social media networks and users when the discussion goes south.”<sup>106</sup>

### D. Analyzing the Eksouzian Holding

Courts have yet to address these issues with any sort of regularity. In *Eksouzian*, the U.S. Central District of California examined a trademark dispute centered around a settlement agreement.<sup>107</sup> While touching on the subject of hashtags as trademarks, however, the case arguably does little to advance the analysis. Rather than setting a sweeping precedent, the decision reads more narrowly in finding that the hashtag in question (#cloudpen) serves a functional purpose and is merely descriptive. “[H]ashtags are merely descriptive devices, not trademarks, unitary or otherwise, in and of

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98. *Id.*

99. See Yohn, *supra* note 11 (illustrating how Coke’s #MakeItHappy campaign was derailed by Gawker media); Shané Schutte, *Latest #hacking Scandal: Coca-Cola Tricked into Tweeting Mein Kampf*, REALBUSINESS (Feb. 5, 2015), <http://realbusiness.co.uk/article/29177-latest-hacking-scandal-coca-cola-tricked-into-tweeting-mein-kampf> (detailing how Gawker media sabotaged Coke’s #MakeItHappy campaign).

100. See Jayson DeMers, *The 7 Worst (And Most Amusing) Mistakes Brands Have Ever Made On Social Media*, FORBES (May 2, 2016, 2:18 PM), <http://www.forbes.com/sites/jaysondemers/2016/05/02/the-7-worst-and-most-amusing-mistakes-brands-have-ever-made-on-social-media/#79953f755a22> (noting DiGiorno Pizza’s unfortunate use of a #WhyIStayed hashtag meant to prompt discussion on domestic violence).

101. Kim Bhasin, *13 Epic Twitter Fails by Big Brands*, BUS. INSIDER (Feb. 6, 2012, 10:19AM), <http://www.businessinsider.com/13-epic-twitter-fails-by-big-brands-2012-2>.

102. See Shandrow, *5 Worst Twitter Marketing Fails*, *supra* note 93 (detailing a particularly vulgar hashtag mistakenly promulgated by Sephora).

103. See Marshall, *supra* note 4 (discussing proliferation of hashtags globally).

104. See *id.* (discussing increase in hashtag trademarking).

105. Butwin, *supra* note 69, at 128.

106. Sherwin, *supra* note 69, at 478.

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

themselves . . . ‘Plaintiffs’ use of the hashtag “# cloudpen” is 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.”<sup>108</sup> In the court’s mind, then, hashtags could possibly fall short of trademark protection for not one, but two reasons: they are either “merely descriptive,” and therefore barred under Lanham Act § 2(e)(1), or even functional (§ 2(e)(5)).<sup>109</sup>

It is difficult to determine the extent of this statement. Is the court determining that *no* hashtag-mark can be inherently distinctive? Such a break from the U.S. PTO seems unlikely, as the TMEP clearly recognized the ability of a hashtag to serve as a mark just under two years before the court decided *Eksouzian*.<sup>110</sup> This interpretation would amount to a radical divide in reasoning between the U.S. PTO and the courts, and would hinder the ability of corporations to protect and benefit from their use of these potential marks.

The *Eksouzian* court also curiously used the phrase “functional tool” to describe a hashtag (in this case, on Instagram).<sup>111</sup> The Supreme Court has long recognized trademark law’s functionality doctrine, which bars the exclusive rights provided by trademark law from stepping on the proverbial toes of patents.<sup>112</sup> The doctrine, that trade dress protection will not be granted for matter which is functional, is “well-established.”<sup>113</sup> The landmark cases, however, often deal with matter that is *also* the subject of a prior patent—that is, the matter for which trademark protection is sought has already been the subject of an expired patent.<sup>114</sup> Policy demands that such protection should not be afforded to functional matter out of concern that doing so would indefinitely grant an exclusive right that would render competition obsolete.<sup>115</sup> Hashtags, while inventive, hardly constitute an invention in the patent sense. A reading of *Eksouzian* that understands the court to have extended functionality to these potential marks would be exceptionally expansive. The policies that underlie the functionality doctrine are not in play when it comes to the proliferation of social media hashtags.<sup>116</sup> They have a function, if any, no different than other wordmarks: they can serve as a source identifier. Concededly, hashtags also enable efficient sorting and navigation, but this function is not the thing over which protection is sought. Theoretical arguments may be made for denying trademark protection to internet-based hashtags. Functionality is not an appropriate one.

The *Eksouzian* case, then, does little to act as a weather vane for future court holdings on the topic. In describing hashtags as “descriptive devices,” the court identifies a potential argument against granting these devices trademark protection, but it does so within the narrow framework of a private settlement agreement.<sup>117</sup> Nor does it, in its brief section

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108. *Id.*

109. 15 U.S.C. § 1052 (2006).

110. TMEP §1202.18 (Apr. 2016).

111. *Eksouzian*, 2015 WL 4720478 at \*8.

112. *TraFFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 29 (2001).

113. *Id.*

114. *Id.*

115. *See id.* at 32. (“[W]e have observed that a functional feature is one the ‘exclusive use of [which] would put competitors at a significant non-reputation-related disadvantage.’”).

116. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164 (1995) (stating that “the functionality doctrine prevents trademark law . . . from instead inhibiting legitimate competition by allowing a producer to control a useful product feature”).

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

addressing the hashtag issue, offer an extensive analysis of either theory or policy surrounding the hashtag-as-trademark issue. Future courts, then, will be left with considerable latitude in interpreting the TMEP's nascent standards and establishing a framework within which others may analyze the hashtag question.

#### IV. RECOMMENDATION: MORE TROUBLE THAN IT IS WORTH

There can be no doubt that corporations reap many benefits from using hashtags as a marketing tool.<sup>118</sup> These benefits come burdened with inherent drawbacks, including the chance that a marketing hashtag will be quickly and ruthlessly misappropriated by the same consumer base a company sought to reach in the first place.<sup>119</sup> Of further concern is the uncertain position of hashtags in trademark law. How exactly do they fit in? Do they conform to the policies and justifications behind granting exclusive rights to mark owners? While the TMEP recognizes the ability of hashtags to serve as marks, courts have mostly left this question unanswered.

Finally, corporations must wrestle with considerable public policy issues, including the tensions between trademark and First Amendment protections, when weighing the advisability of seeking trademark protection. After all, these corporations are ostensibly asking, if not encouraging, users (potential consumers) to use the mark.<sup>120</sup> Use is, in fact, an indicator of the success of such a campaign, but it also raises important concerns about whether corporations should be given the ability to essentially police public, company-related speech. Over-enforcement could lead to public backlash, negative opinion, and subsequent harm to the corporation's all-important brand. Balancing these concerns with the undoubted benefits of hashtag-based marketing, this Note argues that corporations are not better served in seeking trademark protection for their hashtags.

##### A. Resolving Doctrinal Tension Between Courts and the USPTO

Several scholars have examined whether hashtags should be afforded trademark protection.<sup>121</sup> The USPTO's instinct—to lean on the side of granting protection to hashtags—is not without merit. After all, “almost anything” can serve as a mark, so long as it may be perceived as a source identifier.<sup>122</sup> However, the arguments against such protection are more persuasive. While almost anything may serve as a mark, it is equally true that there remain certain categories of symbols that fall outside the protection of trademark law.<sup>123</sup> The Lanham Act identifies several, including marks that incorporate a national symbol, serve as merely a surname, are primarily offensive, are deceptive, primarily geographic, deceptively misdescriptive, or merely descriptive.<sup>124</sup> Trademark law has established considerable precedent for the idea that certain types of marks, then, are

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118. Yohn, *supra* note 11.

119. Sara Roncero-Menendez, *8 Hijacked Hashtags Gone Horribly Wrong (or Right)*, MASHABLE (Oct. 19, 2013), <http://mashable.com/2013/10/19/hijacked-hashtags/#NtBQWbsngkqqa>; David Zaleski, *The Top 10 Most Disastrous Hashtag Campaigns*, iMEDIA (Feb. 21, 2015), <http://www.imediacoalition.com/articles/ported-articles/red-dot-articles/2015/feb/the-top-10-most-disastrous-hashtag-campaigns/>.

120. Yohn, *supra* note 11.

121. See *supra* note 69 and accompanying text.

122. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162 (1995).

123. See 15 U.S.C. § 1052 (2017) (identifying certain categories of unregistrable marks).

124. *Id.*

not protectable, when they clash with the basic policy justifications for exclusive rights. Chief among these is a concern over the potential for consumer confusion.<sup>125</sup> Closely linked to this concept is the threat of genericization, whereby consumers no longer associate the former mark as a source identifier, but instead as designating the thing itself.<sup>126</sup> The more widespread the mark, the more likely it is that consumers will be confused. This fear applies directly to hashtag marks, which are meant to be widespread, used by others, and are particularly vulnerable to misappropriation.

The *Eksouzian* court anticipated further problems unique to hashtags, namely their pseudo-functional character and an alternative argument that they may also be no more than descriptive devices.<sup>127</sup> It is clear that there is already some tension between the USPTO and the courts, and given the number of policy concerns surrounding granting such protection to marks, there is a good chance that these tensions will not ultimately be resolved in favor of corporations.<sup>128</sup> Thus, they may be left investing both money and time in earning and subsequently enforcing a mark that very well may be vulnerable—if not invalid—in the eyes of the courts.

### *B. The High Cost of Policing*

Corporations would be wise to avoid other hassles that come with gaining exclusive trademark rights in hashtags. Mark holders provide their own enforcement in trademark law; that is, competitors bear the burden of protecting their marks through self-policing.<sup>129</sup> Were hashtags, particularly those used in social media campaigns, to be protected under trademark law, the unique drawbacks, discussed above, inherent in such marks would make this enforcement burdensome and costly.<sup>130</sup> Corporations would be forced to monitor their marks virtually in real-time, and while the functional nature of hashtags—as a sorting mechanism—lends itself to this process, corporate legal departments would be battling hundreds, if not thousands, of potential infringers on a daily basis. This difficult process of enforcing may be moot anyway should the hashtag mark, by virtue of its own success, become generic.

### *C. The Constant Threat of Genericism*

Corporations seek two contrasting benefits when they ask for trademark protection for a hashtag mark. First, they seek the ability to gain some level of legal control over the mark and therefore wish to curate the discussion around the mark. Second, they wish to identify the hashtag as a source indicator, unique to their brand, while encouraging others to use and spread the brand's mark and message. These goals directly contradict each other.

125. 15 U.S.C. § 1052(d) (2017).

126. See *Haughton Elevator Co., v. Seeberger*, 85 U.S.P.Q. ¶ 80 (Com'r Pat. & Trademarks Apr. 3, 1950) (describing the effects of a mark's genericization, namely, the "escalator").

127. *Eksouzian v. Albanese*, No. CV 13-00728-PSG-MAN, 2015 WL 4720478, at \*8 (C.D. Cal. Aug. 7, 2015).

128. See *Falconer*, *supra* note 5 (evaluating the ramifications of the *Eksouzian* decision).

129. *Mini Maid Servs. Co. v. Maid Brigade Sys., Inc.*, 967 F.2d 1516, 1520 (11th Cir. 1992) ("[T]he law imposes upon a franchisor the duty to police the use of its own mark . . .").

130. See Andrew Mirsky, *Trademarks: Why Necessary to Police Infringement of Your Marks*, MEDIA TECH L. (Nov. 7, 2010), <http://mediatechlaw.mstreetlegal.com/2010/11/07/trademarks-why-necessary-to-police-infringement-of-your-marks/> (discussing methods of enforcement).

After all, how much legal control should the USPTO, or courts, grant to corporations when the corporations turn around and encourage proliferation of the mark—but only on their terms?

Such encouragement leads to the separate potential pitfall of genericization, more crudely referred to as genericide.<sup>131</sup> This must, therefore, be a primary concern for corporations seeking trademark protection for its marketing hashtags. Preventing genericization requires enforcement, something that would arguably be as time-consuming as it is fruitless, given the nature of hashtags.

A generic symbol can never obtain trademark protection, whether it was initially generic (APPLE for an apple) or *becomes* generic (MURPHY BED or ASPIRIN).<sup>132</sup> This often happens through widespread use of a mark, where the public eventually no longer associates the mark as a source identifier, but rather as the term for the thing itself, or where the symbol no longer comes to mean what the mark-holder originally intended. Social media is a particularly potent platform when it comes to genericization. A hashtag may be used, or more importantly, misused, almost instantaneously.<sup>133</sup> It may be spread to others, who continue the pattern and render a source-identifying mark utterly impotent. Corporations seeking protection for hashtags will be forced to contend with this issue. Hashtags appear particularly vulnerable to springing beyond the control of corporate mark holders, who may reap few rewards by the time the hashtag enters the realm of genericization.

#### *D. Policy Concerns*

Finally, corporations should avoid seeking trademark protection for their hashtags because of a number of policy concerns, including the potential for First Amendment speech issues,<sup>134</sup> potential public backlash, and a subsequent negative association with an all-important brand. Because corporations would effectively be speaking out of two sides of their mouths in seeking exclusive rights in hashtags while simultaneously encouraging their proliferation, potential consumers are likely to turn against a corporate brand if enforcement becomes too heavy-handed. Additionally, corporations must recognize the ease with which a well-intended mark message may go horribly awry. Campaigns are often “hijacked,” and the unintended consequences<sup>135</sup> of a feel-good mark may lead to great public embarrassment for a corporation. Of course, this can happen whether or not hashtags are protected under trademark law, but seeking trademark protection adds an extra level of hassle with the same inherent dangers.

Even if corporations were not permitted exclusive trademark rights over their hashtags, corporations would still be free to reap some of the benefits of this type of marketing. They would, of course, have little legal recourse should a user (or users) turn the corporate hashtag into an unintended tool for satire or scorn, but neither would the corporation be burdened with the weight of enforcement, legal uncertainties, or the potential for public backlash. Additionally, Section 43 of the Lanham Act arguably would

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131. 15 U.S.C. § 1064 (2006).

132. *Trademark Strength*, *supra* note 47.

133. Roncero-Menendez, *supra* note 119.

134. Johanna Mayer, *#Hashtag™ Hashtags Becoming a Trademarking Battleground*, #PACERMONITOR (Nov. 28, 2016), <https://www.pacermonitor.com/articles/2016/11/28/hashtag-trademark/>.

135. Yohn, *supra* note 11; Schutte, *supra* note 99.

provide corporations with the ability to seek some legal recourse against those misappropriating their hashtags, perhaps via the principles of unfair competition.<sup>136</sup>

#### V. CONCLUSION: THE WAIT-AND-SEE APPROACH

The paucity of case law means corporations will likely have to wait for a determination of their legal boundaries and rights concerning marketing hashtags. The *Eksouzian* case hints at what is to come, but only gives a window into one type of analysis. It remains to be seen whether the law will keep pace with technology in this instance. Until then, corporations must guide themselves by policy considerations. Corporations are likely to continue to seek mark protection for their hashtags and police the mark against both encroachment by competitors and overuse by consumers. These, and other challenges discussed in this Note, may make seeking such protection more trouble than its worth, given the uncertainties surrounding hashtag marks.

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136. 15 U.S.C. § 1125 (2012).