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INTELLECTUAL PROPERTY LAW

To Tweet or Not to Tweet: Social Media and Intellectual Property Issues

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Social media platforms are very useful, but they also create legal issues. Without question, social media has changed the way businesses communicate with their clients and consumers. Likewise, social media has changed the way businesses use their intellectual property (IP). Most companies use some form of social media to advertise and promote their brands. Those companies that keep IP issues in mind as they utilize social media will increase the awareness of their brands among targeted demographics. Those companies that misuse their IP in social media will only increase what they spend on lawyers.

Social media allows a company to easily post comments, quotes, photographs, videos, and music. However, posting and distributing such works without permission may infringe on the IP rights of others. Companies should work with counsel to establish a social media policy, terms of use, and policies for employees and independent contractors to minimize the risk of violating the IP rights of others.

The fact that something can be found on the Internet does not mean that it can be freely used without permission, nor does the lack of copyright or trademark notice mean a work is not protected. There are federal, state and common laws that govern IP rights associated with patents, copyrights, trademarks, trade secrets and rights of publicity. These overlapping laws are all relevant in the context of social media, and vary state by state. Rights of publicity, which protect the name and likeness of a person from being used for commercial purposes, are one example. Approximately 20 states have statutes and approximately 28 states have recognized common law rights. Some states allow post-mortem rights, New York does not, and the length of post mortem rights varies by state. Indiana, birthplace of James Dean, extends post mortem rights to 100 years.

How does the right of publicity relate to social media? Many companies love to associate their brand with a celebrity. What could be better than a photo of a celebrity shopping at the company store? A convenience store named Duane Reade (DR) had just such a photo. It tweeted a paparazzi photograph of actress Katherine Heigl leaving its store, shopping bag in hand. The message was "Love a quick #DuaneReade run? Even @KatherineHeigl can't resist shopping at #NYC's favorite drugstore." Although Ms. Heigl did indeed shop there, DR did not have permission to use her image. DR found itself facing a $6 million lawsuit based on claims under Federal trademark law, and a right of publicity claim under New York state law. Ms. Heigl claimed that DR improperly used her image to suggest that she endorsed DR, and that DR had exploited her celebrity status without her permission. This case demonstrates the importance of being careful when using social media to promote your business. DR may have been able to communicate the existence of the photo, without adding a blatant commercial endorsement.

One example of successful "celebrity tweeting" occurred between Arby's and the pop artist Pharrell Williams. After Pharrell wore a vintage hat to the 2014 Grammys, Arby's tweeted "Y'all trying to start a beef? Hey @Pharrell can we have our hat back?" Pharrell took the tweets in stride, retweeted, and eventually put his hat up for auction on eBay. Arby's anonymously bought the hat for $44,000, which Pharrell donated to his charity for at-risk youth. Afterwards, Arby's tweeted "We're HAPPY to support a great cause." Although Arby's spent $44,000 for a hat, the publicity generated by the stunt was worth it. Lesson: your company's tweets should be amusing, not confusing. Avoid suggesting endorsements by people who have not agreed to endorse your products.

Fair use of materials is another IP minefield in social media. Fair use is a legal concept allowing you to use some portion of a copyrighted work under certain circumstances. Unfortunately, there is no clear definition of "some portion" and "certain circumstances." Companies often want to republish a photograph or a video that has appeared on Facebook or Twitter. It is usually acceptable to republish a tweet or a Facebook update within the same social network systems.

The more difficult situation is when the company wants to post material from Twitter or Facebook on its website. Merely attributing the source of a photo or other material is generally not sufficient to protect you from a copyright infringement claim. Without written permission to use the work, a company must determine if a "fair-use" defense is available. It is a complicated analysis that considers the nature of the work, whether the work is for educational or nonprofit purposes, the amount of the work that was copied, and the impact of the copying on the market value of the work. There is rarely a clear answer.

An example of how difficult it can be to evaluate fair use is the case of photographer Daniel Morel. Mr. Morel was in Haiti during the devastating earthquake in 2010. He uploaded photographs of the earthquake to his TwitPic account. Several news agencies republished his photographs without his permission. Morel sued for copyright infringement, and the jury awarded him $1.2 million in damages. Many were surprised that the reproduction of his newsworthy photographs did not qualify as fair use. The best practice is always to get written permission to publish the work when possible.

How can a company minimize its risk of being sued for intellectual property infringement on its social media sites? The most important step is to have a clear social media policy listing the do's and don'ts. For example, "Do not post material the company does not own without prior written permission" is much more effective than paragraphs of legalese. The company should have a comprehensive pre-screening policy for posting both company content and user generated content. The company should limit the employees who can access a company's social media accounts. There should be a designated person to monitor all social media accounts for misuse of IP by the company or any third parties, and who is authorized to take corrective action.

The company's social media policy should also explain how important it is to be sensitive when dealing with customer sites, fan sites, and review sites like Yelp for fair use and public relations issues. Companies should frequently update their employees and independent contractors on the company's social media policy, and on any new developments relating to the company's IP. To reduce liability for user generated content, the company should always display the terms and conditions of use on its website, describe the company's takedown procedures for material alleged to be infringing, and provide up to date company contact information. The safe-harbor provision in the Digital Millennium Copyright Act (DMCA), which includes some of the above recommendations, can provide protection against copyright infringement claims arising from user generated content.

Companies that consult with counsel and take the time to understand and develop a social media policy, terms of use, and policies for employees and independent contractors will minimize their risk of violating the IP rights of others.

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