

2010 GREEN CALIFORNIA SUMMIT AND
EXPOSITION

MARKETING YOUR GREEN PROGRAMS: HOW TO
USE NEW MEDIA AND SOCIAL MEDIA



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General Legal Guidelines For Intellectual
Property, Posting on Websites, Blogging,
Advertising, and Green Claims Substantiation

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INTELLECTUAL PROPERTY PRIMER TRADEMARKS

TRADEMARK:

- A trademark includes any word, name, symbol, or device, or any combination, used, or intended to be used, in commerce to identify, distinguish, and provide the source of the goods of one manufacturer or seller from goods manufactured or sold by others. Basically, a trademark is a brand name.
- Ex.: TIFFANY, ROLEX



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INTELLECTUAL PROPERTY PRIMER TRADEMARKS

SERVICE MARK

- A service mark is any word, name, symbol, device, or any combination, used, or intended to be used, in commerce, to identify, distinguish, and indicate the source of the services of one provider from services provided by others.
- Ex.: BANK OF AMERICA

Bank of America



Bank of Opportunity™

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CERTIFICATION MARK

- A certification mark is any word, name, symbol, device, or any combination, used, or intended to be used, in commerce with the owner's permission by someone other than its owner, to certify regional or other geographic origin, material, mode of manufacture, quality, accuracy, or other characteristics of someone's goods or services, or that the work or labor on the goods or services was performed by members of a union or other organization.
- Ex.: FAIR TRADE CERTIFIED, U.S. TM Reg. No. 2868219

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COLLECTIVE MARK

- A collective mark is a trademark or service mark used, or intended to be used, in commerce, by the members of a cooperative, an association, or other collective group or organization, including a mark which indicates membership in a union, an association, or other organization.
- Ex.: U.S. GREEN BUILDING CHAPTER, U.S. TM Reg. No. 3407162



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RIGHTS OF TRADEMARK OWNERS

- Common Law in U.S. – rights accrue from first date of use in commerce
- Registration – provides strong evidence of rightful ownership

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INFRINGEMENT

- Confusingly similar mark used for same or highly similar goods or services
- Consumers confused as to source, sponsorship or affiliation
- State rights vary by state; may be under Unfair Competition or Trademark
- Federal rights under Lanham Act
- Domain names using other's trademarks – actions brought under UDRP (Uniform Domain-Name Dispute-Resolution Policy), ICANN (Internet Corporation for Assigned Names and Numbers)

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TYPES OF INFRINGEMENT RELATING TO WEBSITE SERVICE PROVIDERS

VICARIOUS TRADEMARK LIABILITY

Defendant:

- Had an apparent or actual partnership with user/poster of material; or
- Defendant and user had authority to bind each other in transactions with other third parties; or
- Defendant and user exercised joint control over the infringing material/product.

Seventh Circuit– *Hard Rock Cafe Licensing Corp. v. Harry's Sweat Shop*, 955 F.2d 1143 (7th Cir. 1992)

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CONTRIBUTORY TRADEMARK LIABILITY

Defendant either:

1. Intentionally induces another to infringe trademark owner's rights, or
 2. Continues to supply a product to a third party it knows or has reason to know is engaging in trademark infringement.
- *Inwood Labs, Inc. v. Ives Labs, Inc.*, 456 U.S. 844, 102 S. Ct. 2182 (1982)
 - CASE: Website provider found NOT contributorily or vicariously liable:
 - *Tiffany Inc. v. eBay, Inc.*, 576 F.Supp.2d 463 (S.D.N.Y. 2008) (eBay had notice and "take down" procedure for trademarks, immediately removed listings for counterfeit goods upon notice, and generalized knowledge of infringement was not a factor for finding of trademark infringement.)

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FAIR USE OR NOMINATIVE USE vs. INFRINGEMENT

- Fair Use is a defense to an infringement claim
 - Trademark used merely to describe or identify goods or services in critical works or reviews, fiction
1. Goods or service not identifiable without using trademark
 2. Trademark only used to identify goods or services
 3. Use does not convey sponsorship or endorsement

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HOW NOT TO INFRINGE

- Create your own marks and clear through searches for similar marks
- When using the marks of others, use in a fair use manner
- Provide notice that the marks of others are owned or registered marks owned by [name of trademark owner]
- Do not use confusingly similar marks used or owned by third parties

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COPYRIGHTS

Subject Matter of Copyrights

- literary works;
- musical works, including any accompanying words;
- dramatic works, including any accompanying music;
- pantomimes and choreographic works;
- pictorial, graphic, and sculptural works;
- motion pictures and other audiovisual works;
- sound recordings; and
- architectural works.

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COPYRIGHT HOLDER'S BUNDLE OF RIGHTS

- Reproduce work;
- Prepare derivative works;
- Distribute copies by sale or other transfer of ownership, or by rental, lease, or lending;
- Perform (literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works);
- Display (literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work); and
- Perform Digital Audio Transmission.

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FAIR USE FOR COPYRIGHT

Certain uses are authorized by law without the consent of the Copyright Holder:

- Criticism
- Comment
- Parody
- News Reporting
- Teaching
- Scholarship
- Research

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FAIR USE FOR COPYRIGHT

Factors:

- Purpose and character of use: commercial vs. non-profit or educational
- Nature of the copyrighted work
- Amount and substantiality of the portion of the copyrighted material used
- Impact of the use on the market value of the copyrighted material

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COPYRIGHT INFRINGEMENT TYPICAL CLAIMS FOR WEBSITES

- **VICARIOUS LIABILITY** – Party has the right and ability to supervise infringing activity by another party even when there is no actual knowledge of the infringement or connection between the third party and infringer

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COPYRIGHT INFRINGEMENT TYPICAL CLAIMS FOR WEBSITES

- **CONTRIBUTORY LIABILITY** – Party materially contributes to the infringing activity of another party: there is a connection between the third party and the infringing conduct

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COPYRIGHT INFRINGEMENT TYPICAL CLAIMS FOR WEBSITES

- Example: Third party conduct that does not facilitate infringement: manufacturer provides videocassette recording equipment that can illegally record but can also playback legally obtained videos = non-infringing because machine also has non-infringing function and is not a 1 function type machine that is used solely for infringing activities. *Sony Corp. Universal City Studios, Inc.*, 464 U.S. 417 (1984)

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DMCA – DIGITAL MILLENIUM COPYRIGHT ACT OF 1998

- Enacted 1998: Policies to protect creative expansion of the Internet, websites, for a relatively new but vibrant industry, continue First Amendment rights of free speech
- For websites, covers online copyright infringement liability limitations for service providers

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DMCA – DIGITAL MILLENIUM COPYRIGHT ACT OF 1998

Compare 1998 enactment date with founding of websites: technology progresses and case rulings and review are still catching up

- MYSPACE – 2003
- FACEBOOK – 2004
- YOUTUBE – 2005
- TWITTER – 2006



YouTube



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NOTICE AND TAKE DOWN

- Website service providers have a SAFE HARBOR – DMCA, 17 U.S.C. § 512(c)–
- Service Providers are shielded if:
 - No actual knowledge of infringement or no knowledge of facts upon which it could deduce infringement
 - Does not receive a direct benefit from infringement even if it has right and ability to control content
 - Upon notice from copyright holder, must expeditiously remove access to infringing material (NOTICE AND TAKE DOWN)
 - Adopts, informs, and implements policies to prevent and terminate infringement
 - Service provider must register designated agent with U.S. Copyright Office

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COPYRIGHT HOLDER'S NOTICE REQUIREMENTS TO SERVICE PROVIDER

- Must be in writing
- Must Substantially comply with the following 6 factors
 1. Physical signature of copyright holder
 2. Identification of copyrighted work
 3. Identification of infringing material
 4. Contact information for complaining party
 5. Copyright holder good faith statement that authorization not given
 6. Statement that information in notice is accurate

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TAKE DOWN & NOTICE REQUIREMENTS OF SERVICE PROVIDER

- Must expeditiously remove material or remove access to allegedly infringing material from website
- Must promptly notify user/infringer that material was removed

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USER/ALLEGED INFRINGER REQUIREMENTS OF COUNTER-NOTICE

- Must be in writing
- Must identify the material in question
- Statement under penalty of perjury that material was removed because of mistake or misidentification
- Must include User/Alleged Infringer contact information and consent to federal jurisdiction in service provider's venue

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SERVICE PROVIDER PROCEDURES UPON RECEIPT OF COUNTER-NOTICE

- Must send copy to copyright holder
- Copyright holder must respond in 10 days or material is re-posted
- Copyright holder response must evidence that it filed request for restraint order with court
- No response from copyright holder – service provider must re-post

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CASES

- Service provider not liable for infringement:

Io Group, Inc. v. Veoh Networks, Inc., 586 F. Supp.2d 1132 (N.D. Cal. 2008) (company followed DMCA policy, took active steps to limit incidents of infringement on its website, qualified for DMCA Safe Harbor.)

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GUIDELINES FOR COPYRIGHT

- Create your own copyrighted works: work for hire and/or by assignment
- Using third party works:
 - Obtain written authorization or permission of owner
 - Use in fair use manner
 - Obtain license
 - Obtain written permission of models, individuals



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USING CONTENT POSTED ON THIRD PARTY SITES

- Provide notice that you may use comments in advertising
- FACEBOOK: Generally not permitted to add your own terms
- TWITTER: Does not really address this issue
- Note: Provide your own terms on your Twitter home page
- GENERAL TREND: Courts appear to generally rule in favor of websites that follow DMCA requirements. Other considerations are social policy and first amendment rights, keep a new industry growing and provide forums for exchange of ideas, technology and social advancement

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ADVERTISING

15 U.S.C. 45 and the FTC Guides 16 C.F.R. 255

- REVISED ENDORSEMENT AND TESTIMONIAL GUIDES – Advertising, Consumer Protection, Trade Practices
- Effective: December 1, 2009

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WHY REVISE?

- Consumer generated content: was it an endorsement or company sponsored?
- POLICIES: Self regulation vs. statute driven and strong law enforcement
- BALANCING of First Amendment and Commercial Speech, consumer protection
- BLOGGERS – Acting solely independently, or, acting on behalf of the advertiser?

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ENDORSEMENT

- ENDORSEMENT is “any advertising message (including verbal statements, demonstrations, or depictions of the name, signature, likeness or other identifying personal characteristics of an individual or the name or seal of an organization) that consumers are likely to believe reflects the opinions, belief, findings, or experiences of a party other than the sponsoring advertiser, even if the views expressed by that party are identical to those of the sponsoring advertiser.”
- CONSUMER ENDORSEMENT
- EXPERT ENDORSEMENT

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WHAT IS A SPONSORED MESSAGE?

- Blogger or endorser primarily uses specific facts rather than personal experiences
- Long-standing relationship between company and blogger
- Monetary or something of value given by company to blogger?
- Free gifts may be something of value, especially continuing gifts
- Company does not have to “control” blogger to be seen as sponsor

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BLOGGER DISCLOSURES

- **REQUIRE DISCLOSURE OF MATERIAL CONNECTIONS:** Connection exists between endorser and advertiser that might materially affect the weight or credibility of the endorsement
- Must state he accepts free products or monetary payment or something of value

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CELEBRITY ENDORSEMENTS

- Must be expression of personal belief vs. script
- But celebrities under contract to read from script = conflict ?
- Law enforcement actions have been brought against celebrities who have acted as endorsers (*Cooga Mooga, Inc.*, 92 F.T.C. 310 (1978)(Consent Order); endorsers may also be subject to liability for their statements (Acne-statin endorsed by Pat Boone).
- Restitution can be awarded: *FTC V. Publishing Clearing House, Inc.*, 106 F.3d 407 (9th Cir. 1997) (affirming liability for restitution of telephone solicitor who read facially deceptive script “word for word.”)

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MISLEADING ADVERTISING

- Basic Question: Is a disclosure needed?
- **REQUIRED DISCLOSURE:** Is it or isn't it “the generally expected performance in the depicted circumstances”
- Acceptable reliance: survey of actual users, clinical results, generally accepted scientific principles

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RISKS AND CONSIDERATIONS

- BLOGGERS independent or speaking on behalf of Company?
- EMPLOYEE speaking on behalf of Company? “Professional” blogger?
- COMPANY RISKS of Infringement Liability for Trademark, Copyright, Right of Publicity, Defamation, False Advertising



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GUIDELINES FOR COMPANIES AND BLOGGERS, EMPLOYEES

- Develop Guidelines and Employee Handbook or Policy Manual that limit Employee involvement in blogging
- Provide exact limits and examples of acceptable and unacceptable actions
- Provide guidelines for use of third party trademarks, copyrights, explain infringement and how not to infringe, provide review by legal counsel
- Statements must be accurate, truthful and based upon personal knowledge
- Product performance claims: requires substantiation of claims, must be accurate

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GUIDELINES FOR COMPANIES AND BLOGGERS, EMPLOYEES

- Confidential information and trade secrets: prohibited from discussion
- Affiliation with Company must be disclosed
- Company may create a forum for content and comment, but should not participate directly in creating and posting comment
- Monitor bloggers for compliance and potential infringement, defamation, or other illegal actions
- Have Notice and Take Down rules in place
- Follow third party website rules and guidelines, educate bloggers to do so

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GREEN CLAIMS AND SUBSTANTIATION

FTC GREEN GUIDES – 16 C.F.R. Part 260

- Covers all forms of marketing and advertising claims
- Business-consumer and business-business claims
- Serve as guidelines on how FTC will review and rule
- FTC Policy: advertising must be truthful and claims must be substantiated



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DISCLOSURES AND QUALIFICATIONS

- DISCLOSURES AND QUALIFICATIONS must be specific, understandable, clear and prominently displayed
- CLAIMS must specify that they relate to product, packaging or company practices
- CLAIMS must clearly define the specific environmental benefit
- COMPARATIVE CLAIMS must specify the factors for comparison

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SEALS AND CERTIFICATIONS

- Explain Seal: organization or internal company claim
- Explain Award basis
- Puffery: do not exaggerate, embellish but list only claims that can be substantiated
- Internal Seal and Certification: disclose that company itself operates certification/seal
- Third Party Seal and Certification: third party should be independent of advertiser
- SYMBOLS

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BIODEGRADABLE

- Must biodegrade within a reasonably short time in customary disposal (products usually do not quickly biodegrade in landfills)
- Ex.: Bamboo clothing: must be made of bamboo, not rayon; must retain plant's antimicrobial properties; and must result in quick biodegradation



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COMPOSTABLE

- State whether it can be composted in HOME compost pile
- If municipally composted: explain limited availability of facilities

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RECYCLABLE

- The recycling facility must actually exist
- Disclose if limited availability of recycling programs in geographic area
- Recycled content: just state precise % of recycled material, post-consumer material



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NON-TOXIC

- Non-toxic means product is non-toxic to humans and the environment
- Disclose and define claims, what they pertain to (humans and/or environment)



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UPCOMING REVIEW OF THE GREEN GUIDES

- SUSTAINABLE
- RENEWABLE
- CARBON FOOTPRINT
- CARBON NEUTRAL

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SOME PRESENT DEFINITIONS:

- **SUSTAINABLE** - commonly defined as “meeting the needs of the present without compromising the ability of future generations to meet their own needs.”

United Nations, report of the world Commission on Environment and Development

- **RENEWABLE** – dictionary definition “a commodity or resource, such as solar energy or firewood, that is inexhaustible or replaceable by new growth.”

The American Heritage Dictionary of the English Language, 4th ed. , 2000

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- **CARBON FOOTPRINT** – defined as “a measure of the amount of carbon dioxide (greenhouse gases) emitted as a result of making a product.”

Carbon Footprint LTD.

- **CARBON NEUTRAL** – dictionary definition “a balance between the amount of carbon released from making a product and the amount sequestered or offset in the activity.”

The New Oxford American Dictionary, 2nd ed.

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ENFORCEMENT AGAINST MISLEADING ADVERTISING

- Better Business Bureau – National Advertising Division (usually competitors notify and start actions)
- Federal Trade Commission (consumer groups file complaint; competitors submit white paper to start investigation)
- Court – Lanham Act (between competitors)
- Class Actions – Consumer based

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REMEDIES

- Cease and Desist Orders, Injunctions
- Consent Orders (FTC)
- Refunds to Consumers, restitution
- Penalties and litigation awards
- Corrective Advertising; disclosures in future advertisements; labeling changes to comply with orders

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QUESTIONS?



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Thank you!



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