Trademark management

Trademark infringement – is there an app for that?

The launch of the Apple iPad increases the need for software developers to walk the fine line between policing marks and allowing nominative use

Following the April 2010 launch of the Apple iPad, a program entitled 'Facebook Ultimate' rose through the sales ranks at the iPad App Store. The program included the term 'Facebook' in its name and displayed an icon featuring a lower-case 'f' against a blue background. Yet it had not been developed or endorsed by Facebook Inc. A bevy of disappointed purchasers soon began to post comments on the low quality of the application and Facebook demanded that Apple pull the Facebook Ultimate application from the iPad App Store.

As a company leading the charge into the next generation of web-based applications, Facebook has to walk a tightrope: encouraging developers to generate software that interoperates with its technology, while separately seeking to hold fast to the goodwill associated with Facebook's trademarks.

Facebook provides the Facebook Platform, an application programming interface that encourages its use by developers, but subject to restrictions. Some of these constitute guidelines to prevent developers from infringing Facebook's trademarks or otherwise improperly riding on its coat-tails.

Facebook's developer principles and policies provide as follows:

- You must not express or imply any affiliation or relationship with or endorsement by us.
- You must not use or make derivative use of Facebook icons.
- You must not use terms for Facebook features and functionality (eg, 'fan', 'feed', 'status', 'tag') in the name of your application, any corresponding URL or your application's features and functionality, if such use could confuse users into thinking that the reference is to Facebook features or functionality of the same name.
- You must not make use of Facebook trademarks, including but not limited to FACEBOOK, FACEBOOK LOGO, F LOGO, FB, WALL, POKE and 32665, or any trademarks or terms confusingly similar to Facebook trademarks, in any way that may suggest that we are affiliated with or endorse or sponsor you or your application.

These instructions are consistent with the incentives under US trademark law for a trademark owner to avoid dilution of its goodwill, and could serve as a model that some businesses might advantageously follow. Ultimately, there are at least two motivations for a trademark owner to police its trademarks diligently. First, preventing others from using confusingly similar marks as a way, intentionally or otherwise, to trade on the reputation and goodwill of the original trademark owner. Second, preventing consumers from becoming confused as to the true source of third party's goods or services, and/or as to whether a third party's products are endorsed by the original trademark owner.

If the third-party products are of high quality and their use is complementary to the products or services of the original mark owner, then a cascade of approbation and perhaps collaboration may develop. But, as in the Facebook example, a mark owner's reputation might be harmed through association with inferior goods or services that were not created or endorsed by the trademark owner. Similarly, as part of the *quid pro quo* for the exclusive rights afforded by trademark protection in the United States, a trademark owner implicitly undertakes a duty to police channels of commerce, discovering and eliminating unauthorized uses of its trademarks.

When a mark owner fails to fulfil the duty to police its marks, it may find its exclusive rights weakened to the point that a court concludes that the trademarks have been forfeited or abandoned. As Judge Pierre N Leval succinctly summarized in *Procter & Gamble v Johnson & Johnson* (485 F Supp 1185 (DCNY 1979)): "trademark law not only encourages, but requires one to be vigilant on pain of losing exclusive rights."

The Internet is capable of acting not only as a source of information and a medium of communication, but also as an artery for commerce. Congress, with the 1999 Anti-cybersquatting Consumer Protection Act, and US courts, wrestling with the phenomena of linking, framing and meta tags, have therefore applied principles of US trademark law to certain activities conducted via the Internet. This would appear to hamper businesses that develop software platforms and would-be developers of applications that utilize any of these platforms. It would seem that merely mentioning the name of the platform that a piece of software meshes with would amount to mark infringement.

Having encountered other manifestations of the same basic issue in the past, US courts have therefore developed the doctrine of 'nominative use' as a solution to this dilemma. The doctrine allows someone to invoke a third party's trademark under the following circumstances:

- The third party's product or service cannot be identified without referring to the trademark.
- Only so much of the third party's trademark is used as is necessary to identify the third party's product or service.
- There is no suggestion of sponsorship or endorsement by the third party (see *New Kids on the Block v News America Publishing* (971 F 2d 302 (9th Circuit 1992)).

Businesses interested in fostering a community of software developers for their platform would do well to mention this doctrine in their developer policies, advantageously saying that it is okay to invoke the name of the platform that a particular piece of software interacts with.

So, will Facebook generate an official iPad app? The official Facebook application for the iPhone is reportedly one of the most popular apps, with more than 33 million monthly users. The Facebook Ultimate iPad app, which sold for $2.99 a copy, has shown that iPad users are willing to purchase such an application but at the time of writing, there is no official Facebook application for the iPad. Consistent with Facebook's developer-friendly policies, we expect third-party developers to compete to provide new apps seeking to attract wide segments of Facebook users, and suspect that Facebook will join the fray with an 'official' version. So long as customers can fairly distinguish the various sources of such technology, the principles of trademark law will have served their intended function. WTR

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