



Do you use  
hashtags?

2020

**#HASHMARKS: CAN A HASHTAG BE A TRADEMARK**



#NO

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## #HASHMARKS: CAN A HASHTAG BE A TRADEMARK

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### INTRODUCTION

*“Property is not the bastion of egoism but rather the vehicle of social exchange.”<sup>1</sup>*

*- Joseph Kholer*

The emergence of liberal markets around the world has become a feeding ground for new marketing techniques. Major market players are now coming up with fresh approaches towards market products. The tech-savvy, modern consumers have made the classical methods of marketing redundant. This obstacle can be eliminated by novel and unique methods of marketing. The technology has undoubtedly played a major role in the transformation of marketing techniques by providing platforms such as social media, web portal

etc, which have become indispensable marketing channels for brand owners. One of the recent and most unique methods of marketing products in this arena today is hashtags.

Hashtags are words or phrases that are activated using the hash symbol (#) in front of them, transforming them into hyperlinks that bring together posts or messages on a related topic with an intention to maximize the reach of the topic, attract people and to serve as a common platform for the topic. The content becomes viral and results in the generation of a #tag, which then garners the attention of a wider audience. Hashtags have become ubiquitous, and their widespread popularity on the Internet appeals to companies to use them for marketing products and services<sup>2</sup>. The companies thereby encash upon the hashtag’s popularity to promote their products while increasing their association with the consumers. However, the advent of hashtag has given rise to inevitable intellectual property implications.

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<sup>1</sup> Graeme B. Dinwoodie, Methods and Perspective in Intellectual Property, pg.160, (2013).

<sup>2</sup> Heather Brown, Good Question: How did the pound sign become a hashtag?, CBS NEWS (Apr. 2,

2020, 3:30 PM), <http://minnesota.cbslocal.com/2013/11/07/good-question-how-didthe-pound-sign-become-a-hashtag/>.

*“A great trademark is appropriate, dynamic, distinctive, memorable and unique.”*

*- Primo Angeli*

The question arises, whether a hashtag can be registered as a trademark under the Indian Trademark Act, 1999? Section 2 (m) of the Indian Trademark Act, 1999 defines a mark as follows:

*“Mark includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof”*

Now, as per the above definition, a hashtag can qualify as a mark under a combination of words and numerals. But in order to qualify as a trademark the same has to qualify its definition under the Indian Trademark Act, 1999 under Section 2 (zb):

*“Trademark means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods or their packaging and combination of colours”.*

The two conditions mentioned under the Act for a mark to be qualified as a trademark are:

1. Capable of being represented graphically
2. Capable of distinguishing goods and services of one person from another person.

When these conditions of the Indian Trademark Law are applied to hashtags seeking registration as trademarks, we can see the fulfillment of the first condition since it is a combination of words and numerals that can be represented geographically. The second condition or the test of distinctiveness is the ultimate challenge for qualification as a trademark. This condition is difficult to fulfill since the hash-tagged topics often trend briefly before disappearing into oblivion. Since trademarks are source-identifiers, any hashtag that fulfill the criterion can qualify for registration under the Act.

Under Section 9 of Indian Trademark Act, 1999, the absolute grounds of refusals are given under sub-section (1) of section 9:

*“The trademarks -which are devoid of any distinctive character, that is to say, not capable of distinguishing goods or services of one person from those of another - shall not be registered”.*

As per the provision, it is easy to deduce the importance of distinctiveness for registration as a trademark under the Act. The test of distinctiveness mentioned under

the Act must also be passed and may be classified in two:

1. Inherent distinctiveness
2. Acquired distinctiveness

Since a hashtag may either be inherently distinctive in nature due to it being an invented word or something which trends for so long that the people start to identify the source through hashtag only, it can easily fall under either category. It must also be noted that the application of “#” to a generic word does not make it a trademark since a mere “#” does not make it distinctive.

### **POSITION OF USPTO**

The registration of hashtags as a trademark is catching up in the US market and there are numerous trademarks filed in The United States Patent and Trademark Office (USPTO). In 2013 the USPTO recognized hashtags as registrable trademarks “*only if the mark functions as an identifier of the source of the applicant’s goods or services.*”<sup>3</sup> Prior to this, many hashtag trademark applications failed to obtain approval from the USPTO.<sup>4</sup> Ultimately, the USPTO allowed registration if the mark

contains words or phrases that function as a source identifier independent of the hashtag. The USPTO has already granted over 100 hashtag registrations since 2013. Further there are other important notes under the TMEP such as TMEP § 1202.18 which provides that a hashtag can be registered as a trademark if it includes a disclaimer of the wording “hashtag” or the hash symbol “to separate them from other registrable matter.”<sup>5</sup> Further it is also provided that USPTO will not allow registration of marks which are descriptive or generic in nature.

In **Eksouzian v. Albanese**<sup>6</sup>, two competing manufacturers and sellers of compact vaporizer pens reached a settlement to resolve a prior trademark dispute involving use of the term CLOUD. The plaintiffs sued the defendants to enforce the settlement and the defendant counterclaimed, alleging that the plaintiffs’ use of #cloudpen on social media violated the settlement. In particular, the settlement prohibited the plaintiffs’ use of the words CLOUD, CLOUD V, and/or CLOUD VAPES in close association with the words

<sup>3</sup> U.S. Patent & Trademark Office, Trademark Manual of Examining Procedure (TMEP) § 1202.18 (9th ed. Apr. 2016).

<sup>4</sup> Saqib Shah, Research Reveals Increasing Number of Brands Are Trademarking Social Media Hashtags, DIGITAL TRENDS (Apr. 2, 2020, 4:41

PM), <http://www.digitaltrends.com/social-media/research-reveals-increasing-number-of-brands-are-trademarking-social-media-hashtags/>.

<sup>5</sup> USPTO, TMEP §1202.18.

<sup>6</sup> **Eksouzian v. Albanese**, 2015 WL 4720478 (C.D. Cal. Aug. 7, 2015).

“pen,” “penz,” “fuel,” and “pad” as a unitary trademark.

The *Eksouzian* court held that the plaintiffs did not breach the settlement by using #cloudpen on social media because “hashtags are merely descriptive devices, not trademarks, unitary or otherwise, in and of themselves” and because #cloudpen was being used to direct consumers to the location of the promotion.

More recently, in *Chanel, Inc. v. WGACA, LLC*<sup>7</sup>, Chanel asserted claims of false advertising, trademark infringement and unfair competition under the Lanham Act against What Goes Around, Comes Around (WGACA), a retailer of luxury pre-owned accessories and apparel. WGACA offers pre-owned Chanel products on its website and stores. Chanel alleged that WGACA tagged photos of Chanel products with hashtag #WGACACHANEL on its social media pages and that WGACA’s use of this hashtag served “to create the impression that WGACA is affiliated with or is an authorized Chanel retailer,” thus infringing Chanel’s trademarks.

The court held that Chanel’s allegation was adequate, and that the nominative fair

use doctrine did not change this outcome since this doctrine permits use of other’s trademark to describe the user’s products or services based on a balancing of several factors. The Court explained that WGACA’s Chanel-branded items would be readily identifiable as Chanel without the hashtag #WGACACHANEL. Also, WGACA’s use of Chanel’s trademark was extensive as WGACA displayed Chanel-branded goods more prominently than other luxury-brand goods and repeatedly used Chanel’s name in the hashtags and posted Chanel-branded products photos on social media. Finally, the Court found that the hashtag #WGACACHANEL and WGACA’s guarantees of authentication of themselves may be taken as an endorsement by Chanel.

In light of foregoing, it is unclear how courts will treat trademark infringement and/or unfair competition claims involving hashtag trademarks in the future.

## CONCLUSION

*“With more and more time being spent on social media, it’s important that companies do what they can to protect their brands in this new space.”*

**- Rob Davey**

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<sup>7</sup> Chanel, Inc. v. What Goes Around comes Around, LLC, et al., 1:18-cv-02253 (SDNY).

Although the registration of hashtags as trademarks is still not popular in India, but the craze of social media is catching up amongst masses due to availability of cheap data for usage. The telecom competition in the market has expanded beyond imagination since people who earlier only heard about the internet now have an easy access to it. This scenario will certainly lead to the emergence of hashtags as trademarks to cater to the new consumer force and companies will definitely take advantage of this.

Hashtags, when used as merely descriptive devices, certainly do not deserve trademark protection. However, hashtags that function as source identifiers must be granted trademark protection, since companies use these hashtags for their brand recognition and commercial gain. If protected by trademark law, these companies would have legal recourse against their competitors who use the hashtags to deceive consumers. Competitors, who use the hashtags to mislead consumers, pose a serious threat to the reputation of companies who have the authority to use the hashtags. Finally, as the use of hashtags is becoming popular for marketers, trademark law should not lag and should adapt to the ever-changing time of technology.

Until then, trademark owners should develop strategies to minimize the risk to their investment in hashtags and protect their brands from misuse on social media.