

Facebook Personalized URLs

Titanic Opportunity for Brands or Tip of an Iceberg?

Douglas J. Wood dwood@reedsmith.com +1 212.549.0377 Joseph I. Rosenbaum jrosenbaum@reedsmith.com +1 212.702.1303



The business of relationships.**

The Facebook Announcement

On Tuesday, June 9, Facebook, Inc. announced that on Saturday, June 13 at 12:01 a.m. U.S. EDT, it would allow existing Facebook users to create personalized URLs for their pages on Facebook.

For example:

From: www.facebook.com/profiles.Php?349485

To: www.facebook.com/douglas.j.wood



The Facebook Announcement

Facebook also provided a "notification" form, creating a "registry" so that trademark owners could preemptively submit notice of their trademark rights and enable Facebook to prevent someone from using it in a personalized URL.

For example:

Trademark Owner: Reed Smith LLP

Trademark: "Reed Smith" for legal services



The Facebook Announcement

Notifying Facebook using their own form would prevent someone named "Reed Smith" from registering a personal URL using the exact words.

Presumably, a Mr. Reed Smith could, however, register variations that were not exact.

For example:

www.facebook.com/rsmith



Facebook's announcement illustrates the dilemma brand and trademark owners confront when technology meets traditional intellectual property laws intended to protect content and brand names.



So how is Facebook dealing with trademark rights?

The business of relationships.



The Good, The Bad The Ugly









The Facebook feature in the social networking arena:

- ·Allows for much sought-after personalization
- ·Allows individual users to build name recognition
- More closely resembles preferred Internet address formats, allowing greater ease in remembering or "guessing" at a name or location
- Provides distinct "branding" opportunity for brand owners with corporate presence on Facebook
- ·Increases search improvement



Attempts to Block Name Squatting

"We've taken steps to limit this behavior. Only those who created accounts before username availability was publicly announced at 3 p.m. on June 9, 2009 will be eligible. This decision was made to prevent people from creating new accounts just to take advantage of reserving a username."

"At this time, generic words are not available as usernames. Facebook encourages all users and Page administrators to create a username that closely matches the true identity of their name or business."



"Users can only have one username for their personal profile."

But you can create more than one personal profile.

"Your username should be as close as possible to your true name (e.g., Jsmith or John.Smith). Names such as CoachJohn or BlondeJane don't clearly identify you as well as your true name."

But will such names be disallowed or rejected?



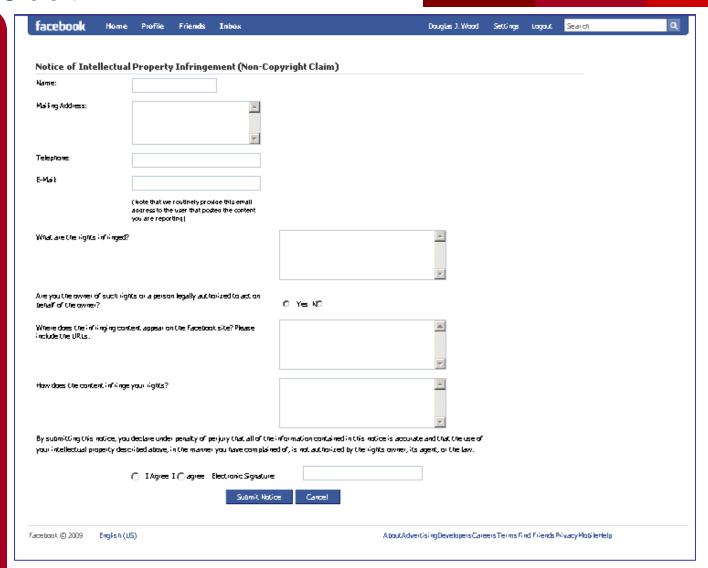
"You can select a username that Facebook suggests, or create your own."

But does that mean it can be a nickname and not a real name? If so, how will nicknames be defined or "controlled"?

"...it is not possible to edit [a username], or to transfer your username to a different account on Facebook. Additionally, when an account is removed from the site, its username will not be made available."

But how does a brand owner reclaim a name improperly taken?





Internal Challenge Procedure





The Bad





If you weren't an existing Facebook user as of 3 p.m. EDT June 9, you can only take advantage of the new user's "second window" of personalization opportunity:

"Usernames will be available to new users after 12:01 a.m. (EDT) on Sunday, June 28, 2009."



Statement of Rights and Responsibilities

"By using or accessing Facebook, you agree to this Statement."

[we supplied the emphasis]



Statement of Rights and Responsibilities When it comes to Copyright:

"If we removed your content for infringing someone else's copyright, and you believe we removed it by mistake, we will provide you with an opportunity to appeal."

But there is no appeal for trademark or username removals.



Statement of Rights and Responsibilities

"You will resolve any claim, cause of action or dispute ("claim") you have with us arising out of or relating to this Statement or Facebook in a state or federal court located in Santa Clara County. The laws of the State of California will govern this Statement, as well as any claim that might arise between you and us, without regard to conflict of law provisions. You agree to submit to the personal jurisdiction of the courts located in Santa Clara County, California, for the purpose of litigating all such claims."



Statement of Rights and Responsibilities

"If anyone brings a claim against us related to your actions or your content on Facebook, you will indemnify and hold us harmless from and against all damages, losses, and expenses of any kind (including reasonable legal fees and costs) related to such claim."



Statement of Rights and Responsibilities

"WE ARE PROVIDING FACEBOOK 'AS IS' WITHOUT ANY EXPRESS OR IMPLIED WARRANTIES INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT."

"...YOU RELEASE US, OUR DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS FROM ANY CLAIMS AND DAMAGES, KNOWN AND UNKNOWN, ARISING OUT OF OR IN ANY WAY CONNECTED WITH ANY CLAIM YOU HAVE AGAINST ANY ... THIRD PARTIES."



Statement of Rights and Responsibilities

"OUR AGGREGATE LIABILITY ... WILL NOT EXCEED THE GREATER OF ONE HUNDRED DOLLARS (\$100) OR THE AMOUNT YOU HAVE PAID US IN THE PAST TWELVE MONTHS."

"WE WILL NOT BE LIABLE TO YOU FOR ANY LOST PROFITS OR OTHER CONSEQUENTIAL, SPECIAL, INDIRECT, OR INCIDENTAL DAMAGES ... EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES."





The Ugly





The Ugly

So . . You 'notified' Facebook. Now you need to deal with Facebook regarding your trademarks and brands . . .

- ·Have you given up any rights?
- ·Who has the right to determine what registrations (or, if any registrations) will suffice for Facebook to take action?
- ·What action is it required to take?



The Ugly

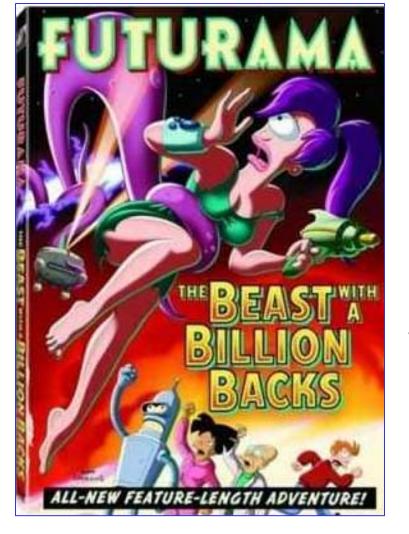
What if Facebook decides to charge for maintaining the service in the future?

Can others create variations, phonetic or sound alike personalizations of your name and brands?

What if every social network, virtual world, community or group does the same thing?







So what can an owner do to protect its brands and trademarks from name squatters?

Some recommendations from the front lines . . .



Social Networking Strategy

If your brand is an individual's name, use the notification procedure.

If your brand resembles an individual's name (e.g., Reed Smith), use the notification procedure.

If your brand name is unique and unrelated to an individual's name (e.g., Polaroid), you may want to consider not submitting any notifications to Facebook.



Social Networking Strategy

But . . .

are you an existing Facebook Page owner?

If your brand is unique and unrelated to an individual's name (e.g., Polaroid), consider not using the notification procedure . . .

But...

consider revising your URL to include your brand.



Social Networking Strategy

But . . .

what if you don't have branded Facebook Page(s) yet?

If your brand/company does not currently have a "page" on Facebook related to your brand or trademark, consider establishing one, even if it remains "dark."



But wait, there's more.....





Take a Look at . . .

The Confusing

World of Trademarks

on

Facebook



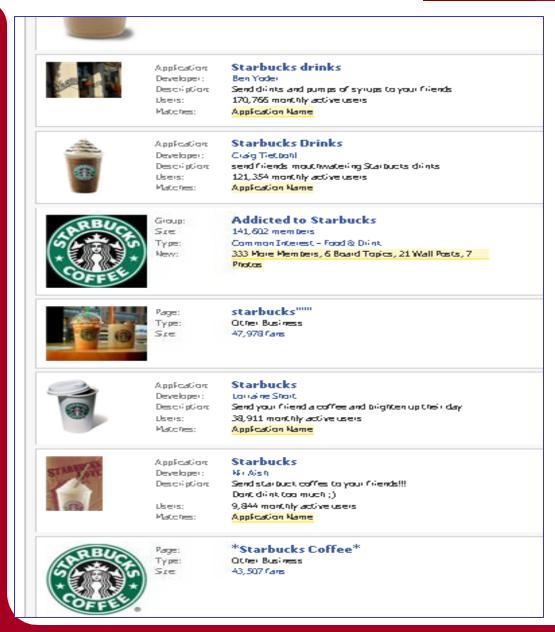


Search: "Starbucks"





Search: "Starbucks"

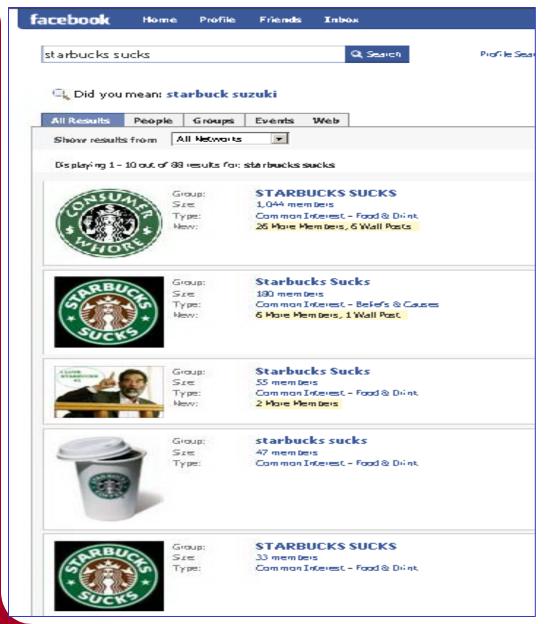


But exactly who are these people?

(more than 500 sites)



Search: "Starbucks Sucks"



Or these people ??

(88 sites)



Are web-based social networks, virtual worlds, user communities - that give power to the people online - simply overwhelming trademark laws?



Thank You



Questions

Douglas J. Wood

dwood@reedsmith.com

+1 212.549.0377

Joseph I. Rosenbaum

jrosenbaum@reedsmith.com

+1 212,702,1303

