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Leveraging Trademark Law To Commercialize A Meme

Law360, New York (February 22, 2017, 1:58 PM EST) -- Memes have become ubiquitous. Composed of "an image, video, piece of text, etc. typically humorous in nature that is copied and spread rapidly by internet users, often with slight variations,"[1] these bite-sized pieces of digital commentary seem inescapable, remarking on the presidential election, pop culture and our daily lives, connecting countless internet users through their variations of the meme. What makes a meme "successful" is its adaptability, allowing hundreds or thousands of people to copy and share it while adding their own distinctive creative tweak, thus making it "viral." Memes' inherent tendency for rapid dissemination (known as virality) make them an attractive option for affordable, ready-made marketing campaigns.[2]



Catherine V. Riley

At the core of any successful, viral meme is its "keystone," the portion of the meme that remains constant across each user's variation. As an example, let's look at a recent viral meme, born on Jan. 7, 2017: Salt Bae. See examples here, here, and here.

The keystone of Salt Bae is the man sprinkling a dash of salt with pizzazz onto what was originally a dish — he is the constant among the variations. While the background image and the accompanying text may change, the keystone remains the same, giving the meme its identity and linking all the variations together into a single viral phenomenon.



Dorna Mohaghegh

The unchanging nature of the keystone is the reason trademark law provides such a useful avenue for commercializing and protecting memes. The constancy of the keystone allows it to be used in marketing materials as an indicator of source for goods or services, making the keystone protectable as a trademark, whether under statutory or common law. This article provides an overview of steps you can take to use, protect and enforce a keystone as a trademark, along with some of the issues that may arise based on the nature of the content of the keystone, namely, whether the content (1) is entirely created from the your own intellectual property, (2) is based on someone else's IP or (3) utilizes a real person's likeness or identity.

Commercializing a Meme with an Independently Created Keystone

Until it is used as an indicator of source for goods or services, a meme is simply a creative statement shared by its creator with other internet users. Thus, if you have created a keystone that is composed exclusively of content you own, you already have enforceable copyrights in the keystone. However, you must use the keystone as a source indicator for goods or services in order to turn the keystone into a trademark.[6] An illustrative example of this type of keystone is Grumpy Cat. See examples here and here.

The keystone in the Grumpy Cat memes is Grumpy Cat himself. This meme went viral years ago, and the owner of the cat has since registered trademark rights in the cat's likeness and in the name Grumpy Cat in connection with an array of goods and services.[3]

Creating your own keystone eliminates concerns of ownership or IP infringement claims from other parties, making use of the keystone much lower risk and making protection of your rights in

your keystone the primary concern. But how do ownership rights work when the value of a meme comes from its virality, from the creation and distribution of thousands and thousands of variations of the meme by internet users? If you own the trademark rights in the keystone to a viral meme, you must balance your enforcement obligations with the fair use that allows the meme to thrive and thus have value.

Enforcing ownership rights in a trademark is necessary to avoid abandonment of the mark, but allowing fair use of the meme in order for it to build and maintain its virality is critical for the meme to have value. Trademark law recognizes and protects three kinds of fair use: nominative fair use, in which a third party uses your trademark in order to reference your goods and services; descriptive fair use, in which a third party uses your trademark in order to describe their own goods and services but not as an indicator of source; and expressive fair use, in which a third party uses your mark in order to parody you or your goods or services. When third parties use your keystone to create and share a variation of your meme, such use is likely nominative or expressive fair use. Such use is not only fair but necessary for the meme's virality and, consequently, its marketing value. However, virality driven by meme variations made by anonymous internet users also results in relinquishment of quality control for the meme's noncommercial use, which not all brand owners would find palatable.

However, should a third party user wish to use your keystone (or any keystone likely to be confused with yours) as an indicator of source for their own goods and services, that use is the type you can and should enforce against. Balancing the fair use that maintains a meme's virality with your enforcement obligations under trademark law is a difficult balancing act, but these considerations should serve as touchpoints to determine how to use and protect your viral meme keystone.

Commercializing a Keystone that Uses IP Content Owned by Others

If you did not create a completely self-owned and developed meme, your meme is almost sure to include someone else's IP. Does such use of someone else's IP qualify as a fair use, immunizing you from infringement claims and allowing you to obtain ownership and protection rights in your keystone?

As an example, let's consider Darth Lumbergh, a meme parody of Darth Vader, of Star Wars fame, and Bill Lumbergh from Office Space. See examples here and here. The keystone of this viral meme is based on the IP of others, making the threshold question whether this use is fair use. If not, then the Darth Lumbergh meme is infringing and not a good candidate for commercialization. If so, the second question is whether the creator of Darth Lumbergh can protect her rights in the keystone.

Using a Trademark in Your Keystone

First, if the third-party IP in your keystone is trademarked (e.g. the Darth Vader mask), your use may be fair use if it is a parody of the underlying trademark. The primary question is whether your potential parody is likely to confuse consumers as to its origin and association with the underlying trademark.[4] In the case of Darth Lumbergh, will a potential consumer believe that the meme is associated with the Star Wars brand? With a successful parody, that's unlikely. "Parodies are at least presumptively nonconfusing." [5] The "better" the parody (i.e. the more clever and funny), the more likely it will be considered fair use because consumers will recognize your intent and conclude there is not a legitimate tie to the original mark. If the meme creator is actually parodying a mark, then "the First Amendment interests of [the creator] in expressing themselves are at their apogee, and are substantial enough to outweigh any slight risk of confusion that [the creator's] parody might create." [6]

Moreover, in considering the likelihood of consumer confusion with a parody, the strength of the underlying mark often works against the trademark owner because the more notable the mark, the more likely the consumer is to understand the joke. For example, the recognized and notable trademarks of the Starbucks logo and Louis Vuitton print have each been subject to parody in the past with the courts finding little confusion to consumers.[7] The difficulty for a parody keystone creator is that the keystone must be sufficiently blatant in its similarity to be understood as a parody, while being distinguishable from the original mark so as not to create consumer

confusion.

Using a Copyrighted Work in Creating Your Keystone

If the underlying IP used to create your keystone is copyrighted material (e.g. a photograph or a screenshot from a film), whether that use is fair use is determined through a four-factor analysis. Of the four factors, the factor regarding purpose and character of the use can be the most important and advantageous for memes. This factor analyzes how the copyrighted work is being used, including whether the use is transformative and/or commercial.

When a work is “transformative,” it “alter[s] the original with new expression, meaning, or message.”[8] While “transformative use is not absolutely necessary for a finding of fair use,” the creation of transformative works “lie[s] at the heart of the fair use doctrine’s guarantee of breathing space within the confines of copyright.”[9] Moreover, “the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use.”[10] This prong is the most useful in defending a meme incorporating a copyrighted work, as many such memes would be considered parodies of the underlying work and thus be considered highly transformative.

The remaining factors, namely whether the use is commercial, the nature of the underlying copyrighted work (whether factual or fictional), the amount and substantiality of the portion of the underlying work used in the meme, and the effect of the meme’s use upon the potential market for or value of the underlying work, are more dependent on the facts of the case at hand.

Protecting Your Keystone that is Fair Use of Another’s IP

Assuming your keystone meets the above expressive/parody fair use threshold for either trademark or copyright, as applicable, you may be able to go a step further from using your keystone to obtaining and protecting trademark rights in it. However, those rights may be limited to common law rights, as the United States Patent and Trademark Office is not likely to permit registration of a parody of a trademark or copyrighted work.

When you apply to register a trademark, third parties can oppose that registration if they believe the mark infringes on their content. When you use content in your keystone that parodies the trademark of another party, such opposition is likely. If you claim a fair use parody defense in response to such opposition, the Trademark Trial and Appeal Board will likely refuse to register your mark. In five separate precedential opinions since 2006, applicants claiming a parody defense against a prior-rights holder opposing registration of the applicants’ marks have been denied registration[11] because the plain language of the Lanham Act (which governs trademark registration) prohibits a parody defense when the parody is used as a source identifier.[12] The board has held that “the [parody] fair use exclusion is typically inapplicable when registration is sought,” and that it is “virtually impossible to conceive of a situation where a parody defense ... can succeed in a case before the Board.”[13]

However, even without registration, you could conceivably obtain trademark rights in your keystone through your use of it as an indicator of source for your goods or services — these are referred to as common law rights. Common law rights accrue through use and can be enforced against infringers in state and federal courts, though the rights enforced and the damages awarded are both more limited than they would be with a federal registration.

Commercializing a Meme with a Keystone that Uses the Identity of Others

Finally, a common genre of memes is those that use another person’s likeness and image, particularly celebrities.[14] Examples of celebrity keystones include Skipping Leo and Notorious RBG. See more examples here, here and here.

Any meme that uses a celebrity likeness runs the risk of celebrity protest. Though, as the proliferation of the above memes demonstrate, risk and likelihood do not necessarily run hand-in-hand. An example of a successful commercial meme utilizing a celebrity likeness is Notorious RBG, pictured above, which uses Justice Ruth Bader Ginsberg’s likeness in its keystone. That meme has since become an indicator of source for t-shirts, a biographical book and even a

museum exhibit.[15]

Ultimately, using a meme that contains someone's likeness commercially is likely to run afoul of the Lanham Act and state rights of publicity or privacy. This is a large and complicated area to maneuver and, while you may be able to obtain common law trademark rights if you have tacit consent by the celebrity through action or inaction, written consent or license are the only guarantees of legal safety. Also, it is important to note that rights of publicity and privacy vary drastically from state to state. Thus, if you take a photo of Leo DiCaprio skipping down the street and want to commercialize it, we suggest you talk to Leo ... and a lawyer.

Conclusion

Memes certainly provide an enticing marketing opportunity, but navigating commercialization is complicated. If you have the luck and creativity to develop a viral meme keystone, using trademark protection as the means for protecting your keystone, while still promoting its continued fair use and maintaining its viral status, may be an effective route for ultimately capturing its commercial value. While this article touches on initial issues to consider, any use or protection of IP rights will be unique and should be discussed with a qualified attorney.

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[1] <https://en.oxforddictionaries.com/definition/meme>.

[2] Throughout this article, we will make reference to, and provide examples of, various memes. We are not making any representations as to the creation or ownership of, or rights pertaining to, any of the referenced memes. All references to URLs at which these memes can be found are current as of Feb. 16, 2017.

[3] Just because you designed your keystone from scratch does not mean you are immune from claims of IP infringement by third parties. Even original work can infringe on someone else's rights if it is too similar. We recommend consulting with an IP lawyer to determine whether your original keystone is likely to infringe another party's rights.

[4] The trademarks in the Grumpy Cat name and likeness are owned by Grumpy Cat Limited, a limited liability company incorporated by Bryan Bundeson, the brother of the owner of the Grumpy Cat, Tabatha Bundeson.

[5] See, e.g., *Louis Vuitton Malletier S.A. v. Haute Diggity Dog LLC*, 507 F.3d 252 (4th Cir. 2007).

[6] *Louis Vuitton Malletier SA v. My Other Bag Inc.*, Brief of Amicus Curiae Law Professors in Support of Defendant-Appellee (2d. Cir.) (16-0241-CV).

[7] *Id.*

[8] *Louis Vuitton Malletier SA v. My Other Bag Inc.*, 16-241-CV (2d. Cir 2016), *Starbucks Corporation v. Wolfe's Borough Coffee, Inc.* (2d. Cir, 2012).

[9] *Campbell v. Acuff-Rose Music*, 510 U.S. 569 (1994).

[10] *Id.*

[11] Id.

[12] New York Yankees Partnership v. IET Products and Services Inc., TTAB Proceeding No. 91189692 (T.T.A.B. 2015); Research in Motion Limited v. Defining Presence Marketing Group Inc. and Axel Ltd. Co., TTAB Proceeding Nos. 91178668, 91179490 & 91181076 (T.T.A.B. 2012); Nike Inc. v. Maher, TTAB Proceeding No. 91188789 (T.T.A.B. 2011); Boston Red Sox Baseball Club LP v. Sherman, TTAB Proceeding No. 91172268; and Starbucks U.S. Brands LLC and Starbucks Corp. dba Starbucks Coffee Co. v. Ruben, TTAB Proceeding No. 91156879 (T.T.A.B. 2006).

[13] New York Yankees Partnership v. IET Products and Services Inc., TTAB Proceeding No. 91189692, at 21 (T.T.A.B. 2015) (citing 15 U.S.C. § 1125(c)(3)(A) limiting the parody defense to use "other than as a designation of source for the person's own goods or services").

[14] Id. at 21, 24.

[15] Note, depending on the state, the protection for right of publicity or privacy may extend to individuals that are not famous, but our analysis will focus on uses of celebrity likenesses due to the endless use of VIP memes.

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