

**IN THE MATTER OF DEVELOPMENT OF THE JOINT STRATEGIC PLAN FOR  
INTELLECTUAL PROPERTY ENFORCEMENT**

**COMMENTS OF  
ETSY, FOURSQUARE, KICKSTARTER, MEETUP, AND SHAPEWAYS**

October 16, 2015

## **Introduction**

Commenters are online service providers (OSPs) that connect millions of creators, designers, and small business owners to each other, to their customers, and to the world. OSPs are a critical platform for free speech and economic activity that empower individuals and small businesses to easily post content online and connect to a global audience. Commenters appreciate the opportunity to participate in this proceeding.

OSPs' key role in the online ecosystem derives in part from their mass accessibility. OSPs empower millions of users to create and publish content with a low barrier to entry. Before OSPs existed, people needed considerable resources to widely disseminate their content. Today, user-generated content reaches a global audience after simply accepting an OSP's terms of use.

However, this mass accessibility presents a potential conflict affecting the free flow of ideas, the dissemination of innovation, and small business-fueled economic growth. When OSPs are exposed to liability for the behavior of their users, it restricts the OSPs' ability to support the freewheeling communities that have been the basis for so much economic, cultural, and political activity.

Congress has recognized and partially addressed this danger by passing laws such as section 230 of the Communications Decency Act (CDA) and the online safe harbors of the Digital Millennium Copyright Act (DMCA). Congress wisely declined to hold OSPs responsible, for example, for reviewing every piece of user-generated writing for possible defamation claims or analyzing every image for potential copyright issues. These laws protect the benefits provided by OSPs by focusing liability on the individual users directly responsible for alleged problematic conduct, and largely removing OSPs from direct liability themselves. This encourages disputes between parties to be resolved directly without involving OSPs that simply provide a platform for the content in question.

As the internet continues to expand, Commenters are in a unique position to observe the growing prevalence of a particular threat to the free flow of information enabled by OSPs. A lack of statutory protections from trademark infringement claims has pushed Commenters to react to many complaints by unquestioningly removing content from their sites. Over the long term, this absence of protection will slow the growth of free expression and commerce that has been the hallmark of the internet. It is this concern that motivates Commenters' submission.

## **Commenters**

Etsy is an online marketplace where people around the world connect to make, sell, and buy unique goods. Etsy's mission is to reimagine commerce in ways that build a more fulfilling and lasting world.

Foursquare creates technology to help people explore the world and provides a wide range of location products and services to businesses.

Kickstarter is the world's leading funding community for creative projects—everything from films, games, restaurants, and music to art, design, and technology. Since launching in 2009, over 9.5 million people have pledged nearly \$2 billion to projects on Kickstarter, successfully funding 95,000 creative ideas.

Meetup is the world's largest network of local community groups. Meetup makes it easy for anyone to organize a local group or find one of the thousands of groups already meeting up face-to-face. We have nearly 18 million members, and more than 160,000 Meetup groups, all organized around the things that matter the most in people's lives.

Shapeways is the world's leading 3D printing marketplace. Designers can 3D print their designs and open shops offering their custom 3D printed objects to the public.

### **The Dangers of Trademark Abuse**

The threat of online infringement is real. OSPs regularly receive facially legitimate notices of alleged trademark infringement regarding user content. In response to these complaints, OSPs generally remove material. However, Commentators also receive trademark infringement complaints that may be abusive.

Abusive trademark enforcement is not synonymous with enforcing rights to the fullest extent allowed under law. The issue addressed in this comment also does not relate to combating counterfeit goods being passed off as genuine. Rather, it refers to the spurious assertion of trademark rights that arguably falls outside of the scope of trademark protection. This may involve negligence – such as a misunderstanding of intellectual property law or the unintended byproduct of an automated enforcement mechanism without adequate protection against false positives.

Worse, however, the spurious complaint may be sent with the deliberate intent to exert unwarranted control over the free flow of information online. The rightsholder may intend to undermine a competitor or to censor critical speech, for instance. Where a user suspects that removal of content was unwarranted, the user may attempt to request that the OSP reinstate the material. The user may argue, for example, that the use is fair use, licensed, protected by the first sale doctrine, or mere comparative advertising.

## Examples of Trademark Abuse

Examples of such abuse occasionally appear in the media. A political action committee supporting the candidacy of Hillary Clinton issued takedown requests targeting parodies of its logo.<sup>1</sup> The basis of the requests involved an unclear mix of copyright and trademark law. More recently, Republican presidential candidate Ben Carson sent takedown requests regarding the use of Carson's name on merchandise referring to his candidacy.<sup>2</sup> As with the Clinton-related issue, the takedown request was grounded in an indiscriminate grab bag of intellectual property claims including trademark and copyright.

Examples happen outside of the political realm as well. As Commenter Etsy has documented in its recent transparency report, trademark-related takedown notices outnumber copyright-related takedown notices.<sup>3</sup> Commenter Etsy has received trademark infringement allegations involving the following examples: A graphic designer uses the trademarked name of a television show to describe custom invitations for a viewing party. An artist creates a humorous oil painting of a popular cartoon character and uses the registered trademark name in the work's title. A small business owner repurposes food packaging into purses, building blocks into earrings, and cut liquor bottles into cups. Each of these examples has non-infringement arguments. However, due to a lack of trademark safe harbors, the users targeted by these takedown requests did not get the opportunity to challenge the allegation and keep their work online.

## Dangers of Trademark Abuse

While OSPs are protected by safe harbors when users submit DMCA counter notices, many OSPs are wary of allowing challenges to trademark related takedown requests in order to avoid being drawn into costly litigation. The result is that a trademark claim – even one built on a weak foundation – can be an effective way to permanently quash the speech or economic activity of others.

OSPs often receive so many complaints that they must make quick decisions based on limited information in the best interest of the company. Many OSPs are not equipped to complete extensive research or make complex legal decisions for a David user against the Goliath rightsholder. Simply put, especially in edge cases, OSPs often do not provide the user the opportunity to challenge content

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<sup>1</sup> Mike Masnick, *Hillary Clinton PAC Sends Bogus Takedown Over Parodies On Zazzle and CafePress*, TechDirt (June 10, 2014) <https://www.techdirt.com/articles/20140609/17534527530/hillary-clinton-pac-sends-bogus-takedowns-over-parodies-zazzle-cafePress.shtml>.

<sup>2</sup> Mike Masnick, *Ben Carson's Lawyer Threatens CafePress Because Ben Carson Supporters Are Creating T-Shirts Supporting Carson* (September 17, 2015) <https://www.techdirt.com/articles/20150917/11350332285/ben-carsons-lawyer-threatens-cafePress-because-ben-carson-supporters-are-creating-t-shirts-supporting-carson.shtml>

<sup>3</sup> [http://blog.etsy.com/news/files/2015/07/Etsy\\_TransparencyReport\\_2014.pdf](http://blog.etsy.com/news/files/2015/07/Etsy_TransparencyReport_2014.pdf)

removed due to trademark claims. This means that a spurious trademark claim, which results in the OSP removing material without recourse for the user, can upend the viability of the small businesses and individual speakers who rely on OSPs. A claim can cause the targeted user to discontinue creating products or speaking in a manner that is perfectly legal, or even beneficial, to society as a whole.

Other costs of abuse are less obvious. Such complaints draw resources away from addressing instances of actual infringement. This makes it harder for both OSPs and rightsholders to address bona fide cases of infringement online.

Further, these assertions of rights can have the long-term impact of undermining public respect for and confidence in intellectual property enforcement by driving attention to stories of abusive and absurd actions by irresponsible rightsholders, powerless users, and risk-averse OSPs. Proper enforcement can only occur in an environment of public respect for intellectual property. A steady stream of examples of abuse can reduce the legitimacy of rightsholders as a whole in the eyes of the public, thus reducing public support for enforcement even in legitimate cases of infringement.

### **Where They Exist Safe Harbors Provide a Check Against Over-Enforcement**

When they are in place, OSP safe harbors help protect against over-enforcement by allowing users to push back against problematic takedown requests. First, users do not need permission or agreement from OSPs protected by safe harbors before challenging an infringement claim viewed as illegitimate. Second, removing the OSP from the decision-making process facilitates user pushback against abusive claims. These challenges can lead to public litigation, bringing edge cases into the public discussion.

Key to understanding the value of safe harbors is recognizing the differing viewpoints of OSPs and their users. OSPs – Commenters included – must consider the best interests of their entire user base when evaluating a request to take down an individual item. Within that rubric, it is often rational to comply with a marginal, but colorable, request for any individual item to be taken down in order to protect the larger viability of the entirety of the user base and avoid costly litigation over a single item.

This is even truer for smaller OSPs who may be unable to afford legal fees required to consider the merits of the claim. Faced with threats of an expensive lawsuit due to an allegation of infringement, and devoid of the protection granted by a safe harbor, startups and small OSPs have more incentive to err on the side of over-accommodation – even at the expense of an individual user’s free speech and legitimate activity.

Individual users have a significantly different perspective. What is a single piece of content among many for a service provider may be the user’s livelihood. In those cases, the user’s motivation to challenge over-enforcement is much greater than the OSP’s. If OSPs had the security of safe harbor protections, OSPs would not need to hinder users from pushing back against rightsholder claims simply to avoid getting involved.

## **It Is Time to Explore Expanding Safe Harbors**

While the benefits of statutory safe harbors are important, they are currently limited to disputes over copyright and claims covered by section 230 of the CDA. No such protection exists for similarly problematic behavior with regard to trademark. As online content grows and brings about more disputes, it is necessary to consider expanding existing safe harbors or creating new ones for trademarks.

Indeed, some rightsholders take advantage of the absence of trademark safe harbors by combining trademark and copyright complaints in the same takedown request. For example, a rightsholder may request the removal of user content consisting of a copyright-protected character and its trademark-protected name. In practice, this allows the rightsholder to sidestep the DMCA counter notice process – designed to be a key check against abusive takedown requests. Even if a user intends to challenge the copyright portion of the request, the trademark portion often remains unchallengeable, resulting in the targeted content staying down.

Creating appropriate safe harbors relating to trademark would not be as simple as replacing “copyright” with “trademark” in the Digital Millennium Copyright Act safe harbor structure, or adding trademark to the scope of protections included in Section 230 of the Communications Decency Act. In the two decades since the U.S. Government has engaged with a consumer internet, many lessons have been learned about what works – and what does not work – in creating online safe harbors. It would be irresponsible not to apply those lessons to new safe harbors.

A statutory safe harbor could also encourage the creation of publicly accessible case law regarding trademarks. Currently, the vast majority of these disputes are resolved privately without public scrutiny. OSPs are largely left to create their own patchwork of policies, hoping that their decisions strike a reasonable balance between enforcement and expression. This results in an uneven, largely undocumented shadow dispute resolution process that breeds an under appreciation for the scope of the problem and a lack of uniform rules to help guide their resolution.

The benefits of statutory safe harbors – increased accountability, public awareness, and uniformity of rules to address disputes – would create a stronger environment for creativity and innovation, while freeing up the resources to focus on enforcement of legitimate cases of infringement.

## Conclusion

Creating a trademark safe harbor is not a process that will happen immediately. However, it is well past time to engage in a thoughtful, serious exploration of its creation. This exploration should be inclusive, designed to take into account the myriad stakeholders who would be impacted by the creation of safe harbors. Commenters urge the IPEC to incorporate such a process into the next Joint Strategic Plan.

Respectfully submitted,

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