
FROM ENDORSEMENT TO INFRINGEMENT: TRADEMARK LAW AND SOCIAL MEDIA INFLUENCING

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ABSTRACT

With the growth of influencer marketing, trademark law has taken on a new set of challenges. Social Media Influencers (SMIs) promote brands, make use of third-party marks on social media platforms and are operating in a legal vacuum, well beyond the scope of existing laws. This article compares the concept of trademark law across India, the United States and the European Union with regard to the context of influencer marketing. It examines the nature and functions of trademarks, statutory provisions that regulate trademark protection in the digital environment, major cases and the particular legal issues arising from factors of influencers like use of marks without permission in posts, fake promotion, hashtag misuse and dilution. The article discusses that though Indian courts have begun to take from traditional trademark law to apply to the digital space, the current law has a lot of shortcomings in the digital areas, including platform liability and liability of influencers. Based on comparative study with the US and EU, the article argues for necessary legal framework changes and need for platform accountability, focus to ensure the protection of trademark interests within the influencer context.

Keywords: Trademarks Act 1999, Social Media Influencers (SMIs), Influencer Marketing, Trademark Infringement.

INTRODUCTION

Social media has revolutionized the way brands interact with consumers. Social media platforms such as Instagram, YouTube, TikTok and Facebook have nurtured a new breed of business models: the social media influencer. The people do advertise products, talk about services, they make sponsored content that gets seen by thousands or millions.¹ This is all part of a story about how integral influencer marketing has become in today's commerce, year 2016 estimates valued the influencer marketing industry at around \$1.7 billion, with predictions that it could reach the tens of billions of dollars by the next few years.

In India, where smart phone penetration and social media usage has reached the explosive levels, influencer marketing has become a regular promotional technique across all fields from fashion to beauty, food, fintech, healthcare and all others. This is also evident across the globe with the US and European markets being front and centre in terms of regulatory discussions and court rulings regarding the behavior of influencers.

The purpose of trademark law is to promote consumer awareness of product origin, consumer avoidance of confusion, and fair competition. A hashtag campaign for a brand is used by an influencer to promote a competitor's product; they post content that includes a competitor's logo; or they unknowingly promote fake goods to 500,000 followers. So when an influencer is using a brand's hashtag to promote a competitor's product, posts content that includes a competitor's logo, or is promoting fake goods to half a million followers without realizing it, the traditional legal tools do not have the response time or clarity they once did. It's a debate of who would be held responsible: the influencer, the brand, or the platform or all three.

Nature and Functions of a Trademark

A trademark is distinctive sign which can be a word, symbol, name, device or combination thereof that identifies and distinguishes the goods or services of a brand from others. Its primary function is to identify source of goods and services and help consumers make informed decisions while purchasing. Other than this trademark also plays a role as quality control and a measure for the goodwill a brand or business accumulates over time. The Trade Marks Act, 1999 in India under Section 2(1)(zb) defines trademark as any mark which can be represented

¹ Abigail Dagher, *The Influencers and the Influenced: Effects of Social Media Influencers on Enforcement of Trademark Law in the U.S. and Europe*, 37 Emory Int'l L. Rev. 741, 744 (2023).

graphically and capable of distinguishing goods and services of one business from another.² This definition is adapted from TRIPS Agreement, which is necessity for member states to protect any sign capable of distinguishing goods and services.³

In influencing era, trademarks have evolved into prominent digital assets that are used across various platforms and jurisdictions. A mark that was once used only physically now is across hashtags, profile names, sponsored posts and instagram reels. This evolution of trademark in digital space has made its use complicated which can be easily misused.

Influencer Marketing

The best way to think about SMIs is as independent third-party promoters who shape their followers' behavior via social media. They operate through range of follower's mega influencers, macro influencers, micro influencers and nano influencers. Each of these tiers carries distinct commercial power and legal exposure.⁴ Brands collaborate with these influencers through various business deals like direct payment in exchange for posts or gifting their products in exchange for reviewing videos. Long term agreements with the brands can make influencers a brand ambassador. These agreements form legal relationships between brands and influencers that can trigger trademark liability. The legal nature of influencer marketing is the fact that it makes it very difficult to distinguish between personal expression, private life and promotion of business. Even if an influencer has been paid to publish a product review, it might not appear to be an advertisement when it is incorporated into a lifestyle piece. This lack of clarity is a source of confusion for influencers, along with the trademark liability frameworks that shape their actions, with implications for regulation.

LEGAL FRAMEWORK REGULATING INFLUENCING UNDER TRADEMARKS ACT, 1999

Trademark Infringement

The copyright law governing trademark infringement in India is Section 29 of the Trade Marks

² The Trade Marks Act § 2(1)(zb) (1999) (India).

³ Agreement on Trade-Related Aspects of Intellectual Property Rights art. 15, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299.

⁴ Abigail Dagher, *The Influencers and the Influenced: Effects of Social Media Influencers on Enforcement of Trademark Law in the U.S. and Europe*, 37 Emory Int'l L. Rev. 741 (2023).

Act, 1999.⁵ prevents the use of the registered trademark by others in a confusing way to consumers identifying the source of goods or services and that is deceptively similar to the registered trademark. When a mark is being used for the same products, infringement is likely to occur, or if the mark is well known.

Influencer marketing infringement occurs when an individual influencer uses a brand's trademark, whether it is a word mark, sound mark, scent mark, logo or any other trademark, in a post that promotes a competing or unrelated product without the brand's permission. It also takes place when an influencer recommends an imitation product with a copy of the registered mark.

Passing Off

It provides protection against passing off of unregistered marks. Passing off rests on the three elements of the Classical Trinity Test: goodwill attached to the mark, misrepresentation and damage to the goodwill. Pass-off can take place in the digital space, such as when a social media user or influencer creates a social media account using an strikingly similar name to a registered trademark or when a user or influencer builds a fake brand page. Indian courts have recognized the concept of goodwill in the digital space. In the case of *Tata Sons Ltd. v. Manu Kosuri*, the Delhi High Court has shown that goodwill for a well-known brand can exist online and can be protected from misuse.⁶ With so many influencers these days, it's easy to fool thousands of customers into thinking that it's a brand that's popular by simply using a fake name with a similar name to a top brand. It is, therefore, no surprise that passing off is now proving to be an important tool for enforcing digital trademarks.

Influencers Infringing or Passing Off

Influencers can infringe trademarks or commit passing off as follows:

1. An influencer promoting counterfeit goods that have registered mark of a brand directly causes trademark infringement
2. Promoting a competing product using a brand's hashtag in a post that creates a false

⁵ The Trade Marks Act § 29 (1999) (India).

⁶ *Tata Sons Ltd. v. Manu Kosuri*, 90 D.L.T. 659 (Del. H.C. 2001).

association with the trademark owner.

3. If the influencer says the display was a coincidence, it's possible that it's still infringement if the content prominently displays a competitor's brand, particularly in an advertising context.

Whether the usage is likely to confuse customers is the crucial question in each situation. In India, the possibility of misunderstanding is considered, by the nature of the mark, the similarity of the goods or services in question, channels of trade and the level of care of the ordinary consumer.⁷ These traditional factors need to be used with great care, however, as misunderstandings can result in millions of customers reacting in hours, as it is often the case with digital commerce.

LEGAL ISSUES IN INFLUENCER MARKETING

Unauthorized Use of Trademarks in Posts

One of the several trademark issues in influencer marketing is the unauthorized use of brand's mark in a commercial post. This can occur when an influencer features a brand's product in a promotional post for a competing brand, they may use a brand's hashtag to reach a brand's audience, confusing the audience for the original brand; or they could produce content that seems to be endorsed by or associated with a brand that hasn't given permission for the association.

In the case of *Petunia Products, Inc. v. Rodan & Fields, LLC* demonstrates above issues clearly. In the case, SMI Molly Sims promoted Rodan & Fields' 'brow defining boost' by using hashtag #BROWBOOST to her significant amount of instagram followers, although the hashtag BROW BOOST was a registered trademark of Petunia Products for a similar product. California district court on the matter decided that it was direct trademark infringement by Molly Sims considering that her post comprises of commercial use of the mark and there was a sufficient cause to find a likelihood of confusion amongst the consumers. This decision is significant because it was an indication that influencers can also be held individually liable for

⁷ Adv Aiswarya C K et al., *Trademark Protection in the Digital Age: Legal Challenges and Enforcement Mechanisms on Social Media Platforms*, VII Indian J.L. & Legal Rsch. 4168, 4169 (2025).

trademark infringement arising from sponsored posts and not just the brands.⁸

Hashtags

Hashtags do not have a concrete legal position in trademark law. When a brand registers its trademark, it does not extend to hashtags, but if using another brand's registered trademark in a commercial post on a social media website as a hashtag may constitute trademark infringement as there is likelihood of confusion amongst the consumers.

This problem is particularly severe in Indian jurisdiction, as there is no specific statutory provision mentioning hashtag use as trademark infringement. For this, courts apply general test of Section 29 of the Trade Marks Act, 1999. Obviously, hashtags are meant to make sure of their visibility and to attract more followers, so it's easy to prove that they're just a marketing trick of hired influencers.

In the case of *Consim Info Pvt. Ltd. v. Google India Pvt. Ltd.*, Madras High Court established that the use of registered trademarks as keywords in digital advertising can constitute in possible infringement as it can lead to consumer confusion. The reasoning of the court's decision needless to say extends to hashtag used by influencers for brand promotion.⁹

Counterfeit Promotion

The worst kind of trademark infringement relating to influencers is counterfeit product promotion. By intentionally or unintentionally advertising counterfeit posts that include a registered trademark, influencers create several issues: they mislead customers into purchasing products that are inferior; they take brand value away from the trademark holder and damage the brand's reputation by associating it with inferior products.

Criminal Law as per Sections 484-489 of Indian Penal Code, 1860,¹⁰ and Civil Remedies as per the Trade Marks Act, 1999 are both utilized in India for combating counterfeiting emanates from an injunction, reparation, and destruction of infringing products or items. But enforcement is particularly challenging due to the anonymity and internationalization of counterfeit supply-chains in social media. *Amazon.com, Inc v. Fitzpatrick* is an interesting case

⁸ *Petunia Prods., Inc. v. Rodan & Fields, LLC*, No. 8:21-CV-00630 CJC (ADS) (C.D. Cal. Aug. 6, 2021).

⁹ *Consim Info Pvt. Ltd. v. Google India Pvt. Ltd.*, 54 P.T.C. 578 (Mad. 2013)

¹⁰ The Indian Penal Code § 484-489 (1860) (India).

in the United States in which Amazon sued influencers Kelly Fitzpatrick and Sabrina Kelly-Krejci for ads on Instagram and other social media platforms for high cost products that were designed to appear as Dior and Gucci. As per the new settlement, the influencers agreed to refrain from promoting counterfeit products.¹¹ This drastically demonstrates that those who intentionally involve themselves in counterfeit products and dishonest transaction can be held liable under the law.

Influencer or Platform Liability

The most complex question remains that who will bear the legal liability when there is trademark infringement by a commercial post of SMI. The liability can be of: the influencer who posed the infringing content, the brand hired the influencer, the platform that hosted the content or combination of all three.

In India, the platform liability to user generated contents is governed by section 79 of the Information Technology, 2000 which provides immunity to the platforms from liability as long as they do not create or modify the infringing information and rely on reasonable care.¹² The IT Rules 2021 enforces a stricter requirement on the Significant Social Media Intermediaries (SSMIs) to have grievance officers and automated filtering tools, and comply with complaints regarding infringement of IP related rights within 72 hours.¹³

However, there is a major limitation. The IT Rules do not mention trademark infringement. There is no explicit and uniform takedown procedure for trademark disputes in India; however, on the other hand there is a well-written framework for copyright under Millennium Copyright Act in the United States.

In *Christian Louboutin SAS v. Nakul Bajaj*, Delhi High Court lays down the difference between platform's active behavior and platform's passive conduct. If a platform advertises, describes or manages infringing goods, it cannot rely on Section 79 to defend this under the claim of safe harbour.¹⁴

¹¹ Amazon.com, Inc. v. Fitzpatrick, No. 2:20-cv-01662 (W.D. Wash. Nov. 12, 2020).

¹² The Information Technology Act § 79 (2000) (India).

¹³ Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules r. 4 (2021), amended by Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Amendment Rules, 2022.

¹⁴ Christian Louboutin SAS v. Nakul Bajaj, 2018 SCC OnLine Del 12215 (Del.).

GLOBAL INFLUENCER TRADEMARK ISSUES

United States

Trademark law in the United States is governed by the Lanham Act, 15 U.S.C. section 1051 et seq. Under the Act, any term, name, symbol or device that is used to identify and distinguish goods is a trademark.¹⁵ To prove infringement a plaintiff must show the use of its plaintiff's mark by defendant in commerce and the likelihood of confusion with his plaintiff's customer base.

The Federal Trade Commission (FTC) in the US has a substantially extra function. According to the FTC, influencers must disclose "significant connection," or a significant monetary connection, with the companies they promote, whether they are paid for their influence or receive free products or other perks. Section 5 of the FTC Act states that it is an unfair or deceptive activity if fails to disclose.¹⁶

The *Petunia Products case* remains the seminal US case on the issue of direct liability for trademark infringement. Even if it were settled, the court's refusal to dismiss Sims' infringement claim on direct use of another's trademark showed that influencers could be held directly liable for using another trademarks in commerce. Legal experts argue this is a trend favoring greater responsibility of influencers in the U.S.

European Union

Unlike the US, the EU has strict and comprehensive regulations on influencer marketing. Traders who engage in commercial promotion are categorized by the EU's Unfair Commercial Practices Directive (UCPD),¹⁷ and the Directive requires traders to disclose that their activities are commercial, even if this is not obvious.

Some EU member states have national rules in place that are specific to influencer marketing. France could have punishments of up to 300,000 euros and up to two years jail for influencers who fail to state commercial relations and 1.5-million euros for brands. The Federal Supreme Court ruled that influencers paid for their posts are actually working in the companies' best

¹⁵ 15 U.S.C. § 1127 (2018).

¹⁶ 15 U.S.C. § 45 (2018).

¹⁷ Directive 2005/29/EC

interests and, therefore, their content should follow advertising transparency laws.¹⁸ The very complex Italian legal system has been created in the wake of Ferrari's case, which is discussed below.

Both nationally and through the EU-wide European Union Trade Mark (EUTM) system, which is run by the European Intellectual Property Office, European trademark law is regulated. The main objective of a trademark, according to the Court of Justice of the European Union (CJEU), is to give the consumer confidence that he is purchasing a specific product. Under the Trademark Directive, all EU member states have to protect against confusion.¹⁹

Comparison with India

Both similarities and differences between India's strategies on issues of trademarks and influencers and the approaches taken in the US and EU are apparent when it comes to addressing such concerns. All three jurisdictions acknowledge the likelihood of confusion test as a crucial component of infringement analysis when it comes to substantive trademark protection. India's anti-dilution regime, as provided in Section 29(4) of the Trade Marks Act, is less sophisticated than the Trademark Dilution Revision Act of 2006 of the U.S. or the anti-dilution regime provided by the UK and EU laws. The Indian courts have recently begun creating an apt line of precedent on trademark dilution.

As for platform regulation, the Indian Rules laid down by the IT Rules 2021 stipulate that intermediaries should conduct generic due diligence, but there are no trademark-specific measures like the copyright notice-and-takedown system in the US DMCA. With respect to law specific to influencers, there are no laws in the U.S. or India which expressly address influencers' trademark violation. The EU is playing a leading role on this topic, with the assistance of the national regulatory agencies and the UCPD mechanism. There are no legally-binding requirements for influencers to disclose in India, but there is a self-regulatory code of practice through the Advertising Standards Council of India (ASCI).

¹⁸ Gabriel Wittmann & Jana Bogatz, *Supreme Court Sheds Light on Influencer Advertising Ahead of New Unfair Competition Act*, World Trademark Rev. (Nov. 18, 2021), <https://www.worldtrademarkreview.com/article/supreme-court-sheds-light-influencer-advertising-ahead-of-new-unfair-competition-act>

¹⁹ Council Directive 2008/95, arts. 1–19, 2008 O.J. (L 299) 25 (EC).

CASE LAWS INVOLVING SOCIAL MEDIA AND TRADEMARK

Indian Case Laws

1. Christian Louboutin SAS v. Nakul Bajaj (2018)

In this case, the Delhi High court analyzed the what liability does an online marketplace has for selling counterfeit Louboutin shoes. The court ruled that an online marketplace as an intermediary providing guarantees of authenticity or exercising control over pricing cannot claim safe harbour under Section 79 of the IT Act.²⁰ The judgment is important to understand when a platform's role in influencer commerce shifts from passive hosting to active participation, attracting a potential trademark liability.

2. Kaira District Co-operative Milk Producers' Union Ltd. v. Facebook Inc. (2020)

In this case, the Gujarat High Court directed social media platforms like Facebook and Instagram to take down accounts that were unlawfully using Amul trademark and imposture the original brand.²¹

3. Consim Info Pvt. Ltd. v. Google India Pvt. Ltd. (2013)

In this case, the Madras High Court held that using a competitor's trademark as a keyword in digital space or advertising can cause trademark infringement where it causes confusion amongst the consumers.²² The judgment extends to influencer marketing, where marks are used in a way entirely unrelated to the brand's actual business.

4. Daimler Benz Aktiengesellschaft v. Hybo Hindustan (1994)

In this case, the Delhi High Court held a significant ruling on trademark dilution. The use of any famous mark in an unrelated field can dilute the mark's distinctive characteristics and reputation.²³ This judgment extends to influencer marking where

²⁰ Christian Louboutin SAS v. Nakul Bajaj, 2018 SCC OnLine Del 12215 (Del.).

²¹ Kaira District Co-operative Milk Producers' Union Ltd. v. Facebook Inc., 2020 SCC OnLine Guj 2961 (Guj.).

²² Consim Info Pvt. Ltd. v. Google India Pvt. Ltd., 54 PTC 578 (Mad. 2013).

²³ Daimler Benz Aktiengesellschaft v. Hybo Hindustan, 1994 PTC 287 (Del.).

famous marks are easily used in unrelated context to the brand's actual business.

International Case Laws

1. Ferrari S.p.A. v. Philipp Plein International AG (Italy, 2020)

This is the most important international precedent in terms of direct use by the influencer of the trademark. With the Ferrari brand proudly displayed, there were videos of fashion designer Philipp Plein's shoes on and off the wheels of Ferraris on his Instagram account. Ferrari went to court, claiming trademark infringement. The Court of Genoa and then the Court of Milan ruled that Plein's practice of using Ferrari's trademarks was unlawful because the photos were only understandable to the public as having a commercial or promotional purpose.

The court drew an important distinction: influencers can use the third-party brands with impunity if the public doesn't see the photos as commercial or promotional material. Use of trademarks in instances when they are uploaded without permission, with captions that are obviously promotional or in pictures to promote a product is unlawful. The order to Plein was to remove the posters, to pay a fine of 300,000 euros and to pay 10,000 euros for every other infringement.²⁴

2. Petunia Products, Inc. v. Rodan & Fields, LLC (US, 2021)

The California District Court's intent to reject the dismissal of the Direct Trademark Infringement action against influencer Molly Sims was a major step. The California District Court's decision in denying Molly Sims' claim for direct trademark infringement is important to notice as the case introduced the concept that a paid 'influencer' can be held liable personally for trademark infringement caused by sponsored social media posts, although it was settled before a definitive decision was reached regarding its merits. Given that Sims' post contained a direct link to purchase the goods, the court ruled that this amounted to commercial use of the mark, as well.²⁵

²⁴ Ferrari S.p.A. v. Philipp Plein Int'l AG, No. 15049/2019 (Trib. Genova Feb. 4, 2020).

²⁵ Petunia Prods., Inc. v. Rodan & Fields, LLC, No. 8:21-CV-00630-CJC-(ADSx) (C.D. Cal. Aug. 6, 2021).

CONCLUSION

In the era of influencing and social media marketing, trademark law is evolving continuously. The rapid growth of influencer marketing is reshaping time tested practices meant to protect the brands' reputation in the physical and traditional business environment. Although, the Information Technology Act, 2000 and the Trade Marks Act, 1999 provide the basic framework for trademark protection in India, but their use against the activity of influencers is still fragmented and ad hoc.

Indian courts have taken several positive steps to revitalize the concept of trademarks in the digital age after the recognition of the active platform liability concept in *Christian Louboutin*, the dilution theory in *Daimler Benz* and the concept of the keyword advertising in *Consim*. However, judicial adaptation alone is not sufficient. With all the trademark abuse in the influencer economy, there shouldn't be any room for judicial improvisation: clear legal criteria are needed.

The EU and the US are good examples. In the *Italy case*, the Ferrari situation clearly set the parameters for using a third party trademark without permission with the intent to "sell" it, whereas in the *Petunia Products case*, the US has opened the door for direct liability of the influencers. EU member states are stepping up one level as they are setting high disclosure standards and high penalties for influencers who fail to meet those standards.

India has to take note of these changes and modify its legal system as necessary. This means developing solutions specific to the Indian context, which is home to a large and rapidly growing creative economy, diverse regional markets and a unique group of micro influencers at risk. A new structure is necessary and feasible, incorporating technology into the system of monitoring and enforcement, and one that is balanced between robust trademark protection and fair treatment of the smaller provider. Over time, new business realities have invariably resulted in changes to trademark law. The latest of these cases is the 'influencing age', which requires an action that is just as innovative, flexible and progressive as the influencing economy itself.