



A I · L A W

Protecting your IPRs online.

A Walkthrough Guide

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Issue version: December 2021



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Introduction:

Intellectual property denotes ownership in the forms of expression of certain types of information and ideas. They are invaluable rights and protect a businesses identity and creations.

A business needs to ensure it protects its IP and be careful not to engage in any practices that may infringe on others.

The internet has borne a tabloid world where publications are quick fire and removable on many different platforms.

The internet has made it significantly easier to hide intellectual property theft. Algorithms below the surface of the internet are used to promote content and can be exploited by advertisers at the expense of the IPR holder.

IPR Owners must take a strategic approach to protecting its IPR. Below are some tips to protect your brand online.

Monitoring Social Media:

IP owners should carefully monitor third-party use of social media for potentially damaging content and infringement of their IP rights. Lack of responsiveness could be a missed opportunity to take down a competitor platform and may lead to reputational damage.

An example might be where a consumer has accidentally purchased goods that they wrongly believed to originate from a specific brand. There are some simple steps that can be taken to mitigate this risk:

- 1. engage and connect with target audiences through the retailer's own channels. Analysis of website traffic can provide a valuable insight into consumer habits and behaviour. This will often be more cost-effective than a scattergun approach.*
- 2. safeguard IP rights through take-down mechanisms by removing infringing material that violates the website's terms and conditions. Generally, having a registered trade mark will make this process smoother, although a third party may also be liable through unregistered IP rights for copyright infringement or passing off.*

Infringing Ads

Use of a trademark does not alone constitute infringement, however it is possible for such use to constitute infringement. In determining whether it does or does not it will be necessary to look at the intent behind using the mark and the impact on consumers understanding around its use.

The question of whether a business may lawfully use its competitor's trade marks to improve its own profile in search results is one of the most widely discussed in respect of the law and the internet. In the EU, it has been the subject of several referrals to the Court of Justice where Member States' courts have sought guidance.

Comparative advertising

Comparative advertising is allowed. What is the position where a competitor runs a campaign that is damaging to the IP Owners reputation? The questions to be assessed to determine whether an advertisement is an infringing one is whether it has an adverse effect on the functions of a trade mark:

1. adverse effect on the origin function—does the advertisement allow normally informed and reasonably observant internet users to distinguish whether it is economically linked to the brand owner?
2. adverse effect on the advertising function—does the advertisement deny the brand owner the opportunity to inform and win over consumers? The mere fact that it has to intensify its advertising is insufficient
3. adverse effect on the investment function—does the advertisement substantially interfere with the reputation of the trade mark and its ability to attract and retain customers?

Use of Brand Names as Keywords and MetaData

Taking the ECJs key decisions, the position is broadly summarised as follows:

Brand owners cannot prevent:

1. third parties from purchasing their trade marks as keywords
2. third parties from using their trade marks in advertisements where the use is necessary, descriptive and honest.

Brand owners can prevent:

1. the use of their trade marks where the advertisement fails to make clear that it is unconnected with the brand owner. Whether this is the case will vary depending on the circumstances, the nature of the goods or services and the manner in which the advertisement is displayed and will change over time
2. the use of their trade mark where the advertiser is gaining an unfair advantage from the reputation of the brand.

In short, if its use is designed to confuse the public as to the origin of the mark and detriment the TM proprietor, then the answer is yes and an IP owner can prevent third parties from using their marks in such a way.

What about the Liability of the Internet Service Providers?

Victor Wilson v Yahoo! UK Limited and Overture Services Limited [2008] EWHC 361(Ch) concerned a case against Yahoo!

search engine and asked this exact question. I.e. would it be an infringement by an ISP when a user entered a search query that was identical to the trade mark, and the search engine matched the search query to keywords selected by advertisers in order to display sponsored links. It was held that ISPs would not be infringing as there had been no "use" of the marks by the ISP themselves in showing the search results.

This is contrasted to adverts shown by websites, such as Ebay, in *L'Oréal v. Ebay* (2009) EWHC 1094 the ECJ indicated that the display of trademarks as keywords in sponsored links to eBay's website did constitute "use" as it created an obvious association between L'Oréal's branded goods (mentioned in the advertisements) and the possibility of buying them through eBay and so could be taken to be infringing.

The E-Commerce Directive (Council Directive 2000/31/EC), provides for general content liability where illegal activities are undertaken in relation to content, including liability for breach of IPRs.

ISPs in the UK, have a defence against claims for content transmitted over their networks in certain circumstances, largely where the ISP's activities are automatic, intermediate and passive.

Under this defence, an ISP is not liable where it has no actual knowledge of the unlawful activity or the information stored.

However, once an ISP is in receipt of actual knowledge of the unlawful content it must remove or disable access to the material as expeditiously as possible (regulation 19 of the Electronic Commerce (EC Directive) Regulations 2002 (the E-Commerce Regulations), SI 2002/2013).

As an example, the Google Ads policy ([here](#)) states that Google will not investigate or restrict the selection of trade marks as keywords, however they will review complaints for advertising campaigns in the EU and may restrict the use of a trade mark in

ad text. In response to a valid complaint, it will conduct a limited investigation as to whether a keyword (in combination with particular ad text) is confusing as to the origin of the advertised goods and services.

Note, although Google itself may not be liable (unless it fails to act to remove access to unlawful data of which it is aware), its advertisers may still be open to claims of trade mark infringement.

Internet service providers, such as Google and eBay, will be liable where they:

1. play an active role in the creation of an advertisement
2. are made aware of infringing activity and fail to prevent it expeditiously, or
3. should have been aware of infringing activity and fail to prevent it

There is no legal obligation on search engines or auction sites to actively monitor infringements or seek out illegal activity.

When Promoting a TM'd product is infringing

Flowchart:



Protection Remedies

Passing Off Remedies

Goodwill arising through our use and investment is also protectable under English law through the common law cause of action of passing off. The action under passing off allows the owner of goodwill acquired through use of a mark to claim relief in the courts against any third party who misrepresents the commercial origin of goods by seeking to pass off its goods or services as those of the goodwill owner, in a way which causes the owner of the goodwill damage. An actionable misrepresentation includes instances where a third party's actions give rise to the impression that there is an endorsement, association or other commercial connection between that party and the owner of the goodwill. Damage does not necessarily have to be any tangible financial loss such as loss of sales and can include damage as a result of dilution of a brand name or erosion of its distinctiveness.

Cease and Desist letter

A Cease and Desist letter is a letter requiring the applicant to stop using the name or logo within a certain time frame, as they're infringing your registered trade mark rights (in case you have a registered trade mark) or as they're passing off or taking unfair advantage (in case of unregistered trade mark rights, for example, whilst your application is still going through the registration process). If they do not comply, a further letter might be sent or legal action taken.

Injunctive Relief

In the event that an infringing party ignores your cease and desist and you take action, you may have action in injunction relief to stop them from their infringing activities. For UK you can file an injunction in the courts of England and Wales. For EU CTM, there is a pan-European wide injunction process.

If the mark has a certain level of reputation in the UK, there is a wider right to prevent others from using the same or a similar sign for goods or services (whether similar or not), where that use, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark (*section 10(3), TMA and Article 9(2)(c), EUTM Regulation*).

Advertising Standards Agency Complaints

If an infringing advert makes claims in contravention to the ASA CAP code, you can make a complaint to the ASA for the advertisement to be investigated and any unsubstantiated or misleading claim to be taken down.

Defamation

If an infringing advert makes an untrue statement, then there may be a cause of action in defamation for publishing defamatory content. Remedies include claim for damages, injunctive relief and public apology.

Effective Brand Management in Practice:

There are various ways in which an organisation's brand can come under attack from competitors or other opportunists and the nature of technology and the fact that there is often an international element can make this difficult to control. It is crucial for businesses and TM owners to protect themselves online.

IPR Owners must take a strategic approach to protecting its IPR. Below are some tips to protect your brand online:

1. Get in first and register your trademarks in the jurisdiction that you operate. Ensure you register within the appropriate classes to give complete protection.
2. Purchase relevant domains and social media tags.
3. Use the (TM) or (R) marks next to any logo or mark you seek to protect to notify the public.
4. Monitor the industry in which you operate and monitor words and phrases that are important to you by conducting regular searches online and on social media platforms.
5. Connecting with potential infringers to make "trap sales" is permissible to try to obtain evidence of any infringement.

6. Upon discovering infringement, ensure to deal with it. Lack of responsiveness could be a missed opportunity to take down a competitor platform and may lead to reputational damage and can even imply that you accept the third party use. However always seek legal advice before doing so to ensure you do not fall foul of any legislation surrounding groundless threats.
7. Be ready to contact ISPs to file a complaint or with take-down notices to remove infringing material that violates the website's terms and conditions. Generally, having a registered trade mark will make this process smoother, although a third party may also be liable through unregistered IP rights for copyright infringement or passing off. Consult the social media platforms' terms of business to find their policy on taking down infringing content.
8. Ensure that you yourself have policies and procedures in place to enable you to respond quickly to other parties that contact you about infringement including your policy on taking down infringing materials in your Website Terms and Conditions for your website visitor's to view.

These are technical areas of law and often turn on a case by case basis so you should always consult professional legal advice when a potential infringement is discovered.

This Guide:

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