

INFRINGEMENTS AND ABUSES OF MARKS ON THE INTERNET: CASE STUDY

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Infringement of trademarks on internet

Trademark infringement occurs when someone using mark that similar to another that caused a likelihood of confusion, mistake or deception with customers.

In case of infringement of trademark on internet, it could exist in various types

- Internet auction sites for trademark infringement
- The sale of trademarks as keywords on search engines
- Trademark infringement on virtual worlds and social media
- Trademark infringement and Domain names

What kind of trademark infringement on internet?

- **Internet auction sites for trademark infringement**

Is an online auction that increase the opportunity for retailer to access numerous consumers

However, the buyers may take a risk on non-genuine goods that seller brought to the sites.

For example, the trade on eBay or Amazon that caused many disputes between brand owners and auction sites

What kind of trademark infringement on internet?

- **The sale of trademarks as keywords on search engines**

Generally, online search are present in 2 results which are 'natural results' and 'sponsored links'

Natural results are revealed by search engines that relied on 'meta tags'.

Sponsored links appear since certain websites pay fees to search engine to ensure that their links appear following the input of keywords

What kind of trademark infringement on internet?

- **The sale of trademarks as keywords on search engines**

Complications arise when one advertiser bids on keyword, which constitutes trademark of a third party

Searching user may be exposed to sponsored link from that brand's competitor which cause consumer confusion

Google : advertisers bid on certain keywords and are charged fees by Google on a 'pay per click' basis

What kind of trademark infringement on internet?

- **Trademark infringement in virtual worlds and social media**

Virtual world : focus on 'Second Life'

It contain many types of online social community, allow user to generated content that can be sold to other users and exchanged for real currency

That is how real life brands have established within second life meanwhile a real commercial and a risk on digital content that users may create and sell would infringes trademark rights of real life brands.

What kind of trademark infringement on internet?

- **Trademark infringement in virtual worlds and social media**

Social Media

Facebook : since Facebook rolled out 'vanity URLs' the risk of brand owners become greater by the unauthorized use of marks and that will lead to consumers confusion

Twitter : it carries a risk when people tweeting about particular brand that may mislead other users as to the authorized and unauthorized nature of their use of mark

What kind of trademark infringement on internet?

- **Trademark infringement and Domain names**

It occurs when the domain name was identical or confusingly similar to company's well-established trademark without rights or legitimate interests but registered and used in bad faith

Generally, when someone registered domain name with other's trademark and offer to sell them back to the real owner with higher price, it is known as 'Cybersquatting'

Infringement of trademarks on internet

Societe Bic v. Shanghai Bashi Hongxung Industrial Resources Co., Ltd., [China]

The disputed domain name was “bic.cn”

The complainant was entity in France and had registered trademarks in China in 1977.

The respondent had used “bic” as the abbreviation for its English name sometime since it was established in 1998.

The panel accepted that actual use of name or mark by the respondent constituted adequate rights or interests for rejecting the complaint.

Infringement of trademarks on internet

Secondary trademark infringement liability

When their customers misuses trademark of the third party, the ISPs may get contributory trademark infringement liability if they causes or contributes to the infringing conduct of another with knowledge of the other party's infringing activities

Infringement of trademarks on internet

Secondary liability are divided in two groups

- **Vicarious liability** is an extension of responsibility of employer when their employees infringe on trademark
- **Contributory liability** appears when someone are not directly infringing trademark but should liable for knowingly contribute commercial trademark counterfeit

What are the legal tools at disposal to enforce trademark rights against website owners?

Communications Decency Act of 1996 (CDA)

Section 230

- It prevents website owners and Internet Service Providers from being treated as the publisher or speaker of any information provided by another content provider.
- It protects website owners from liability when they make voluntary, good faith efforts to monitor and restrict the third party content providers

What are the legal tools to enforce trademark against ISPs?

Internet Service Providers

is provide you an internet account, the ability to access other computers, transfer files between networks and server space for a website.

For instance, Korea Telecom, Shinbiro, Hitel and SamsungNetworks

What are the legal tools to enforce trademark against ISPs?

Section 230(c)(1) of CDA

“No provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider.”

Congress enact this to provide a safe harbor for ISPs from contributory liability for the content of website they host.

What are the legal tools to enforce trademark against ISPs?

However, after considered **section 230(e)(2)** states that

“[N]othing in this section shall be construed to limit or expand any law pertaining to intellectual property”

Therefore, the court found that “the plain language of section 230(e)(2) precludes ISPs claim of immunity.”

What are the legal tools to enforce trademark against ISPs?

Courts have suggested that internet service providers (ISPs) may bear contributory liability for trademark infringement by the websites or other end users they service.

ISPs offer a range of services, and their liability will turn on the extent of their involvement with infringing customers.

What are the legal tools to enforce trademark against ISP

Louis Vuitton v. eBay [France]

LVMH asserts that eBay had taken insufficient steps to detect and prevent counterfeits of goods from being auctioned online and argued that eBay knows large portion of goods are not legitimate, benefits on this sales and has duty to actively monitor goods to be suspect.

eBay lodged an appeal that it spends 20 million Euros annually to eradicate imitation goods notified by 84 eBay users in 39 countries.

What are the legal tools to enforce trademark against ISPs?

The Tribunal de Commerce of Paris awarded LVMH branded over 40 million Euros for damages in negligence offense for illicit sale of genuine perfumes on eBay

The court ordered eBay to publish the judgment in three nationwide newspaper and display the judgment on eBay.fr homepage for three consecutive weeks in French and English

What are the legal tools to enforce trademark against ISPs?

Gucci America, Inc. v. Hall & Associates

Gucci, the owner of trademark and trade name GUCCI found that “Hall” was advertising on its website and infringed Gucci trademark

Gucci sued Mindspring, the defendant internet service provider, for direct and contributory trademark infringement

Mindspring dismiss for failure to state a claim, arguing that the CDA immunize it from contributory liability

What are the legal tools to enforce trademark against ISPs?

The court denied defendant ISP's motion to dismiss plaintiff's contributory trademark infringement claim, where plaintiff had notified the ISP repeatedly that one of its customers was infringing on plaintiff's trademark and the ISP failed to take corrective action.

The court also held that the CDA would not shield ISPs from secondary liability for their users' intellectual property violations.

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