

New Media Age and Role of In-house Counsel

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- Burst of new technologies and social media, and the impact of Web 2.0 society;
- Blurred frontier between private and professional worlds
- Communication flows with immediate and global reach : viral information
- Data may be indelible and searchable for ever
- [*Example: see the digital archiving of public Tweets by Library of Congress: <http://blog.twitter.com/2010/04/tweet-preservation.html>]:*

- **New media imply for companies:**
 - **New direct channel for interaction with stakeholders: broader and emotional audience;**
 - **Marketing asset and hiring tool;**
 - **Potential great risks;**
 - **Need for adjustment of traditional processes ;**

[Example: Greenpeace Web 2.0 campaign against Kitkat and some practical lessons to take away:

<http://www.greenpeace.org/international/campaigns/climate-change/kitkat/>]

How in-house counsels should play a key role in the new landscape?

(1) **Pro-active role of in-house counsel:**

- understand new technologies and give early on legal advice
- set up internal processes on how to deal with reputational, security, legal and IP risks.
- Corporate brand and reputation (“e-reputation”)

New media as catalysts of emotional reactions

- Importance of web monitoring tools

*[Example: the bogus apology statement, video and website about Royal Dutch Shell’s operations in Nigeria:
<http://shellapologises.com/statement.html>]*

- **Security, regulatory, legal, and IP risks:**
 - Sensitive corporate information against leaks or trade secret thefts,
 - Domain names and trademarks,
 - Concerns under applicable securities laws,
[Example: on October 1st 2009, a Swiss blogger was subject to a fine by the French securities exchange commission (AMF) for issuing misleading information against a listed wind power company];
 - Data privacy concerns beyond European framework,
 - Information security

(2) Reactive role of in-house counsels:

- Assess the issue, practical options and trigger immediate appropriate actions
- Available on-line process for reporting an IPR infringement or law violation
- Notice of copyright/IPRs infringement sent by IP owner/holder and request to takedown/remove, be diligent in the follow-up!
- The identity of an anonymous poster
- Pros and cons of initiating a lawsuit ?

(3) Social media policies/guidelines

- **Interaction with corporate policies;**
- **As the company can be held liable for its blogging employees, train employees;**
- **A few preliminary questions:**

(3) Social media policies/guidelines (Followed)

Some common principles for social networking policies:

- Follow company policies
- Do not defame or disparage others
- Post information that is reliable and accurate
- Do not disclose confidential or proprietary information
- Respect copyright/trademark/trade secret laws
- Do not post discriminatory or harassing
- Identify yourself and do not make statements on behalf of or about your employer without prior internal approvals.

(4) Social media and compliance

- **Advise on the respective rights, duties and liabilities of employer and its current or potential employees with respect to privacy, data protection and employment matters in the event decisions are considered/made on the basis of new media information;**
- **Role of on-line moderator/adviser?**

Intellectual Property Rights in the New Media Age

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ACC Vienna, June 2010

AGENDA

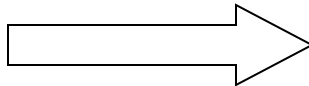
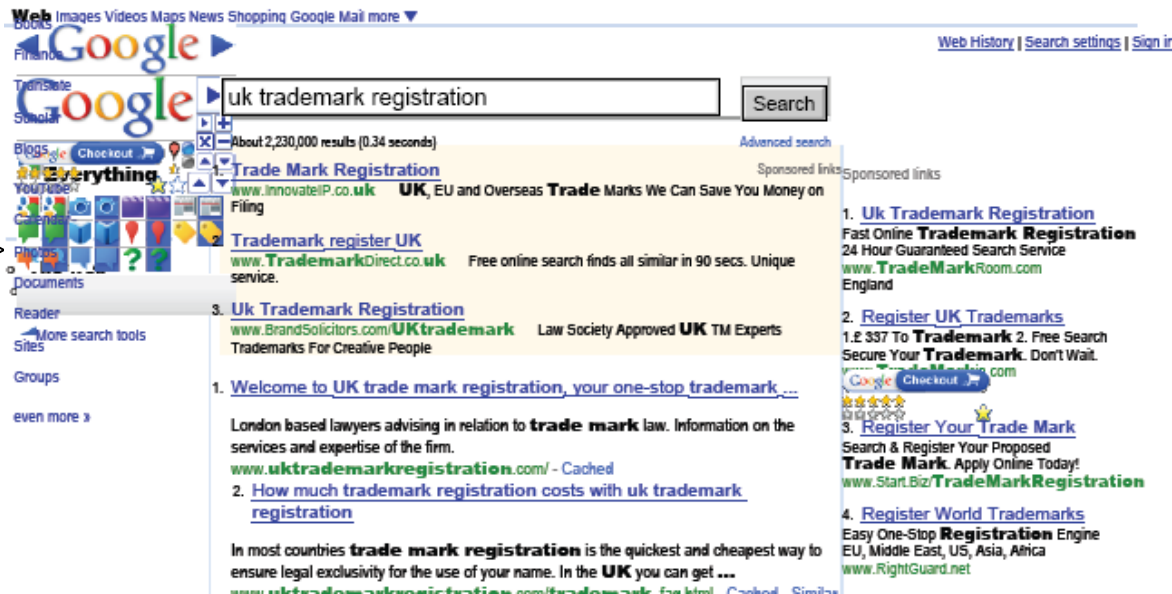
- **PROTECTING YOUR IP RIGHTS ONLINE**

- Keywords/Adwords and trade mark infringement
- Liability of ISPs for online IP infringements – *L'Oreal v eBay*

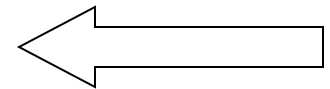
- **HOW BROAD ARE MY TRADE MARK RIGHTS?**

- *L'Oreal v Bellure*
- *Whirlpool v Kitchenaid*
- *Daimler v Sany*

Trade Marks and the Internet



*Natural
results*



*Sponsored
links*

Interflora v Marks & Spencer

The image is a screenshot of a Google search interface. At the top, there are navigation links for 'Web', 'Images', 'Videos', 'Maps', 'News', 'Shopping', 'Google', 'Mail', and 'more'. Below these is the Google logo and a search bar containing the text 'Interflora'. To the right of the search bar is a 'Search' button. Below the search bar, it indicates 'About 963,000 results (0.27 seconds)'. The search results are displayed in a list format. The first result is 'Flowers by Interflora' with the URL 'www.interflora.co.uk' and a description: 'Quality Flowers Delivered by Hand. Official Interflora website.' Below this result are two columns of links: 'Order Interflora Flowers Same Day Delivery' and 'Buy Fresh Cut Interflora Flowers Next Day Delivery'. The second result is 'M&S Flowers Online' with the URL 'www.marksandspencer.com/flowers' and a description: 'Blooming Flowers & Plants at M&S. All Prices Include Delivery'. Below this result is a link to 'Interflora' with a description: 'Flower delivery network using florists across the nation who hand-deliver flowers, bouquets and arrangements. International delivery also offered.' and the URL 'www.interflora.co.uk/ - Cached - Similar'. At the bottom of the search results, there are several links: 'Sympathy & Funeral Flowers', 'Baby Flowers & Gifts', 'Anniversary Flowers', 'Thank You Flowers', 'Champagne, Wine & Spirits', 'Destinations', 'Contact Us', and 'Vibrant Hand-tied £34.99'. On the left side of the screenshot, there is a vertical menu with various Google services: 'Books', 'Finance', 'Translate', 'Sitemap', 'Blogs', 'Everything', 'YouTube', 'Calendar', 'Photos', 'Documents', 'Reader', 'More search tools', 'Sites', 'Groups', and 'even more >'. The background of the search results area is yellow.

Interflora v Marks & Spencer

- Defendants – Marks & Spencer and Flowers Direct (advertisers)
- **Interflora alleged that:**
 - Trade mark infringement in respect of the bidding on keywords that were either identical or similar to Interflora's trade marks
 - That the defendants' use of its trade mark is detrimental as it will lessen the capability of the mark to distinguish the goods and services of Interflora
 - That in using the mark the defendants' are gaining an unfair advantage by benefiting from the reputation of Interflora
 - Defendants jointly liable with Google

AG's Opinion in conjoined ECJ cases C-236,- 7,8/08

22 September 2008

- ***Google France & Oths v Louis Vuitton & Othrs. Questions referred:***
 1. Whether trade mark proprietors can prevent the **use by Google**, in AdWords, of keywords which correspond to their trade marks;
 2. Whether trade mark proprietors can prevent the **use by advertisers**, in AdWords, of keywords corresponding to their trade marks; and
 3. Whether the liability exemption for hosting applies to the content featured by Google in AdWords

AG's Opinion in conjoined ECJ cases C-236,- 7,8/08

22 September 2008

4 conditions must be satisfied to prevent use of trademark under Art 5(1) of Trade Marks Directive:

1. Use is without the proprietors consent;
2. Use takes place in the course of trade;
3. It relates to goods and services which are identical or similar to those covered by the trade marks; and
4. It affects or is liable to affect the essential function of the trade mark – which is to guarantee to consumers the origin of the goods and services – by reason of a likelihood of confusion on the part of the public

AG's Opinion in conjoined ECJ cases C-236,- 7,8/08

22 September 2008

1. Allowing advertisers to select keywords not use relating to identical or similar goods
2. Displaying sponsored links triggered by keywords is use relating to identical or similar goods
 - Second use does not affect essential function of the mark because users would not reach a conclusion on the origin of the goods, in sponsored links, without reading their description
 - It was found that Google's use of the trade marks did not affect the functions of the trade mark

AG's Opinion in conjoined ECJ cases C-236,- 7,8/08

22 September 2008

Use by advertisers

- The Advocate General found that advertisers were acting privately, as consumers, in accepting Google's offer to sponsor keywords
- Therefore use was not in the course of trade and so did not infringe the marks



Google AdWords – liability exemption

- Google's activities in relation to the AdWords system went further than mere hosting, as it was not operated neutrally
- Therefore Google was not entitled to protection under Article 14 of the E-Commerce Directive for the content displayed in its sponsored links



Keywords – Recent Developments

- Interflora v Marks & Spencer – Questions referred to ECJ
 - *Can advertiser be held jointly liable with search engine if it is used, and no E-Commerce Directive defence*
 - *Result still eagerly awaited*

ECJ decision in Google France cases 23 March 2010 – broadly in favour of Google

- where advertiser uses a keyword corresponding to a brand owner's registered trade mark:
 - advertiser poss be liable for trade mark infringement, depending on the manner that the advert in question is presented
 - Google itself is not liable.
 - Google could, potentially, be liable on other grounds for permitting an advertiser to use a trade mark as a keyword. However, its service qualified for the protection from liability set out in the E-Commerce Directive
- *Additional references still to be heard from German, Dutch and Courts – they may yet differ and Google is not out of the woods*



Liability of the Intermediary

L'Oréal SA v eBay International

- L'Oréal claimed that:
 - Counterfeit cosmetics products were being sold;
 - Products manufactured for sale in the US & Canada were being sold in the UK;
 - Products which were originally produced for promotional purposes and were not for sale had been sold; and
- L'Oréal claimed eBay were jointly liable in providing the online facility by means of which the sellers sold infringing goods



L'Oréal SA v eBay International

- **Arnold J. held that eBay was not jointly liable for trade mark infringement**
 1. Even though eBay encouraged and provided facilities for the listing and sale of goods from outside Europe to buyers in the UK, these systems did not inherently lead to infringement and were insufficient to prove joint liability
 2. eBay was under no legal obligation to prevent 3rd party infringement of L'Oréal's trade marks
 3. BUT Display of sponsored links was use by eBay and targeted at UK consumers



Reference to the ECJ

- **Further series of questions referred to the ECJ for determination encompassing the following issues:**
 1. Should eBay be found liable as a primary infringer for displaying L'Oréal trade marks in its sponsored links?
 2. Can eBay, as a host of information, benefit from the defense provided in Article 14 of the E-Commerce Directive (2000/3)?
 3. What is the scope of the relief which Directive 2004/48 Article 11 requires national courts to grant against intermediaries in trade mark infringement?

HOW BROAD ARE YOUR TRADE MARK RIGHTS?



L'Oréal v Bellure

- L'Oréal brought proceedings against Bellure, claiming:
 - Trade mark infringement
 - Passing off
 - Unfair competition



UK trade mark



Defendants' "La Valeur"



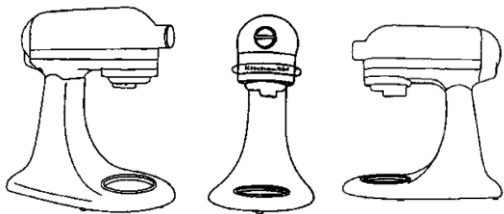
L'Oréal v Bellure - ECJ

- "Where the trade mark has a reputation in the United Kingdom/Community and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or repute of the trade mark" (Article 5(2) TM Directive)
- Is harm to reputation/mark required for unfair advantage?
 - No
- Assessing unfair advantage?
 - Global assessment of all circumstances e.g. strength of mark, intention of defendant, proximity of good, dilution or tarnishing of mark
 - Intention required
 - Riding on the marks coat tails in order to benefit from its power of attraction



Whirlpool v Kenwood

- CA rejected Whirlpool's submission that:
 - Where a link was established from which the defendant obtained a commercial boost or other advantage
 - Then that advantage would, of itself, be unfair without proof of any additional factors
- To hold otherwise robbed "unfair" of meaning
- CA held that unfairness could be demonstrated by something other than intention



CTM



Whirlpool's KitchenAid Artisan



Kenwood's kMix



Whirlpool v Kenwood - CA

Unfair advantage

- Kenwood had its own reputation and did not need to ride on Whirlpool's coat-tails
- Where Whirlpool had a monopoly in C-shaped mixers, consumers would be bound to think of the Artisan when they saw the kMix, but this was very different to the facts in *L'Oréal*
- The judge rightly rejected case on unfair advantage; there was no advantage to Kenwood and, if there was, it was not unfair

Detriment to distinctive character

- CA stated that something can erode market share without impinging on trade mark rights

Daimler AG v Sany Heavy Industries

October 2009



- Daimler alleged that use of Sany trade mark on vehicles created "a link" in the mind of the consumer which took unfair advantage of the distinctive character and reputation of the Daimler mark.
- Held no trademark infringement. No link was established.
- Even if the Sany star did remind the consumer of Daimler's mark, there was no unfair advantage.

Conclusion

- Keywords
 - Opinion in Google France case very favourable to search engines
- Trade Marks
 - ECJ has clarified scope of extended protection but likely to need evidence of unfair advantage or detriment