

A Practical Guide to Online Brand Enforcement

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Meet the Presenters



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- How many times have you purchased items online within the last two months?
 - *Options:*
 - *0 transactions*
 - *1-5 transactions*
 - *5-10 transactions*
 - *10+ transactions*



- How much of a concern is unauthorized/infringing online sales to your company or your clients?
 - *Options:*
 - *Large concern*
 - *Medium concern*
 - *Small concern*
 - *No concern*



Roadmap

- Counterfeit/Grey Market
- Harm to business/industry
- Online enforcement toolkit
- Recap



Practice Tips

Counterfeit Goods



(\$309) Counterfeit



(\$1,390) Genuine

Counterfeit Goods



Genuine




Counterfeit

Practice Tip: Be proactive in developing visual and technical means to help others identify and help you track genuine goods versus counterfeits

Grey Market Goods



 Practice Tip: Develop and memorialize material differences (packaging, warranty and other services that do not flow to unauthorized goods) to best prepare for stopping grey market goods

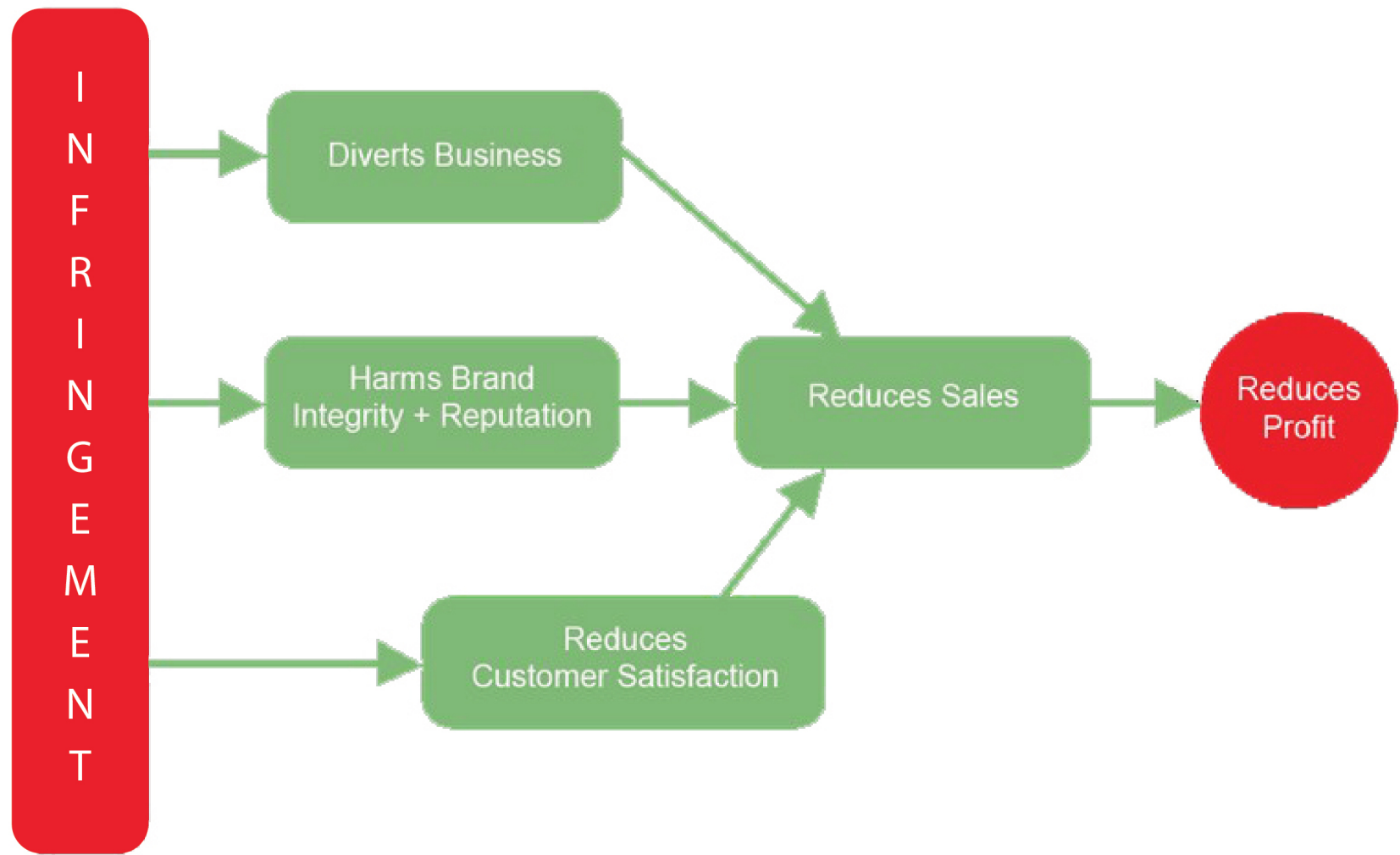


<https://www.usa.canon.com/internet/portal/us/home/products/groups/gray-market>

- Is your business or your clients' business more concerned with:
 - *Options:*
 - *Counterfeiting*
 - *Grey market goods*
 - *Both equally*



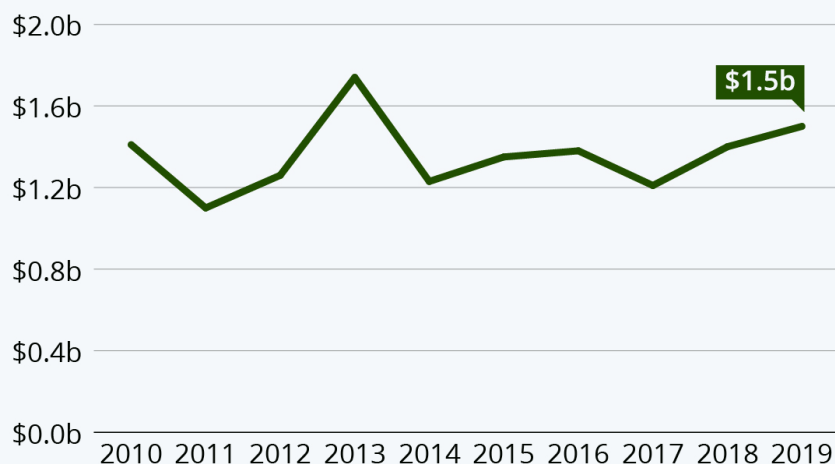
Harm to Business



Industry Damage

U.S. Customs Seized Counterfeit Goods Worth \$1.5 Billion in 2019

Suggested retail value of shipments seized at the U.S. border for intellectual property right violations (fiscal years)*



* figures represent the retail value of the counterfeit goods had they been genuine
Source: U.S. Customs and Border Protection



statista

CBP Intellectual Property Rights Annual Seizure Statistics Fiscal Year 2018

Products	Seizures	Percent of Total
1. Wearing Apparel/Accessories	6,098	18%
2. Footwear	4,728	14%
3. Watches/Jewelry	4,291	13%
4. Handbags/Wallets	3,593	11%
5. Consumer Electronics	3,388	10%
6. Consumer Products	2,816	8%
7. Pharmaceuticals/Personal Care	2,293	7%
8. Optical Media	561	2%
9. Toys	487	1%
10. Computers/Accessories	450	1%

Source: U.S. Customs and Border Protection

Counterfeiting and COVID-19

- Elevated levels of counterfeit activity during the pandemic
- 38% increase in counterfeit detections in sectors such as apparel, toys, home goods, accessories, and sporting goods
- Amazon has banned more than one million products claiming to “cure” COVID-19
- China has confiscated more than 31 million counterfeit facemasks



Phony Covid-19 test kits.



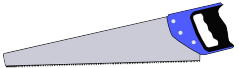
Unlabeled sanitizer.

Online Enforcement Toolkit

- Create Internal Task Force
- Secure IP Rights
- Consumer Education
- Monitoring Systems
- Enforcement Tools



Platform-specific Takedown Requests



Cease & Desist Letters



UDRP/URS Complaints



Litigation



Government agencies



Consumer Education

How to Spot Fake UGG® Product | quote flattery and copying - Google

ugg.com/counterfeit.html

UGG® WOMEN ▾ MEN ▾ KIDS ▾ HOME & GIFTS ▾ SALE ▾

Search

Is the website known to sell fake UGG® products?

Paste the URL in the search bar below to determine whether a suspect website has been identified as selling fake UGG® products.

Please note: New websites selling fake UGG® products are identified daily. We update our list frequently, but it is not comprehensive. Please see our gallery below for indicators that a website is selling fake UGG® products. To ensure that product is authentic, we recommend that you purchase from ugg.com. Be cautious and #Don'tBeFooled

http:// CHECK >

Please check out our [store locator](#) to find an authorized retailer near you. You can also purchase authentic UGG® products on UGG.com and shop our limited-time Sale at the [UGG® closet](#).

Counterfeit Gallery

UGG® is renowned for the luxurious comfort of twinface sheepskin and exceptional craftsmanship. Fake shoes and boots are made with dubious and inferior materials. Take a look at the images below to see for yourself:

COUNTERFEIT BAGS	GENUINE BAILEY BUTTON	COUNTERFEIT BAILEY BUTTON	GENUINE UGG BOX	COUNTERFEIT UGG BOX

FEEDBACK

Type here to search

3:54 PM 6/13/2020

Practice Tip: Educate consumers

- Where to purchase genuine products
- How to identify counterfeit and grey market products
- Safety concerns
- Links to terrorism and organized crime

Enforcement Tools - Takedown Requests



- Online retail platforms, domain registrars, and social media sites have takedown procedures for infringement complaints
 - Different forms/links for different types of infringement (i.e., trademark or copyright)
- Some platforms require accounts and pre-registration with the submission of registration certificates
- Relatively quick and inexpensive method to stop infringement
- Good option when you cannot identify infringer
- Easy to track metrics to show decrease in infringing products on sites


Trademark Report Form

Use this form to report content that you believe infringes your trademark rights

To be sure you're in the right place, what best describes your issue?

- ☐ My account has been hacked
- ☐ I found a fake account that is pretending to be me
- ☐ I am being bullied or harassed
- ☐ I found inappropriate or abusive content
- ☐ I want to claim an account for my business
- ☐ I found content which I believe infringes my copyright
- ☐ I found content which I believe infringes my trademark

Send



Practice Tip: Build relationships with platforms and be persistent. Push back against an initial rejection.

Enforcement Tools – Takedown Requests (Trademark Basis)



- Seller → Direct trademark infringement (counterfeiting and grey market goods)
- Platform → Contributory trademark infringement
- Online platforms can be liable for contributory trademark infringement if they:
 - (1) Intentionally induce another to infringe; or
 - (2) **Continue to supply products they know to be infringing**



Enforcement Tools - Takedown Requests (Copyright Basis)

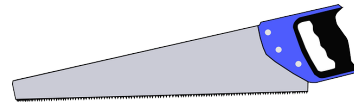



- “Safe Harbor” for OSPs against liability for copyright infringement by the users of their platform so long as the OSP has a “take down” protocol to remove the material that infringes copyrights, follows the protocol, and promptly removes the allegedly infringing material
- Thus, HUGE INCENTIVE for the platforms to promptly respond to and remove infringing materials that are the subject of a take down request **based on copyright infringement**
- Copyrights exist in photographs, ad copy, logos
- But remember *Lenz v. Universal Music Corp.*



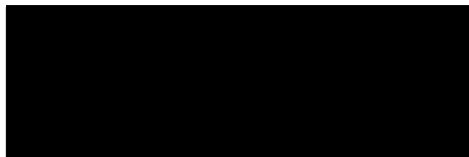
Practice Tip: If you can be in the copyright lane and can file take down claims based on copyright infringement, DO IT! Often we use stolen photographs, stolen text or advertising copy, or potentially a stolen logo as a basis for powerful DMCA claims.

Enforcement Tools - Cease & Desist Letters



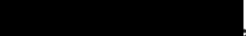

- Another relatively quick and inexpensive method to stop infringement
- Escalation option for sellers that continue to sell infringing products in large quantities despite takedowns
- Can be difficult to identify online sellers
 - Trap purchases
- Jurisdictional concerns
- Cease and desist (as well as cease and decess ) letters can easily be posted online for everyone to see

VIA CERTIFIED MAIL



Re: Cease and Decease Demand by 

Dear 

This law firm represents  who lives in the 

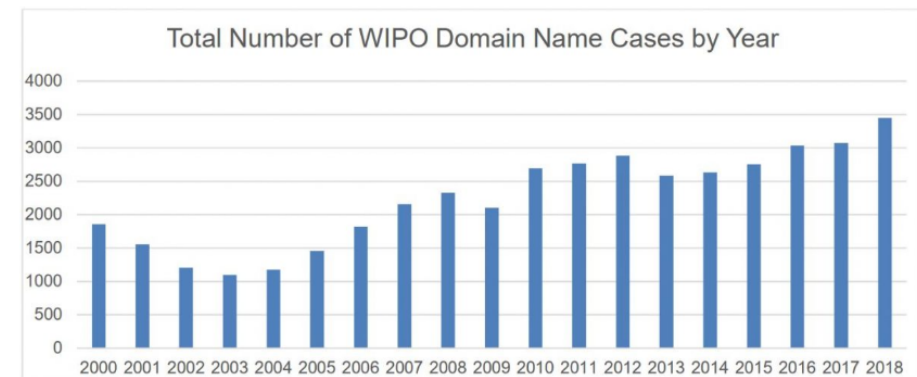
Enforcement Tools – Domain Names



- Uniform Dispute Resolution (UDRP)
 - If successful, the complainant can have domain transferred to it
 - Much quicker (~2 months) and less expensive than litigation
 - Privacy shield will be lifted upon filing UDRP complaint
- Uniform Rapid Suspension (URS)
 - Shorter, less expensive version of UDRP for most egregious cases
 - Clear and convincing evidence standard
 - Only an option for new gTLD (so not .com, .net, .org...)
- Litigation –AntiCounterfeiting Consumer Protection Act (ACPA)
 - Statutory Damages of up to \$100,000

louisvuittonlineoutletus.com
originalbeatsbydre.com
ravensjerseystore.com
Coloraddobank.com

Practice Tip: Do not assume these actions are effective tools for every case where your company's trademark appears in a domain name. They are reserved for true cybersquatting with no legitimate interest.




Source: WIPO Statistics Database

Enforcement Tools – Domain Names (Cont.)



Over a million websites seized in global operation





Over a million websites seized in global operation

The domain name PRBLogics.com has been seized by ICE - Homeland Security Investigations, Defense Criminal Investigative Service and the National Reconnaissance Office – Office of the Inspector General, pursuant to a seizure warrant issued by a United States District Court under the authority of Title 18, United States Code, Section 2333.





For more information on IP theft please click on this banner

This domain name has been seized by U.S. Immigration and Customs Enforcement pursuant to a seizure warrant issued by a United States District Court under the authority of 18 U.S.C. §§ 981 and 2323.

Willful copyright infringement is a federal crime that carries penalties for first time offenders of up to five years in federal prison, a \$250,000 fine, forfeiture and restitution (17 U.S.C § 506, 18 U.S.C. § 2319). Intentionally and knowingly trafficking in counterfeit goods is a federal crime that carries penalties for first time offenders of up to ten years in federal prison, a \$2,000,000 fine, forfeiture and restitution (18 U.S.C. § 2320).

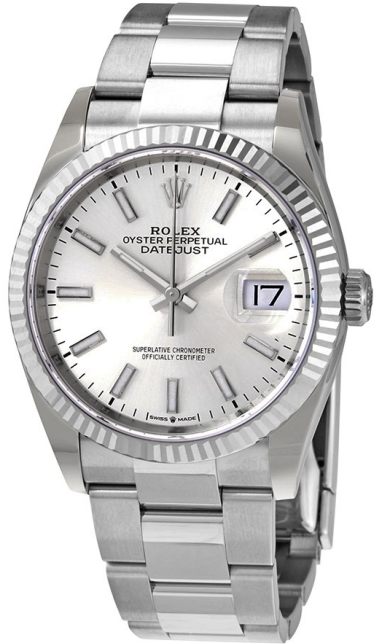


Enforcement Tools - Litigation

- Injunctions/TROs/Seizures
- Damages and attorneys fees available – more power and teeth than the other tools we have discussed
 - Statutory damages for copyright up to \$150,000 per work, for anticybersquatting up to \$100,000 per domain name and for counterfeiting up to \$2,000,000 for each counterfeited mark
 - Actual damages
 - Attorneys fees and costs may be available
- Tool against repeat infringers and/or egregious, highly harmful incidents
- May be a tool to attack multiple domain names in one action
- Deterrent effect
 - Send a message to the broader community
 - Value in earning a reputation as an aggressive protector of your brands
- Where case has good recovery value/ROI
- If Defendant is not well funded
- Can publicize result and cite in further enforcement matters
- Can seek judgment/consent decree regarding strength of mark
- Can use as strategic test case if IP rights are shaky for one reason or another (i.e., descriptive mark, etc.)



Enforcement Tools – Litigation: Example



Rolex

The watches sold by laCalifornienne no longer contain the aesthetic of the pre-owned Rolex watches and no longer perform or function to the same quality standards as unaltered pre-owned Rolex watches.



laCalifornienne

Enforcement Tools - Working with Law Enforcement



- Trademark and copyright infringement can be pursued as a civil matter, but can also be deemed a criminal matter in certain circumstances that can carry severe penalties. For example:
 - Counterfeit Trademarks (up to 10 years in prison and/or a \$2 million fine against person and \$5 million fine against a corporation)
 - Copyright Infringement (up to three years in prison and a \$250,000 fine)
- Categories of Interest:
 - Health and safety
 - Links to organized criminal networks
 - Large scale commercial counterfeiting and piracy
 - Trade secret theft or economic espionage




Practice Tips:

- Document all investigative steps you took to find and/or document the infringement
- Preserve and share any documentation or evidence of the infringement with law enforcement
- Immediately reach out to law enforcement



Enforcement Tools - Working with Customs

- Record marks/copyrights with Customs to prevent importation or exportation (in some cases) of infringing goods
- Recording is relatively simple and inexpensive
- Create partnership with Customs
 - Educate Customs about how to identify infringing products

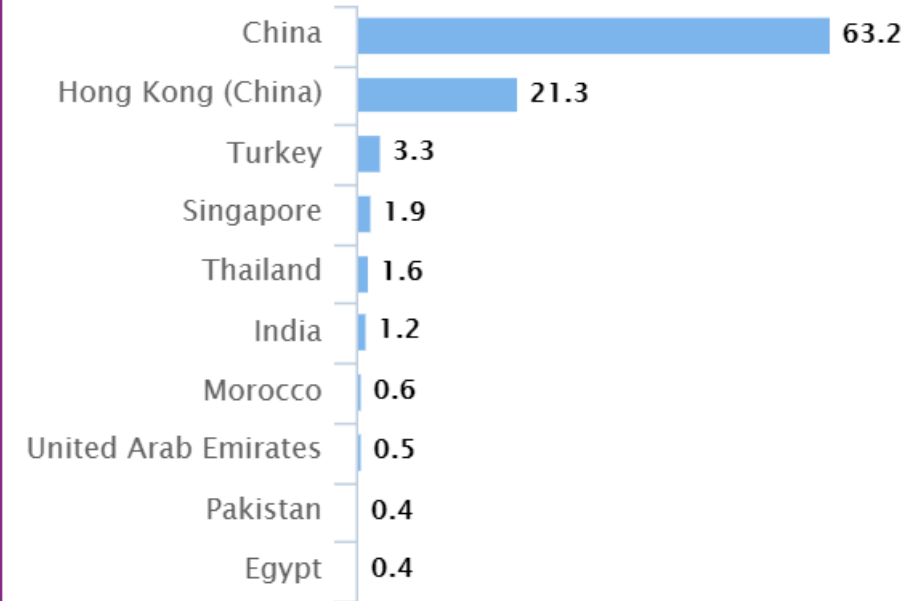


Practice Tip: China Customs will stop not only the importation but MORE IMPORTANTLY the exportation of goods out of China. We have found China Customs to be a valuable tool to stop counterfeit goods leaving the country.



Where most fake goods originate

Top provenance economies of fakes, as % of total seizures (2013)



Source: [Trade in Counterfeit and Pirated Goods: Mapping the Economic Impact](#)


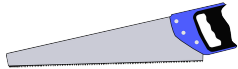





Enforcement Tools - Working with Law Enforcement in China

- AMR (Administration for Market Regulation)/AIC (Administration for Industry & Commerce)
- Police/PSB (Public Security Bureau)



Enforcement Toolkit Summary

	Enforcement Tool	Remedy	Timing	Expense for Brand Owner	Other considerations
	Platform-specific Takedown Request	Stops infringement	Quick	Low	
	Cease & Desist Letter	Stops infringement	Relatively quick, but depends on adverse party	Low	Can be difficult to find address for adverse party
	UDRP/URS	Domain transfer or suspension	Quick	Medium	Only applies where TM is used in domain name
	Litigation	Stops infringement; monetary remedies; attorneys fees/costs	Depends	High	TRO/PI
	Government Agencies	Stops infringement; adverse party may face fines and/or imprisonment	Depends	Low	Requires cooperation and interest from government

H. R. 6058

A BILL

To amend the Trademark Act of 1946 to provide for contributory liability for certain electronic commerce platforms for use of a counterfeit mark by a third party on such platforms, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

This Act may be cited as the “Stopping Harmful Offers on Platforms by Screening Against Fakes in E-commerce Act of 2020” or the “SHOP SAFE Act of 2020”.

“(4)(A) An electronic commerce platform shall be contributorily liable for infringement by a third-party seller participating on the platform for use in commerce of a counterfeit mark in connection with the sale, offering for sale, distribution, or advertising of goods that implicate health and safety, unless the following requirements are met:

“(i) The third-party seller is available for service of process in the United States.

“(ii) Before any alleged infringing act by the third-party seller, the platform demonstrates that the platform took each of the following reasonable steps to prevent such use on the platform:

Recap

- 1) Form internal task force
- 2) Audit IP and secure rights
- 3) Educate consumers about the harm of counterfeit goods and grey market goods and how to identify fakes and differences
- 4) Consider third party vendors to identify online infringement
- 5) Diligently monitor online retail sites and social media platforms for infringement and routinely file takedown requests
- 6) Escalate to cease and desist and litigation where appropriate
- 7) Utilize UDRP/URS where appropriate
- 8) Utilize Customs and law enforcement where appropriate
- 9) Continue to re-evaluate your program
 - As your brand evolves over time, so will your protection strategy and vulnerabilities
 - Take note if priorities have shifted and shift your protection efforts accordingly

Thank you!



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