

A pair of bright red boxing gloves is positioned in the foreground, with the knuckles facing each other. Behind the gloves, a person wearing a dark suit jacket, a white shirt, and a dark patterned tie is visible. The background is dark, making the red gloves and the person's attire stand out.

Trademark Toolkit: enforcement and reputation

Industry experts give practical advice on how to approach enforcement in a way that minimises public criticism or accusations of bullying

Deciding how to take enforcement efforts forward in a way that minimises the risk of a negative (and, through social media, potentially viral) backlash adds a layer of complexity to the decision-making process.

In an age where cease and desist letters can be circulated and posted online, and negative media coverage quickly follows such publication, what criteria should trademark counsel use to decide whether an enforcement action is likely to lead to such a public backlash?

Furthermore, should these concerns actually change the way that counsel approach enforcement or should a one-size-fits-all approach be adopted?

In this issue's Trademark Toolkit feature, a range of practitioners advise on how to strike the right balance between effective enforcement and potential bullying.

Lara Pearson, chair of the trademark team at Rimon Law group, argues that tone is everything. Foley Hoag LLP's Julia Huston and Anthony E Rufo then offer practical suggestions on how to minimise the risk of bullying accusations, drawing on some recent examples of headline-grabbing disputes.

Finally, Pernod Ricard's Olivia Lagache provides a brand owner's perspective, outlining the social media strategy adopted by Havana Club when it spots online infringement and offering some pointers on how to maintain your e-reputation.

Lara Pearson, chair of the trademark team at Rimon Law Group and author of the Brand Geek blog, which recently announced the Brand Bully Basement

Remember when we were at school and bullies were the mean kids who pushed the rest of us around? When I was a kid, Plymouth sold a car under the mark VOLARE. The bullies at my school would sing the song from the commercial and taunt me with claims that my parents were dumb for naming me after a car. Bullies were usually big kids, but a few small, scrappy kids exerted similar might. Not much has changed.

I continue to contend with bullies, only now they are corporations. The Bully Advisory Board that I lead plans to propose a definition of 'trademark bullying' to Wikipedia, but we have just begun that process. Thus, for the time being, I will loosely define 'bullying' as a trademark owner asserting rights that it does not possess. While this happens more often with large corporations – commonly through dilution claims – small corporations and even individuals can be trademark bullies (smaller bullies often take the form of trolls).

No one over the age of 10 wants to be called a bully. So how do you avoid it? By following three simple rules:

- Nothing (neither statute nor case law) requires you to enforce your rights against every use of your mark. While trademark owners have a duty to police use of their marks, there is no statute or case law requiring that they challenge every single unauthorised third-party use of their mark. Use a written, prioritised uniform enforcement strategy to evaluate each case. Counterfeiting cases should have highest priority, followed by infringements and uses that should be covered by a licence. Likewise, domain name enforcement should follow

an established prioritised strategy. Some things can even be ignored, such as parodies and fan sites.

- Infringement requires factual analysis and does not lend itself well to a one-size-fits-all approach. All of the cease and desist letters that I have written, received or otherwise read have included a factual analysis of at least some of the *DuPont* factors. Since we have to analyse the facts of each case anyway, why put them into a form? Addressing each case on its own merits usually yields the best results.
- Tone is everything. Need I say more? People appreciate being treated with kindness, especially when they get caught doing something wrong. If you come at everyone with all guns blazing, do not be surprised when they respond aggressively. Even a clear case of infringement resulting in the infringer ceasing use can produce a win-win result if the brand owner acts reasonably and respectfully.

My mother often told me: "Don't put anything in writing that you don't want to see on the front page." The Internet makes republication even more relevant. Cease and desist letters may be posted to the Chilling Effects website, 'sucks sites' or elsewhere on the Web for anyone to see. You may well be judged by the cease and desist letters that you send. While you may want to be perceived as a no-nonsense brand owner that enforces its right to the nth degree, there is increasing evidence that purchasing decisions are emotional. If your enterprise is perceived negatively – say, as a bully – it may hurt more than your feelings; it may hurt your bottom line as well.

Julia Huston is a partner and Anthony E Ruffo an associate at Foley Hoag LLP

How can the owners of famous trademarks enforce their rights without being given the dreaded 'trademark bully' label? The answer lies in knowing where to draw the line and in exercising diplomacy in letting people know when the line has been crossed.

Many brand owners tolerate minor third-party uses of their marks, including unauthorised parodies, fan clubs and the like, which are undertaken in good faith. But brand owners must act to protect their rights when third parties go too far. Potential red flags include actual confusion, complaints from customers, impact on sales and formal trademark filings by third parties. In these circumstances, a line has been crossed and trademark owners can and should consider taking action. However, to protect themselves from bullying accusations, trademark owners would do well to emphasise the specific 'over the line' factors that drove them to action in all their communications.

North Face's 2009 lawsuit against the South Butt defendants illustrates these principles. The defendants claimed that their use of THE SOUTH BUTT name and arc logo on clothing was a parody of THE NORTH FACE. A parody defence can put brand owners in a difficult position, because no one wants to be perceived as not getting the joke. In fact, a savvy brand owner knows that embracing those in the marketplace who are poking a little fun can often make for excellent public relations. So why was filing suit the right thing

for North Face to do? Because the defendants repeatedly tried to register THE SOUTH BUTT as a trademark for clothing, which could have potentially curtailed North Face's own rights and made future policing efforts against third parties more difficult.

In contrast, the Coca-Cola fan site on Facebook crossed no obvious lines – it was created by two guys who just happened to love Coke. So what did Coca-Cola do about these individuals representing its brand to millions of social media subscribers? It decided to make the Facebook fan page 'the real thing' and sponsor its creators, inviting them to meet with Coca-Cola executives in Atlanta and collaborate on marketing initiatives. This was a brilliant (and popular) strategy because the Facebook page posed no commercial threat, and Coca-Cola was able to support its biggest fans rather than shut down their Facebook site.

So, as a brand owner, what can you learn from these examples? If an infringer crosses the line and you have to enforce your rights, try to stay ahead of the spin and make sure that the public knows you were left with little choice. If no line is crossed, consider whether a marketing-driven approach might be preferable to legal action. While you may be unable to escape the trademark bully label in all situations, careful line drawing and tailored communications can help you to manage the risks, and hopefully portray your brand enforcement efforts in a positive light.

Olivia Lagache, general counsel for Havana Club

While our international campaign states “nothing compares to Havana Club”, the same could be said about the impact of social media on enforcement behaviour. For the past few years, the social media revolution has posed countless new challenges for brand owners. For instance, the 800 million active – and non-controllable – users of Facebook can spread negative or positive information on your brand to thousands of users in just one second. Among this huge community, it is difficult and time consuming to identify the ones who use your brands because they love them, denigrate them or involuntarily prejudice their image.

Havana Club, part of Pernod Ricard, works actively with the IP departments within the group (including Absolut, Chivas and Martell) to set up digital guidelines and improve the protection and defence of the group’s trademark portfolio on social media. Thus, the Havana Club legal team has established and implemented a strategy specifically adapted to social media.

For example, different degrees of infringement might be experienced on social media. In response, one could systematically make use of traditional ‘hostile’ enforcement measures (eg, registered cease and desist letters). However, our experience demonstrates that this strategy might be either ineffective or counterproductive on the Internet, because it is not adapted to the digital environment.

While your marketing team makes substantial investment and works hard to improve your e-reputation, do you want to take the risk that your cease and desist letters may be published, leaving the path for internet users to criticise and possibly turn away from your brand? Do you want to take strong actions against people who ‘like’ your trademark?

To limit this backlash nightmare, it is important to choose your battles, cautiously assess your actions and anticipate their impact.

In the most straightforward scenarios (eg, the promotion and sale of counterfeits online), the defence of your trademark should start with a cease and desist letter sent as early as possible: consumers are misled and such infringements are likely to involve public health issues.

In sensitive cases (eg, the promotion of Facebook pages using your brands or irresponsible consumption pictures associated to your products), our experience suggests that you should encourage dialogue. In this respect, we would recommend the following actions:

- Collect information on the poster through the Internet. Is he or she active on social media? How many friends does he or she have on Facebook? Does he or she generate many posts or much traffic? How does he or she behave online?
- Assess the positive or negative impact of non-authorized use of your trademark. No action should be taken without the involvement of the marketing team.
- Measure your possible business interests. If your rights are reproduced within the URL address of a third party’s page, you might be likely to ask for its transfer into your name.
- Recognise that the social media site may be a good friend. Knowledge of its terms and conditions is essential; use of these procedures may result in the closure of the infringing page, keeping your identity anonymous. In such instances, there is no need to quote laws – a quick email notification can be enough. Make sure that you follow the most updated rules and keep monitoring them. Communication with internet users

through the social media site should be the first step – internet users are less likely to react aggressively towards a social media site than a brand owner. Involving the social media site will also help you to create good precedent to support your future queries.

- Identify the right person to contact the internet user. If no action is taken by the social media site, it may be best for your marketing team to contact the user, suggesting creative solutions such as cooperation in handling their page. Whereas the legal department is traditionally in charge of defending the trademark portfolio, this sort of informal contact may lead to positive results.

So far, Havana Club actions against infringing social media pages have been successful, allowing us to achieve closure of various infringing pages, increase our trademarks’ visibility and even obtain the transfer the facebook.com/havanaclub URL (which is now the address of our official Facebook page) – without having experienced any backlash.

