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Reducing legal risk when managing marks on global websites

Presenting trademarks online in a way that is inconsistent with your rights or does not comply with individual country requirements may create legal risks – with companies adopting a number of different strategies to manage that threat. In this guest piece, [Robert G Kramer](#), special counsel at Finnegan, provides best practices for marking trademark registrations on websites with global reach.

Guest analysis

If your company is using online sites to distribute goods or offer services both domestically and abroad, it is likely that you are also using trademarks to build and protect your brands, goodwill and customer base. It is also likely that your company is increasingly filing trademark applications in multiple countries. Once granted, a registration provides the option of using the registration symbol ® to send a broader warning to others to stay away from confusingly similar uses. Proper marking may also give your company additional rights, provide broader damages for infringement and make an injunction more likely should you need to protect your brand in court. However, online marking that is inconsistent with your rights or non-compliant with individual country requirements may create legal risks worth managing.

Legal issues

Unlike online sites that cross borders effortlessly, trademark rights must be formed and enforced separately in each country. In some countries it can be a criminal offence to use the registration symbol when the trademark is not registered in that country, or when it is registered but not for the appropriate goods or services. In Australia, the fine may be 60 penalty units, each unit costing A\$222. In the United Kingdom, where the trademark is not registered somewhere in the world the penalty may be a “fine not exceeding level 3 on the standard [financial criminal penalty] scale”, with a maximum of £1,000. In China, the government can stop the passing off of unregistered trademarks as registered, order rectification (eg, a public notice) and fine improper gains as high as 20%.

Improper marking may also frustrate your efforts to constrain infringers by providing them defences to infringement. In the United States, trademark false marking can be the basis for a claim of fraud, unclean hands or false advertising. It may also thwart a brand owner’s attempt to obtain trademark registrations, such as rejection of sample evidence of use that bears a registration symbol in an applicant’s “mistaken belief that registration in a state or foreign country gives a right to use the registration symbol” in the United States.

Consumer issues

Beyond legal risks, the issues of whether and how to mark with a registration symbol is complicated. In general, only uses of the mark as a trademark should be tagged with the registration symbol, and not every relevant use of the mark on a product, advertisement, product description or webpage needs to be tagged. Using too many registration symbols may prove awkward and distracting to your customers and your message, and it is not typically required by law to obtain the desired legal protections.

The goal is to have sufficient conspicuous use of the registration symbol to provide notice to customers and others desiring to use similar marks. To accomplish this online, consider marking the first or most conspicuous use of the registered trademark on each webpage, and possibly reuse the symbol on longer pages, as well as marking similar uses on each sub-domain, directory, electronic document, video, chat or help window that opens separately.

Given that there may be legal repercussions to misuse of the registration symbol and consumer problems with overuse, it is a good idea to limit placement of the registration symbol to strategic and appropriate uses throughout your online properties.

Opening advice

This brings us back to the question of how should you mark your goods and services online when your activities may reach audiences foreign to your trademark registrations? The most common advice generally includes some form of legally conservative statement that you should mark your goods and services with the registration symbol only in countries where you have been granted trademark registrations. Alternately, advice may direct you towards using more cumbersome language than the registration symbol to address the specific marking requirements of each country where you do business and have registrations. For example, US statute accepts the use of ‘Registered in US Patent and Trademark Office’ or ‘Reg. US Pat & Tm Off’.

While your goal should be marking only in countries where you have been granted trademark registrations related to your goods and services, this broad advice does not answer how you should implement this advice online. Unlike placing trademark registration symbols on physical goods or their packaging, making the same change on websites can be quicker, easier and even less expensive than obtaining or updating specific legal advice on trademark marking. This should not be an excuse to avoid seeking advice and working through these issues.

Appreciating the complexity

Many e-commerce websites with global reach find ways to avoid the intricacies presented by trademark marking. So do most scholarly and professional articles, despite the legal and business advantages that might come from clear advice. For example, Shopify’s [trademark blog](#) states only: “®: This is the symbol for a registered trademark, and you can use it once your trademark is officially registered.”

One company familiar with trademarks across the globe uses the TM symbol online almost exclusively, despite roughly 40 trademark registrations for the mark CLARIVATE, and at least 10 more trademark applications and registrations for trademark searching services under the 'CompuMark' and 'MarkMonitor' trademarks.

Apple's US website provides an [extensive list](#) of its more than 300 trademarks distinguishing between those with and without US registrations. But it rarely marks online uses of those marks. For publications distributed outside the United States, Apple recommends use of an attribution notice such as '___ is a trademark of Apple Inc, registered in the United States and other countries', instead of using the ® or TM symbols or specifying rights country by country. Despite providing country-specific sub-domains and providing the opportunity for customers to switch store locations, Apple does not appear to provide differentiated trademark marking details by country, at least not extensively.

These examples suggest that there is unlikely to be one-size-fits-all specific legal advice for applying trademark registration symbols across your global online properties. It is also unlikely that any procedure strategy you develop will survive unchanged as your business, your markets, your branding, your competition, the scope and geographic coverage of your trademark registrations and even the available technologies change. For example, while legal rights that come from marking may be extremely valuable as you build your brand, you may consider marking less valuable once your brand and trademark are famous and you can rely on other legal rights and business options.

Best practices for marking and auditing global online assets

Given this complexity, best practices counsel conducting an audit first to identify your company's global online properties and trademark usage, and then to understand the trademark marking laws in the countries where you do business, as well as the legal and business consequences for failing to meet the requirements. Once you have done this, your goal should be to balance the legal risks and the difficulty in implementing specific solutions with your company's budget and its tolerances for likely risks.

When discussing these within your trademark group or with outside counsel, you will want to walk through at least the following additional considerations as they may apply to your company:

- your global business structure, your distribution channels and the nature of your mixed physical and virtual business;
- whether and how you are selling third-party branded products;
- how crowded the trademark field is for brands, goods and services similar to yours;
- the strength and inherent distinctiveness of your trademarks;
- the contentiousness of the owners of trademarks similar to your own and possible value that they may perceive from trading off your goodwill;
- your competitors' perceptions of the depth of your pockets; and
- your alternative means for enforcing and protecting your brands, and the costs of doing so.

Having an internal team or go-to legal counsel that is already familiar with your mix of relevant considerations will help save time and costs in tailoring or applying your trademark marking solution as you adapt to changes. One of these changes may be the increasing complexity of your company's online presence. For example, your company may begin by offering goods or services through a single online homepage and a URL with only a few uses of your trademark. As you expand into other countries you might set up country-specific webpages or sub-domains with relevant trademark marking or make use of geo-blocking technologies. Over time your company may add complex connections between webpages, landing pages, sub URLs, sub-domains, directories, documents, multimedia, interactive content (eg, quizzes and games), social media, chats, pop-ups, blogs and AI assistants.

Consider how you and your opponent may end up presenting copies of these pages to a court or jury trying to decide whether your use of the registration symbol provided correct and sufficient notice, or whether you intended to deceive. Consider also what technologies may be available to help you implement your specific marking strategy. In relation to global online use of the MERCK trademark, a recent UK High Court decision imposed an injunction that in part provided a carve-out for websites and social media that "employed to the full extent possible any available functionality equivalent to or nearly equivalent to 'geo-blocking'" (*Merck KGaA v Merck Sharp & Dohme Corp* [2020] EWHC 1273 (Ch)).

To minimise this burden going forward, consider integrating this first assessment into your regular trademark or IP audit process, as it is likely that you are already addressing similar issues for other purposes. Auditing your trademark portfolio every six or 12 months – depending on the volatility of your company, its products, markets and competitors – should permit you to check and adjust usage of the registration symbol to minimise legal risks and maximise the legal benefits that can come from trademark registrations and use of the ® registration symbol.

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TAGS

[Brand management](#), [Online](#), [Trademark law](#), [International](#)