

Evolving your brand strategy in a changing world

COVID-19 has prompted businesses to adapt both the goods and services they offer and also the way these goods and services are promoted and provided to customers. Many are embarking on collaborations with new partners to help market and deliver their offerings in an increasingly virtual world. This paper explores key brand protection and related legal and commercial issues for businesses to be aware of when varying or supplementing existing product lines or service offerings, launching new brands and expanding online activities and consumer markets, and using influencer marketing. When we finally emerge from the pandemic, those businesses that have taken active steps to manage and protect their brands and reputation will be in a strong position to recover and move forward.

Take stock of your IP assets - do your trade marks reflect new ways of doing business?

New business needs

Over the last year there have been numerous examples of business diversification, from breweries and distilleries using their resources and expertise to make hand sanitizer, to high street fashion stores applying their brand names and signature designs to face masks and to local pubs offering their tables and Wi-Fi connections as temporary office space between lockdowns. As we approach the end of the first year of living with COVID-19, and amidst continuing disruption caused by the pandemic, businesses may be considering whether to adapt their offerings on a more permanent basis.

Any business looking to diversify under an existing brand should review its portfolio of registered trade marks to check if these provide protection in relation to the new product lines or services being offered. For example, a trade mark registration that only covers the provision of restaurant services will not automatically cover new offerings such as food delivery services or printed recipe cards. New trade mark applications to cover additional goods and services may be required to bolster existing protection.

Key considerations

- New ways of doing business – Check that your trade marks cover new products or service lines being offered and if you need to protect your brand overseas.
- Using design agencies – Check the small print and ensure you will own the IP rights in any commissioned works.
- Going online – Be aware of consumer protection laws and advertising rules when using brand ambassadors and social media influencers to promote your offerings in a virtual world.
- Fraud – Deal swiftly with any issues to ensure your customers and the reputation of your brands are protected in an online marketplace rife with fraudulent schemes.

Protecting new brand elements

Another issue to consider is what aspects of the current brand need additional protection. The pandemic has forced consumers to do more shopping/booking of services online. In this environment, the visual elements of branding, such as colourways, logos/designs and shapes may, for some businesses, become increasingly prominent identifiers of the origin of goods or services than they were before and are therefore more worthy of trade mark protection.

Protection in new markets

With more businesses developing and building their online presence and e-commerce capabilities to meet growing customer demand, the geographical reach of their brands will spread to countries where their goods or services were not previously available. Filing trade mark applications to protect key names and logos in new markets is vital to ensure businesses can keep control of their brands, particularly in territories where the manufacture and sale of counterfeit or rip-off goods is rife.

Why registered protection is important

Having the right kind of trade mark protection in place for key goods and services will help businesses stop third parties from using the same or a similar name or logo/design for competing offerings. This is because the owner of a trade mark registration will find it easier to take legal action against others who use the same or similar name in a way that is likely to confuse consumers as to the origin of goods or services, or lead consumers to believe there is a commercial association between the brand owner. A trade mark registration may also enable the owner to stop another entity from using the same or similar name if this dilutes, damages or takes unfair advantage of the reputation of the owner's established brand.

Rights in a name or logo/design can be created through use of such signs without registering them. However, enforcing unregistered rights against infringers is more difficult and expensive than producing a trade mark registration certificate because businesses need to demonstrate they have built up goodwill in the relevant sign and that they have suffered damage as a result of the infringing activity.

Launching new brands with peace of mind

Businesses wishing to adopt fresh brands for their new ventures should also ensure that the selected name/logo design is available for their use (and registration) as a trade mark in relation to the relevant goods and services. This involves conducting searches of relevant trade mark registers to check whether the use of the chosen name would infringe any third-party rights. Any legal and commercial risks revealed by clearance searches should be considered carefully before a new name is launched. This

preparatory work is a cost-effective way of informing choices of new brands and avoiding the costs associated with trade mark disputes as well as avoiding PR difficulties and re-branding costs. When adopting new brands consideration should also be given to digital assets; the early acquisition of relevant domain names and social media handles is vital to ensure that business offerings can be promoted effectively online.

You have invested in your brand and you are going digital ...

Do you own the IP you have paid for?

Any brand launch or refresh will inevitably involve the creation of new designs, web pages and marketing materials, and in some cases new mobile apps to support the offering. For most businesses this equates to a significant investment, particularly at the present time when budgets may be under more pressure. However, simply commissioning and paying for new designs or software development work is not sufficient to ensure you own the resulting intellectual property rights. The ownership of copyright in written and design materials, including software code and website designs, automatically vests in the creator of those materials (or the creator's employer if the materials were created during the course of employment).

Businesses need to ensure that these rights are properly assigned to them in writing by the relevant individuals or design/development agencies. Once they own the rights in the works they have paid for businesses will be able to fully exploit and adapt those materials for their use, and also rely upon their ownership of the rights in such materials should they need to enforce them against third parties in the event of copyright infringement. Quite often an assignment of IP rights in the work resulting from a design or development agreement will not be included in the standard terms and conditions of the agency, or there is no formal agreement in place at all.

Do you know the rules around using influencers and brand ambassadors to promote your offerings online?

Brand owners are increasingly turning to social media influencers to help promote their products and services to the relevant demographic for the offering. Influencers can have a huge impact on the purchasing decisions of their followers. However, businesses need to be aware of the consumer protection laws and advertising rules that govern such relationships. Any breaches potentially carry both civil and criminal liability and there is also a reputational risk of being seen to ignore rules designed to protect consumers.

The key point to be aware of is that where an influencer (or other brand ambassador) receives any kind of payment, reward or perk for posting about a particular business's product or service then this must be declared so consumers understand that what they are seeing amounts to advertising. This can be achieved by clear and prominent labelling that ensures the commercial intent of the post is made clear. Drawing up a formal contract with your brand ambassador or influencer is a great place to start as a means to allocate risk and responsibility and to ensure there is a proper understanding of the rules. However, contracts only go so far and businesses should remember that the regulators expect everyone involved in online endorsements to be responsible for consumer protection. A breach of the rules by the influencer could be more damaging to a business's reputation than could be compensated under the contract and ultimately a brand owner has no control over whether an influencer will comply with the rules. Choosing the "right" influencer for your brand and actively managing the relationship are key to getting the most out of this kind of marketing investment.

Do you have a plan for dealing with online fraud?

The online world is rife with a myriad of different types of fraud and schemes designed to make money from consumers through the mis-use of brand names. Examples include fake or copycat websites and fraudulent domain names used in email addresses that are then used to try and dupe the recipient into authorising a transfer of funds. It is vital for businesses to deal with any problems swiftly

to ensure their customers are protected and to protect the integrity and reputation of their brands. Intellectual property rights are invaluable tools for businesses to deal with these problems and can be relied upon to ensure the swift take down of fraudulent websites, for example. Using online monitoring services that scour websites and online marketplaces for fake or rip off goods is a proactive method of brand protection that can also be deployed by businesses. The data acquired from such services can be very helpful for in-house and external lawyers to build a case against infringers.

Those applying for trade marks should also be aware that there are numerous rogue operators who send out fake invoices to trade mark applicants requesting payment for official filing fees. Businesses should ensure they have systems in place to check all incoming invoices for authenticity. As for other IP infringement taking place online, the best eyes and ears of a business will often be its employees and customers. Instances of consumer confusion between a fake or rip off product and the genuine article, for example, may be flagged on social media and businesses should keep tabs on such postings and ensure they are communicated to the relevant legal or marketing teams. Businesses could also include examples of known fraudulent activity involving their products on social media or websites, including details of how instances can be reported, to encourage information sharing.

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