



Online brand protection

Monitoring co-existence in a crowded market

Unlike trademark registration systems, which are national or regional by nature, the internet offers a global and potentially limitless market. Businesses with the same or confusingly similar company or product names can face a considerable challenge to mitigate the risks of brand confusion online. Markus Rouvinen explains how Novagraaf's tailored approach to online brand protection was able to help a multinational life sciences conglomerate to enforce its rights and protect customers on the web.

The internet has given companies and their consumers access to a global market, but this can pose challenges for companies from different jurisdictions or industries that share the same or similar name. Trademark co-existence agreements enable companies with conflicting trademarks to agree and record terms for their co-existence; for example, an agreement not to move into the other party's industry sector or market. While such agreements can keep a potential trademark dispute out of the courts, saving both businesses considerable time and money, they do not come without risks. The terms agreed upon can become outdated over time, particularly online, where geographic borders tend to fade away and technological change happens at a fast pace.

The company: A multinational pharmaceutical

The company is an established life science and chemicals conglomerate based in Europe that has been embroiled in a trademark dispute for many years with a larger pharmaceutical company based in a different jurisdiction that shares the same name for historic reasons. To manage the ongoing dispute, the companies put in place a co-existence agreement that stipulates detailed rules for the use of the name in specific geographies. Importantly, the key terms of the agreement date from the 1960s, when the parties naturally did not contemplate the emergence of the internet and the high degree of cross-

Case study: Benefits in brief

Through our bespoke online brand protection solution, Novagraaf was able to design a cost-effective monitoring and enforcement solution that prioritised core trademarks for an international life science and chemicals conglomerate.

Key areas of focus include:

- supervision online of a crucial co-existence agreement;
- safeguarding against potential genericide of trademark-protected chemical ingredients; and
- regulatory compliance in relation to the illicit sale of pharmaceutical products.

Our tailored solution involves:

- implementing bespoke monitoring software to detect non-compliance with co-existence terms;
- the proactive monitoring of core trademarks online, on social media and across marketplaces in specific regions;
- pre-agreed enforcement strategies to ensure rapid action is taken once applicable infringements are identified; and
- dedicated surveillance modules to track and react to potential breaches of regulatory compliance and third-party agreements.

border marketing brought about as a result. The application of the co-existence terms has thus proven problematic in recent years, giving rise to extensive litigation. That tricky disputes of interpretation might occur is hardly surprising when one considers the *de facto* international nature (whether intended or not) of websites or social media profiles, which are generally speaking available globally even when intended for consumers in a specific jurisdiction. In such an environment, preserving the territorial exclusivity of a brand requires the implementation of geo-blocking technologies, as well as the use of disclaimers to mitigate residual consumer confusion.

Novagraaf

The challenge: Mitigating brand confusion

While most traditional online brand protection solutions focus on protecting trademarks, this company needed a specific issue-focused solution that monitored the internet according to the terms of that agreement, as interpreted through evolving litigation. It was also concerned about the prevalence of counterfeit and grey market goods, including illicit distribution by third-party retailers. This is a common issue in the pharmaceutical sector, where such infringements – including the sale of expired or unprescribed medication – can also breach regulatory compliance and have a dangerous impact on patient health.

In addition, the company also holds a number of trademarks for the names of chemical ingredients used in nutraceuticals and other products, as opposed to product brand names. Trademarking ingredient names can make good commercial sense in cases where the ingredient is distributed to a variety of independent retailers, as it allows the ingredient manufacturer to develop a reputation among discerning consumers, though not responsible for the finished product. While this has the potential of softening the impact of eventual patent expiries affecting the ingredient, the strategy requires the brand owner to be particularly vigilant, as competing manufacturers may wish to use the trademark in connection with their own products, potentially turning the trademark into a generic term. The company rightly understood that trademark enforcement was crucial for guarding against the genericide of such ingredient names, especially where the ingredient name was used to promote competitors on online marketplaces.

The solution: A tailored service

While most online brand protection services will identify and takedown infringing products or content online, Novagraaf understood that in this instance, the client also needed a dedicated solution that would also help it to monitor and enforce its co-existence agreement, and prioritise the protection of its blockbuster drugs and trademark-protected ingredients.

As a result, we took a geographical approach to monitoring and enforcement that stipulated search parameters and policing activities based on location as well as the type of infringement, thereby streamlining results and delivering the best possible value for money.

In Europe, for example, the fact that it is illegal to sell pharmaceutical products via online marketplaces such as Amazon or eBay is understood and respected by most sellers, but the same does not apply to sellers on marketplaces in Indonesia or the rest of South-East Asia. Additional challenges

are posed by the pharmacies and dispensaries that operate in the US, and which may make confusing use of branded drug names to attract consumers while promoting generics.

Unauthorised distribution is, of course, also rife in the pharmaceutical sector globally, posing real risks to patient health through the illegal sale of expired, damaged or fake products. In other cases, as with the underground trade in human growth hormones within the bodybuilding community or unauthorised anti-ageing solutions, consumers knowingly seek to buy products outside of the authorised supply chain, encouraging illicit trade while putting themselves at considerable risk.

Turning a blind eye on such a trade can also have major consequences for pharmaceutical and life science companies, given the regulatory requirements for vigilance as to how prescription medication is being promoted, as well as the reporting of side effects to the relevant national bodies and the ability to recall products should it later emerge a batch has been spoiled or improperly stored.

Building a bespoke solution

In light of the client's specific issues, Novagraaf undertook an initial landscape screening to identify and prioritise the channels and regions for monitoring and enforcement. In consultation with the client, we focused on three specific priorities: (1) co-existence terms; (2) potential genericide of trademark-protected ingredients; and (3) regulatory compliance in relation to the illicit sale of branded products in specific markets.

A wholly individualised online brand protection solution involving a bespoke monitoring software to identify instances of non-compliance, enforcement criteria and escalation mechanisms was implemented to enforce the co-existence terms. For the other two priorities, our tailored solution involves the proactive monitoring of core trademarks online, on social media and across marketplaces in specific regions; pre-agreed enforcement strategies to ensure rapid action is taken once applicable infringements are identified; and, dedicated surveillance modules to track and react to potential breaches of regulatory compliance and third-party agreements.

To find out how Novagraaf could help you to protect your brand and customers online, contact us today at brandprotection@novagraaf.com.

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