



Brand Protection for e-Commerce in South-East Asia

The burgeoning e-commerce industry in South-East Asia, with projected gross merchandise sales value hitting 132 billion by end of 2021 is a business opportunity for both local as well as foreign retailers. Up to 40% of e-commerce transactions in South-East Asia are now cross border. As more business owners jump on the e-commerce bandwagon, they must learn how to protect their brands in the digital realm and incorporate ways to monitor and prevent third parties from misusing and exploiting their Intellectual Property (IP).

For UK businesses keen to expand into South-East Asia, joining popular local e-commerce marketplaces offers many immediate advantages. The best performing e-commerce marketplaces in South-East Asia provide an immediate access to millions of potential customers that regularly search and purchase products online. At the same time, it allows the business to create brand recognition with increased online visibility.

While most items offered on e-commerce marketplaces are listed by legitimate businesses and are authentic, the issue of counterfeit goods, goods falsely labelled with popular brands names or deliberate use of confusingly similar names and logos continues to persist on these marketplaces. Such unfair and fraudulent activities have serious negative implications to legitimate businesses including revenue loss, liabilities and erosion of brand reputation.

Brand protection through trade mark registration

Every brand protection strategy should begin with the registration of trademarks. Trade names,

logos and slogans are vital elements of a business's brand and are primarily protected through trade mark registrations. Registration grants a monopoly on use of the trade mark in relation to the goods or services for which it is registered.

As a business builds reputation and becomes identifiable, its success and fame often attract the attention of counterfeit criminals and brand thieves hoping to capitalise on the success by offering cheaper and lower-quality copies.

Owning the relevant trade mark registrations gives the brand owner strong right to stop the sale of counterfeit goods and to stop other vendors using using confusingly similar marks for their goods or services.

Acquiring trade mark rights in South-East Asia

It is important to note that IP rights are territorial. Trade mark registrations in South-East Asian countries are required if trademark rights are to be enforced in this region.

In addition, IP offices in South-East Asia grant trade mark protection on a 'first-to-file' basis. To protect trade names, logos and slogans, it is thus advisable to register them as trade marks as soon as possible.

Preventives measures for brand protection

It is the brand owners' responsibility to actively monitor and enforce their trade marks rights against counterfeiting and other trade mark infringements.

For detection of online infringement, brand owners are increasingly relying on service providers that offer digital monitoring software and AI solutions. Typically, these service providers search major e-commerce marketplace sites as well as popular social media platforms that are used to direct potential customers to illegitimate offerings.

Brand owners should also actively engage with their customers to educate them and involve them in the fight against counterfeiting and other fraudulent trade mark infringements. Use of anti-counterfeiting technology such hologram stickers and unique serial numbers allow customers to verify the authenticity of products. Setting up an official reporting channel for counterfeits is extremely easy and empowers customers to directly protect the brands that they love and support.

Enforcement of IP rights

Counterfeits, false labelling of registered brand names and logos and the use of confusingly similar trade names and logos to ones that have been registered are all clear infringement of trade mark rights.

Enforcement options available to owners of the registered trade marks in South-East Asia would be administrative actions (applicable in some countries), civil litigation, customs seizures and criminal prosecution.

Trade mark counterfeiting is particularly



recognised as a serious offence. For example, trade mark counterfeiting in Singapore attract fines of not exceeding SGD 100,000 and jail term of not more than five years.

Alternative dispute options such as mediation and arbitration are also available to brand owners but are less commonly used to deal with counterfeiters and other fraudulent trade mark infringers.

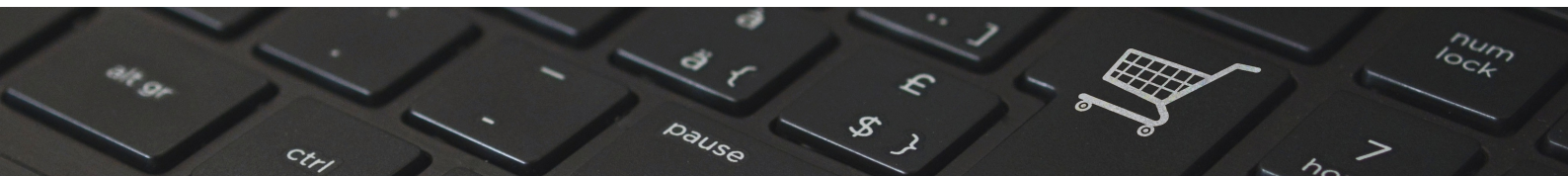
Solutions offered by e-commerce marketplaces

In addition to the measures above, e-commerce marketplaces offer a number of unique tools that allow brand owners to establish their brands and manage trade mark infringement on their platform quickly and effectively.

It is important to recognise that each platform are at varying stages of developing such tools and it is recommended that brand owners investigate and compare the options offered by each marketplace before committing to a particular platform.

Dedicated mall for authentic goods

A number of e-commerce marketplaces have a dedicated premium mall reserved solely for brand owners and their authorised distributors. In order to be a seller on these premium malls, the seller must be the brand owner, or a party authorised by the brand owner and supporting documents such as trade mark registration certificate or authorisation letter from the brand owner has to be submitted for verification purposes.



These premium malls provide a worry-free experience for consumers as the e-commerce marketplaces guarantee the authenticity of the products and offer minimally a full refund if the goods are found to be counterfeit.



Notice and take down system

Sellers on major e-commerce marketplaces in South-East Asia such as Shopee, Lazada and Amazon are bound by terms and conditions of using the platform that prohibit infringement of IP rights.

Offenders face a range of disciplinary measures, from the removal of the infringing listing to temporary or permanent ban from the platform and risk civil or criminal proceedings initiated by the marketplace operator independently or in conjunction with the IP rights owner.

Once a brand owner is aware of an infringing listing, they should alert the e-commerce marketplace as soon as possible. Typically, the notice would include the following:

- Letter of authorization (if acting on behalf of the IP owner)
- Trademark registration certificate
- URL of offending listing
- Reasons or evidence to support that the listing infringes trademark rights or is a counterfeit product

If the marketplace operator is satisfied that the listing infringes the brand owner's rights, the listing will be removed.

As new listings are continuously being added to these marketplaces, brand owners are recommended to conduct regular searches to identify new infringements as soon as possible.

Pre-emptive removal of suspicious listings

A number of e-commerce marketplaces include automated detection and removal of suspicious listing through use of technology.

This is particularly useful as minimal involvement is required by the brand owners beyond an initial information gathering stage conducted by the e-commerce platform.

Brand partner program

In addition to the ad hoc notice and take down system, a number of platforms provide a dedicated portal for brand owners to manage the enforcement of their IP rights.

Such brand management solutions offer a suite of tools for the brand owner to manage high volume take down requests. The brand owner typically is able to maintain an online record of their IP rights on the platform, schedule regular searches of keywords and images, submit take down requests and monitor the status and progress of each request.

UK businesses that anticipate or have experienced IP infringement on e-commerce marketplaces in South-East Asia are advised to incorporate solutions offered by e-commerce marketplaces to complement their enforcement capabilities in this region.

For more information – or to arrange a discussion of a particular case based on our experience working with other companies in South East Asia – please contact AseanIPService@ipo.gov.uk

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