[redacted]

From: [redacted]
Sent:
To: AI Call For Views
Subject: Artificial intelligence call for views: trade marks
Attachments: Trademark Law Playing Catch-up with Artificial Intelligence_.pdf; AI is coming and it will change trade mark law.pdf; Alexa what is the impact of AI on trademark law.pdf; AI is Chnaaging How Products are Bought and by Definition Will Change Trade Mark Law.pdf; 1 Grynberg Typeset.pdf

Follow Up Flag: Follow up
Flag Status: Completed

Categories: Green Category

Dear Sir and Madam,

Please see my comments on the questions you raised in the trade mark section on the impact of AI below in red.

1. If AI technology becomes a primary purchaser of products, what impact could this have on trade mark law?

AI applications affect the purchasing process in two ways: (a) what brand/product information is available to the consumer, so for example in response to a prompt for product Amazon Alexa only suggests 3 product alternatives to consumer. Amazon Alexa therefore impacts the range and what brand information is provided to the consumer. So even if the consumer does not deliberate the actual purchasing decision to the AI Application it still impacts the purchasing process and therefore trade mark law as trade mark law is really all about purchasing branded product and (b) the purchasing decision itself. In theory you can and undoubtedly will more in the future have consumers who deliberate to AI the ability to buy branded product for the consumer. So you will ask Amazon Alexa for example to buy some light bulbs. Amazon Alexa will make the decision on what product to buy and what brand. Given that many of the concepts of trade mark law are based on human frailty so for example concepts such as 'confusion', 'association', the 'slurring of trade marks' and 'imperfect recollection' what happens when you take the 'human' and the 'frailty' out of trade mark law? Some concepts will have no or less relevance. Can an AI application be confused? Can an AI application have 'imperfect recollection'? Can an AI application 'slur trade marks'. Further AI applications will also impact the balance of considerations with regards 'aural', 'visual' and 'conceptual' comparison of trade marks. Ai applications inherently drive the rise of voice search, so the visual importance of brands fall in comparison to their aural in particular but also conceptual meanings.

Also there is an argument that the AI Application by definition 'influences' the purchasing decision and thus they should be governed by influencer marketing regulations as are human influencers. Also if keyword advertising rises in prominence with regards voice terms used in AI applications via voice search and then the AI Application is involved in comparative advertising and selling advertising then again that those actions should be clearly identified as ads to the consumer. The AI application may not be a simple benign non-commercial actor in the purchasing process. Some comment on this from the US already: https://www.honchosearch.com/blog/paid-media/google-voice-ads/

Please also see the attached articles/webinars/ video discussions and the links below discussing these issues.

2. Are there, or could there be, any difficulties with applying the existing legal concepts in trade mark law to AI technology?

Please refer to comments above and the attached articles and video links. Given that many of the concepts of trade mark law are based on human frailty so for example concepts such as 'confusion', 'association', the 'slurring of trade marks' and 'imperfect recollection' what happens when you take the 'human' and the 'frailty' out of trade mark law? Some concepts will have no or less relevance. Can an AI application be confused? Can an AI application have 'imperfect recollection'? Can an AI application 'slur trade marks'.

Also there has to be consideration within the concept of confusion and the impact of AI applications. You can have pre-sale, at the point of sale and post-sale confusion. Predictive retail which AI could herald means that AI applications could predict and order product for the consumer. This turns the traditional 'shopping then shipping' model on its head to a 'shipping then shopping model'. This issue was raised by Ajay Agrawal, Joshua Gans and Avi Goldfarb in the Harvard Business Review and referred to in the attached articles. If you have a 'shipping then shopping' model the consumer will only see the brand product when it arrives, thus there could be new concepts of 'post sale confusion'.

3. Does AI affect the concept of the "average consumer" in measuring likelihood of confusion?

Yes, AI will impact the concept of "average consumer". If the AI application is effectively responsible for the purchase of a branded product then arguably it is the 'average consumer' or at least will affect a judge's calculation of what is the average consumer in any one case. There may be multiple AI applications making purchases and as the 'average consumer' is a legal construct not a real person in the main then how those application work will impact on the assessment of what that legal construct is when AI is involved. Further a court may wish to determine how an AI application made a purchase i.e. there should with AI application driven purchases be a record of how and why that purchase was made. In some ways AI applications will make it easier for a court to understand what drives the 'average consumer' as in contrast to human purchasers there should be an accurate record of why certain purchases were made.

4. What is the impact of AI on the drafting of section 10 of the TMA? Can AI "use in the course of business" a sign which may be confusingly similar or identical to a trade mark?

I actually think the impact of AI on 'use in the course of trade' will be relatively limited. If one focusses on the use of AI in the form of AI retail assistants such as Amazon Alexa by definition any trade mark is 'spoken' generally by Alexa or by the consumer in ordering the branded product. Oral use of a sign is trade mark use as provided by the Trade Marks Act 1994, further the fact that the consumer and the AI retail assistant is involved in a commercial transaction in ordering and buying the product then that is use in the course of trade. Even if the AI retail assistant were not to use the trade mark in spoken form e.g. by ordering product in response to a consumer asking for generic product 'buy me some light bulbs' then arguably a trade mark could be used in the course of trade 'invisibly' in the algorithm or in the case of AI applications linked to shopping platforms such as Amazon Prime within those systems. For example the use of a trade mark in keyword advertising programmes or as metatags in metadata on websites has been held to be use of a sign in the course of trade.

So personally I do not believe AI will have a major impact on the use of a sign in the course of trade for purposes of Section 10 of the TMA. The law can 'deal' with the new uses of signs by AI applications.

5. Can the actions of AI infringe a trade mark?

Yes. An Ai application can inadvertently buy a product which carries a brand which infringes a trade mark registration and thus arguably facilitates that infringing activity i.e. arguably secondary infringement or indeed primary infringement. An Ai application could also facilitate the purchase of counterfeit product which would also be trade mark infringement under both civil and criminal provisions of the Trade Marks Act.

Also there are issues of the actions of the AI application if it gets involved in comparative advertising or the bidding of advertising terms via voice search in the AI application. Keyword advertising is a big business in online text advertising think of Google Adwords. The rise of keyword advertising on voice search is in its infancy but could develop into the same big business. So for example an advertiser could bid on a trade marks term in voice search in an Ai Application, and the application would then suggest an alternative product e,g, the advertisers. So for example Pepsi could bid on the term Coca Cola and Amazon Alexa could

suggest Pepsi Cola product. Logically keyword advertising in voice search should follow the same reasoning/case law as with text advertising e.g. Google France and the like.

6. If AI can cause trade mark infringement, does this change who could be liable? Should it be the owner, the operator, the programmer, the trainer, the provider of training data, or some other party?

Ultimately an AI Applications have no legal personality (although some argue it should be given legal personality like a company) then it is the owner or the entity which is using the AI Application to facilitate the purchase of product who should be ultimately liable. However one needs to make a distinctive between the passive use of AI in the purchasing process and the more active manipulation and involvement in the purchasing process. One can maybe look at existing case law for guidance. In the keyword advertising case of Louis Vuitton v Google France, Google were not held liable where Google did not take an active role in the choose of keyword and had adequate takedown procedures for infringing ads. This reasoning was also followed in the online marketplace case of L'Oreal vs eBay and has also been followed in the recent Coty vs Amazon case. So if the AI Application provider is not actively involved in the purchasing process or directly influencing it e.g. by driving consumers to branded product with higher profit margins and has adequate takedown procedures they should not be held liable on the case of the associated case law which has gone before.

However, if the AI provider takes a more active role in the process then they potentially can be held liable based on the UK case of Cosmetic Warriors vs Amazon case and arguable the reasoning followed in the Ortlieb Sportartikel case before the German Federal Court. This would be particularly relevant if the owner/operator of the AI application was manipulating the AI applications to drive the consumer towards certain branded products i.e. those with the highest profit margins for the owner or operator of the AI application. All these cases are mentioned and discussed in the attached articles. Also there are arguments one looks at Roman slave law for guidance on liability and the concept of the 'intelligent slave' and the AI application being the 'intelligent slave'. This is a theory put forward by Professor Luciano Floridi at the University of Oxford: https://www.ft.com/content/99d60326-f85d-11e6-bd4e-68d53499ed71 . Also it avoids the issues of given AI legal personality. Although the concept of giving AI legal personality although not completely outlandish, one has to think given legal responsibility to companies via limited liability companies, is only hundreds of years old, given AI legal personality potentially means having to give it rights like a person or a company.

I have also attached a few articles written by myself and my colleague Rachel Platts at HGF over the past two to three years on the subject of AI and trade marks and below is a link to panel discussions on the impact of AI on trade mark law at the USPTO in January 2019 (which as well as myself involved the heads of trade marks at both Microsoft and Amazon):

https://rev-vbrick.uspto.gov/#/videos/78ed8811-6885-4077-bea5-9e6078db996c

and you may want to view this webinar I conducted on the impact of AI on trade mark law (which discusses all of the above concepts and Q&As:

https://zoom.us/rec/play/Zs_DS-0_6BOaeQqWLxD8jWGk4wp6cLx0MDaEZfZvvjeOhY1aGRlA5xHSUrRbYV6wGzCJZss2xv7UnT_k.6_t_8mbQ1L6vUDXR?continueMode=true&_x_zm_rtaid=zIVvxlkBRzyE_XBw5v6rIQ.1599951702906.2cce8129558aba5df30a0e23f14c9ceb&_x_zm_rhtaid=473

(if you need a password to access that webinar its: mYD293B&)

And finally attached also is an article by Michael Grynberg on does AI herald the death of the trade mark? Which raises some interesting questions on how brands work and the impact of AI.

Best Wishes.

Lee Curtis
Partner

For and on behalf of HGF Limited

4th Floor Merchant Exchange | 17-19 Whitworth Street West | Manchester | M1 5WG | United Kingdom
[redacted] Fax: +44 161 247 4901 [redacted]

[redacted] Web: www.hgf.com

As a result of the COVID-19 outbreak, most staff in HGF's offices across Europe are now working remotely. Some offices are physically closed, some partially manned, and we do not always have access to documents and correspondence sent by post. We are otherwise FULLY OPERATIONAL.When sending instructions, always send a copy by email to docketing@hgf.com and ensure you receive a personal acknowledgement of receipt.

CONFIDENTIAL AND PRIVILEGED
This e-mail including any attachments is intended for the addressee only. It is private, confidential and may be covered by legal professional privilege or other legal or attorney/client privilege. If you have received this message in error, we apologise, but please notify us and remove it from your system. HGF Limited is registered in England and Wales with registered number 8998652. Its registered office is at 1 City Walk, Leeds, LS11 9DX, United Kingdom. HGF Limited is regulated by the Intellectual Property Regulation Board. ® HGF is a registered trade mark.

Legal documents and notices concerning how we engage with all our clients, suppliers and other stakeholders can be found at http://www.hgf.com/legal-documents/

Please consider the environment before printing this e-mail