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5 KEY TAKEAWAYS

IP Considerations Before Going Online

On January 20, 2021, Marc Lieberstein, Partner at Kilpatrick Townsend LLP, Co-Chaired the 2021 New York State Bar Association Intellectual Property Section's first ever Virtual Annual Meeting, and also served as Moderator for a program titled *Copyright and Intellectual Property Considerations Before Moving Your Business Online*. Joining Marc as the panelists for this program were **Jennifer D. Silverman**, of Jennifer Silverman PLLC and **Amelia K. Brankov** of Brankov PLLC. With so much of the marketplace being taken online in light of COVID19, and the likelihood that ecommerce will only become more prolific throughout the world, Marc, Jennifer and Amelia discussed the legal, strategic and commercial considerations that intellectual property owners should take into account before they move operations online. Here are some takeaways from their discussion:

1

Before copyright owners take their business online, they should give serious consideration to (1) making sure they are clear to use any music, text, photos, art, video or other content in their commercial online offerings; (2) confirming the proper credit and/or attribution that may be required for any content used; (3) utilizing the Digital Millennium Copyright Act provisions for Safe Harbor registration, if the business is hosting the content or commercial offerings of others; (4) the right of publicity laws in your state or the state of the person whose name, likeness or image you intend to use in connection with your business; and (5) whether you own the intellectual property rights being created for you to operate your business, for example, did you obtain assignments of intellectual property rights from your website or software developers? Do you have employee and/or independent contractor contracts that obligate them to assign the intellectual property they develop to you?

With regard to trademarks, it is crucial to first select a strong trademark to serve as your brand so you can distinguish your business from your competitors and give consumers a way to remember and recognize you. You should also clear your selected mark to make sure that you can safely adopt, use and register the trademark in the country or countries you intend to do business. If you already operate a brick and mortar business and have associated supply chain and license contracts, make sure to carefully check those contracts to confirm that you are able to contract with other suppliers or licensees for your online business, and that you will not violate any rights previously granted to existing suppliers or licensees.

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Advertising and marketing are crucial elements for any online business. It is important to make sure your advertising and marketing are truthful and that you have substantiation for all claims made therein. This is especially true with respect to using social media influencers who are engaged to promote your products or services. The Federal Trade Commission has several rules and regulations that govern the use of influencers, and that provide guidance on sustainability claims and product performance claims.

4

Protection strategies for copyrights, patents and trademarks that are developed for any online business in the United States, include seeking registration in the Copyright Office and the United States Patent and Trademark Office. One can also seek similar protection in most foreign countries as well, and there are global filing strategies to consider before doing so. Online business owners should also make sure to take steps to provide intellectual property ownership notices on their websites and other social media and mobile applications. Business owners can protect their ownership by employing terms of use and end user agreements with customers. And there are tools to monitor any improper use of one's intellectual property with monitoring tools, and in some instances, e.g., music and video, business owners can embed special codes to track for unauthorized use.

5

No business owner should go online without first checking on what is required to comply with current privacy laws in the United States and elsewhere. Business owners going online should consider the new California privacy laws namely the California Consumer Privacy Act (CCPA) and the California Privacy Rights Act (CPRA) which updates and amends the CCPA and goes into effect on January 1, 2023. And if one is doing business outside the United States chances are the European Union's privacy law, the General Data Protection Regulation (GDPR), also must be complied with to operate your business without risk of violating consumer privacy rights. As of this writing there may be other state privacy laws to consider as well. Outside of the privacy laws, online business owners should be mindful of their obligations to comply with the Americans with Disability Act (ADA) to make their online offerings available to those with disabilities, as well as with Children's Online Privacy Protection Act (COPPA) and the Communications Decency Act (CDA).

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