

Growing e-commerce market entails increased brand protection measures



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- 🕒 **Rise in e-commerce**
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Rise in e-commerce

According to the latest Webshoppers report (42nd edition, produced by Ebit in partnership with Elo), Brazilian e-commerce grew by 47% in the first half of 2020, the highest recorded increase in the past 20 years. The report showed that sales growth was driven by a 39% increase in the number of orders compared with the first half of 2019, with 90.8 million orders placed. Sales increased by 47% to R38.8 billion over the same period.

The report also revealed that the number of e-commerce users in Brazil grew by 40%, reaching 41 million. Of these, 58% were 'heavy users' (ie, consumers who placed more than four orders), while 20% placed more than 10 orders. Increased need and confidence in online payments also led 7.3 million Brazilians to buy online for the first time.

This rise in e-commerce has led to an increased need to protect trademarks in the digital environment. It is crucial that businesses take steps to safeguard their reputation as well as that of their trademarks.

Online trademark misuse

E-commerce and remote services have enabled businesses to remain active during the COVID-19 pandemic, revolutionising methods of reaching consumers and creating new opportunities. However, their growth has also led to an increase in online trademark misuse, including:

- the creation of scam websites;
- the practice of operating under a registered domain name that features another party's trademark;
- the act of purchasing search terms to promote unfair competition or traffic disputes; and
- the unauthorised use of famous trademarks, either to create an improper association or for piracy.

The financial impact of online trademark misuse for businesses is substantial. It can result in:

- lost revenue;
- increased customer service costs; and
- exposure to legal liability for allowing third parties to use trademarks to defraud consumers.

Trademark misuse can also damage businesses' reputations and affect clients' trust. Businesses therefore need to be increasingly aware of the fact that protecting their trademarks online requires a proactive and strategic approach.

Online brand protection services

Online brand protection services aim to strategically manage all aspects of online trademark protection, including:

- registering and auditing domain names;
- monitoring a brand's online presence; and
- adopting both judicial and extrajudicial measures to protect a brand, where necessary.

Engaging online brand protection services can be an effective method of mitigating all forms of trademark abuse online, enabling owners to consistently enforce their brand rights. Investing in online brand protection services may not only bring financial returns, but may also uphold a trademark's goodwill and reputation.

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