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“SOCIAL MEDIA AND THE CHALLENGES TO INTELLECTUAL PROPERTY LAW”

ABSTRACT

In the recent years significant attention is focused on the coordination between territoriality restricted intellectual property rights and the global reach of Internet and lately, the social media. While businesses or individuals benefit from sharing private files with each other, the ease of international file transfers increases the risk that protected intellectual property, is made available to the public. The liability of Internet service providers, for their services, which may facilitate infringements of intellectual property rights by others in multiple jurisdictions, poses a particular challenge in that regard. The present Article discusses the challenges to the intellectual property law imposed by the rapid growth and widespread use of the social media platforms. The analysis reveals the most common types of infringements of the intellectual property rights (copyrights and trademarks) on the social media. Additionally the liability of Internet intermediaries is addressed. The basic premise of this Article is to provide guidelines for protection of the intellectual property rights on social media which can efficiently be applied by the right holders in light of the intellectual property law provisions.

Key Words: *infringement, intellectual property, intermediaries, service providers, social media.*

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1. Preface

It is undisputed that today we live in a “digital” society, in a society where more than 81% of the homes³ in Europe have computers with Internet access⁴. In such circumstances where the communication, using and transfer of various data, including but not limited to literary works, music, films, patents, industrial designs, trademarks etc., is made through social media platform, the traditional concept of intellectual property, is faced with new legal challenges. The main question which arises from this emerging society context is the question of the influence of the social media in everyday life and especially in the protection of intellectual property rights.

On the other hand it is not necessary to look very far to see the importance of the intellectual property. Some of the most famous companies are in whole or part based on their intellectual property. The creation, protection and exploitation of intellectual property rights continue to grow at an exponential rate globally. Therefore it is not surprising to find that intellectual property is today significant and growing component of many commercial and corporate transactions. With social media moving so quickly and content being shared so readily, brands may lose control of their intellectual property rights. In this regards the social media engagement requires some degree of foregoing control. At the same time, companies need to be sensitive to protecting their intellectual property.

The aim of this Article is to give an appreciation for the various issues raised by social media by providing general overview of the most common types of infringement of the intellectual property rights. Furthermore, the Article will provide guidelines for successful protection of the intellectual property rights by analyzing regulation of the European Union, USA and the Republic of Macedonia. Through such comparison the Article has the intention of achieving whose approach towards the problem is better defined and could be implemented in a broader concept without causing radical changes to the existing rules.

2. The notion of “social media”

³ In 1977 Ken Olen, the President of the Digital Equipment Corporation said “There is no reason for any individual to have computer in his home”.

⁴ According to the Eurostat Data, the information communication technology have become widely available to the general public, both in terms of accessibility as well as cost. A boundary was crossed in 2007, when a majority (55 %) of households in the EU-28 had internet access. This proportion continued to increase and in 2014 reached 81 %, rising by an additional 2 percentage points compared with 2013 - http://ec.europa.eu/eurostat/statistics-explained/index.php/Information_society_statistics_-_households_and_individuals, Last visit 17.08.2016.

In its relatively brief history, the Internet has already become a powerful medium for political, social and cultural expression, which have their full expansion by the introduction of the social media.⁵

The development of the media in general and especially the social media always tended to the point of being a “mass media”. The Internet is among the last steps of the media expansion. In its early days we could sense the presence of social media forming in the so called “blogs”. Bloggers were able to spread their opinions with millions of users for low or no cost at all. Micro societies were formed around unvarnished discourse and social media was born.⁶

The social media concept in today’s point of view was created with the evolution of websites that allowed distribution of other content than just text (images, videos) together with advertisements. Furthermore, this concept has evolved in a way of achieving “interoperability of the social media websites”.⁷ The interoperability is in fact interaction between various social media platforms in order to make available the usage of an application or other feature. This concept has a beneficial role for the society fighting against intellectual property infringement and also it provides unparalleled opportunities for self-expression.⁸

2.1 Emergence of social media

Social media is “media created online and is a term used to describe the online interaction of individuals and exchange of user-generated content/information.”⁹ It is distinct from and defined against traditional media such as print media and television where the publication of information goes one way. In social media, with the advance of web 2.0 technologies, such information flows from multiple sources. Everyone with an Internet connection can be a publisher.¹⁰

The primary forms of social media are driven by the substantive nature of the content or the primary means of distribution. In its early days, the primary forms of social media were

⁵ In accordance with the statistics of Facebook: Worldwide, there are over 1.71 billion monthly active Facebook users (Facebook MAUs) which is a 15 percent increase year over year; There are 1.57 billion mobile active users (Mobile Facebook MAU) for June 2016 an increase of 20 percent year-over-year; In Europe, over 307 million people are on Facebook; Age 25 to 34, at 29.7% of users, is the most common age demographic; 4.75 billion pieces of content shared daily as of May 2013 which is a 94 percent increase from August 2012; 42% of marketers report that Facebook is critical or important to their business; 16 Million local business pages have been created as of May 2013 which is a 100 percent increase from 8 million in June 2012 - <https://zephoria.com/top-15-valuable-facebook-statistics/>, Last visit 18.08.2016.

⁶ McGrady Jr. Paul D., *Social Media*, Lexis Nexis, 2011, p. 1-2, 1-3.

⁷ <http://cdixon.org/2010/11/10/the-interoperability-of-social-networks/>, Last visit 22.07.2016.

⁸ Hornung Gerrit, Müller -Terpitz Ralf, *Rechtshandbuch Social Media*, Springer-Verlag, 2015, p. 11-35.

⁹ Bettinger T. Bleine, “Social Media: Implications for Intellectual property law”, May 2010, available online at http://www.slideshare.net/blaine_5/social-media-implications-for-intellectual-property-law, Last visit 17.08.2016, p. 2.

¹⁰ Scheirer L. Bianca, “Intellectual property issues in social media”, *Social Media Law Paper 3.1, 2011*, p. 3.1.1.

mixed with the online community as a whole. However, the online community services are usually group centered unlike the social media community which is individually centered.¹¹

The defining characteristic of the social media is the ability for the end user to generate at least part of the content. This characteristic has helped in forming the major categories of the social media which do not differ much from its early days: content sharing (these sites are organized around the desire of the end user to share certain content), personal connections (the central idea is to connect friends and acquaintances, but also content sharing), enhanced e – commerce platforms (online retailers have inputted components on social media platforms in order to provide opinions of the customers), “search”+ (the best example being Yahoo! which places content on its home page along with its search function, these content offerings include social media options), social media platforms (these sites provide the tools for others to publish social media websites with no additional infrastructure), specialty sites (these sites are coalesced around ethnic communities, adult content or sexual connections, religious communities, professional networks and many other themes).¹² There is also another, more recent, division of the social media websites on: micro blogging (Twitter), social networking (LinkedIn, Facebook), social news (Digg, Reddit), social bookmarking (Del.icio.us, StumbleUpon), multimedia (YouTube, Flickr).¹³

Another important characteristic of the social media websites is that the membership, or at least the standard type of membership, is free of charge. This raises the question of their funding? The social media websites do not share gladly the details of their funding. However, it can be deduced that they are mainly funded by the advertisements, the development of applications, the sale of virtual goods, credits, upgrading of the membership, use of certain group etc. These features, unlike the standard usage of the social media website are not free.¹⁴

However, no matter of their defining characteristics, all of these sites have an interactive collaborative element of some kind which allows any number of users to publish, upload, download, stream or otherwise transmit any content in which intellectual property rights may subsist.

With the continued growth of social media, it has become increasingly important for individuals and businesses to augment their plans to protect their intellectual property by developing a strategy for addressing violations of IP and other rights that take place on social media websites. There is a wide range of concerns especially due to the fact that by using the

¹¹ <http://mashable.com/follow/topics/social-networking/>, Last visit 22.07.2016.

¹² McGrady Jr. Paul D.- op.cit., p 1-2, 1-3

¹³ Bettinger T. Blaine – op.cit, p. 2

¹⁴ McGrady Jr. Paul D.- op.cit., p 1-4

social media, not all users distribute original content, not all users remained their selves, but adopted identities of others, used the social media platforms to harass their real world enemies etc. It is therefore very important to bear in mind that not all infringements are of equal concern. Some of them are short life; others are very influential and read by many people.¹⁵

The nature of social media is both a curse and a blessing for rights holders. The blessing is that content that violates rights might be deleted from social media sites before they have been widely viewed, downloaded or shared. The curse is that it can be very difficult to prove, at a later date, a violation that took place in the past which has left precious little trace in its wake. For this reason, it is crucial that an intellectual property rights holder take immediate steps to record and preserve evidence¹⁶ of infringing activity so that it can, if needed, provide evidence at a later date to establish that a violation occurred.¹⁷

3. Defining the intellectual property rights

In general, the intellectual property represents the creations that arise from the intellectual activities in the industry, the science, the literature and the art. The intellectual property law aims at safeguarding creators and other producers of intellectual goods and services by granting them certain time-limited rights to control the use made of those productions. Those rights do not apply to the physical object in which the creation may be embodied, but instead to the intellectual creation as such.¹⁸

The key point of the protection of the intellectual property rights is the possibility to regulate in a balanced way the rights of the intellectual property right holders and the interest of the society. The success of the efforts to establish the norms for protection of the intellectual property depends largely on the perceived impact which the adoption of such norms may have upon a country's economic and political development. There are two contrasted positions: the one of the industrialized countries and the one of the less developed nations. Namely, the industrialized countries are generally perceived as exporters of intellectual property and therefore rely upon the economic rights which inhere in "property" to defend the strong protection standards. Contrary, the less developed countries, often fail to

¹⁵ Splittgerber Andreas, *Praxishandbuch Rechtsfragen Social Media*, De Gruyter Praxishandbuch, December 2013, p. 12-92.

¹⁶ Decision of the Appellate court Skopje-Skopje, *TSZ no. 1326/10 dated 30.06.2010*, Decision of the Appellate court Skopje-Skopje, *TSZ no. 1114/10 dated 03.06.2010* – the courts in the Republic of Macedonia has accepted that one of the possibilities for preserving evidence is by making a record for establishing of fact in a form of notary act.

¹⁷ Prenol Anthony, *Enforcement of Intellectual property rights on Social Media*, Print version, 2011, p. 1-4

¹⁸ Анастасовска Д. Јадранка, Пепељугоски Валентин, *Право на интелектуална сопственост*, Академик, Скопје 2012, p. 19.

provide strong protection of the intellectual property rights on the general excuse that they tackle the “common heritage of mankind”.¹⁹

3.1 Copyright and related rights

Copyright refers to particular forms of creativity, by protecting the expression of ideas and not the ideas themselves. The subject matter of the copyright law is to protect every production in the literary, scientific and artistic domain, regardless of the mode or form of expression. The copyright laws usually do not provide a comprehensive list of types of works protected by copyright, but all national laws practically provide protection of the following: literary works, musical works, artistic works, maps and technical drawings, photographic works, film works, computer programs, multimedia programs etc.²⁰

The only criteria required in order a work to enjoy copyright protection is the originality. The criteria of originality is not defined by the lawmakers, but it should be always viewed in an objective sense. This especially due to the fact that the criteria of originality is not connected with the artistic value or the quality of the work involved. The ideas in the work do not need to be new, but the form, be it literary or artistic, in which they are expressed must be original creation of the author. Exceptions to the general rule are made in the copyright laws by specific enumeration.²¹

The initial ownership of the work belongs to the individual who creates the work at his own instance and expense. This individual is always natural person and is referred to as “the author”. However if the work has been created by a joint work of several people then they are all considered to be the authors of the work and are referred as “co-authors”.²² It is to be noted that the moral rights always belong to the author of the work, whoever may be the owner of the copyright.

Unlike the copyright law, the related rights law has rapidly developed over the last 50 years. The related rights are grouped around the copyrighted works and refer to the rights of intermediaries in the production, recording or diffusion of works. The scope of the related rights covers the rights of: performers, producers (phonogram producers, film producers),

¹⁹ D'Amato Anthony, *International Intellectual property Anthology*, Anderson Publishing Co., Cincinnati, 1996, p 25.

²⁰ Law on copyright and related rights of the Republic of Macedonia, (*Official Gazette of the Republic of Macedonia* 115/10, 140/2010, 51/2011, 24/2011, 147/2013, 154/2015, 27/2016) art. 12 (2); Berne Convention art. 2 (1).

²¹ Law on copyright and related rights of the Republic of Macedonia (*Official Gazette of the Republic of Macedonia* 115/10, 140/2010, 51/2011, 24/2011, 147/2013, 154/2015, 27/2016) art. 16; Bern Convention art 2 (3) (4), WIPO Copyright Treaty art. 2 and 3, TRIPS Agreement art. 9 (2).

²² Hochberg D. Elizabeth, Koenigbauer M. Fabian, Hoch B. Allison, *E-Z Review for Intellectual property*, Law Review publishing, 2004, p 45; Анастасовска Д. Јадранка, Пепељугоски Валентин, *Авторско Право*, Правен факултет Јустинијан Први, Скопје 2015, p 104.

broadcasting organizations, publishers and makers of databases.²³ The related rights differ from copyright regarding the holders of the right, the subject of protection and the duration. Nevertheless in most cases they are regulated in the same laws with copyright.²⁴

3.2 Industrial property rights

When defining the industrial property rights, the modern doctrine and practice, include the set of rights which are stipulated in the Article 1 of the Paris Convention for the protection of Industrial property.²⁵ Namely, under this article, the subjects of protection of the industrial property rights are: patents, utility models, industrial designs, trademarks, trade name, geographical indications and unfair competition. However, the Trade related aspects of intellectual property agreement (TRIPS) implements the rights of know-how, trade secrets, topography of integrated circuits.²⁶ Recently huge efforts are put in incorporating the domain names and trade dress in the scope of the industrial property rights.

The main characteristic of these rights is the possibility to group them in two major groups, depending whether they are registered in order to enjoy protection or not. In the group of registered industrial property rights are: patents, utility models, industrial designs, trademarks, trade name, geographical indications, domain name and topography of integrated circuits. On the other hand in the second group are: know-how, trade secrets, trade dress. These rights are only protected through the mechanisms for protection against unfair competition.²⁷

These Article will analyze in depth the trademarks since they are most commonly subject to social media infringement.

3.2.1 Trademarks

The trademark can be defined as “any sign or any combination of signs capable of distinguishing the goods and services of one undertaking from those of other undertakings”. It is accepted that the trademarks can be in general: distinctive words, letters, numbers, drawings, colors, designs, forms, logotypes, labels or combination thereof which are used for differentiating purposes.²⁸ Therefore, the trademark law has been established, case by case, over the centuries to regulate competition between people offering goods and services.

²³ Анастасовска Д. Јадранка, Пепељугоски Валентин 2015 – op.cit, p 233.

²⁴ Henneberg Ivan, *Autorsko Pravo*, Informator, Zagreb 1996, p 159.

²⁵ The Paris Convention dates from 1883 and it has been amended in Madrid 1891, Brussels 1900, Washington 1911, Hague 1925, London 1934, Lisbon 1958, Stockholm 1967 and 1979.

²⁶ Пепељугоски Валентин, *Заштита на правата од индустриска сопственост од нелојална конкуренција*, Академик, Скопје 2004, p.19.

²⁷ Ibid.

²⁸ Reboul Yves, Akimovska P. Mirjana, Naumovski Goce, *Introduction to trademarks and geographical indications*, Skopje, September 2010, p 16.

However, trademarks are most often confused with trade names. The latter represents a name of a business enterprise. The most famous example is the product Coca-Cola, which is trademark and its company Coca-Cola Company which is also a trade name.²⁹

Recently, many countries have implemented in their legislation protection to the so called “non - traditional” marks. The category of “non – traditional” marks has been subject to many revisions from the point of view whether it should be considered as recognizable and valid.³⁰

The substantive standards requirements of protection of marks fall in two categories. First the mark must be distinctive (if it is not distinctive it cannot fulfill the basic function, to distinguish the relevant goods or services). However, a mark can be inherently distinctive or acquire distinctiveness (by becoming known to the public as an indicator of source). Second there are number of categorical exclusions.³¹ Namely, a symbol cannot be protected as a mark if it is deceptive, generic, contrary to the public order and moral, government symbol (without permission) confusingly similar with an existing mark, or falls into other excluded categories.³² It may also be required in certain legislation for the sign or combination of signs to be graphically represented in order to enjoy protection.³³

It is commonly recognized that the following types of marks can be subject of protection under the trademark law: *Service marks* - The service mark is defined as any word, name symbol devices or combinations thereof used to distinguish the services of one undertaking from those of other undertakings. The services may be of any kind: financial, banking, travel, advertisement, legal, travel, catering etc. However, one must demonstrate that a service is sufficiently separated from the sales of goods; *Collective marks* - The collective marks are generally owned by an organization, association or cooperative whose

²⁹ Foster H. Frank, Shook L. Robert, *Patents, Copyrights and Trademarks*, John Wiley & Sons Inc., 1993, p 167-170.

³⁰ Under the influence of the US law, it has been established that this type of marks are useful in considering the trademark protection for any business and in litigating unfair competition claims. The types of “non – traditional” marks are the following: one color marks, scents, sounds (as a trademark and service mark), three - dimensional marks, motion marks etc - For further info on nontraditional marks see: Arden P. Thomas, *Protection of Nontraditional Marks*, INTA New York, 2000, p 1-19.

³¹ McJohn M. Stephen, *Intellectual Property*, 2003 Aspen Publishers, p 215-238.

³² Law on industrial property of the Republic of Macedonia (*Official Gazette of the Republic of Macedonia* 21/2009, 24/2011, 12/2014, 41/2014, 152/2015, 53/2016) Art. 177 (1) provides the substantive requirements for protection of trademarks, given by negative enumeration; Council Regulation on community trademark (EC) 207/2009, Art. 7 and 8 - <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:078:0001:0042:en:PDF> Last visit 20.08.2016.

³³ Law on industrial property of the Republic of Macedonia (*Official Gazette of the Republic of Macedonia* 21/2009, 24/2011, 12/2014, 41/2014, 152/2015, 53/2016)), Art. 177 (1) provides the substantive requirements for protection of trademarks, given by negative enumeration; Council Regulation on community trademark (EC) 207/2009, Art. 4 - <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:078:0001:0042:en:PDF>, Last Visit 20.08.2016.

members may use the collective mark for marking their products upon fulfilling some criteria. The collective marks' purposes are usually for joint marketing of products and therefore are mainly used in the production (both in horizontal and in vertical levels); *Certification marks* - The certification marks are marks which are granted for compliance with certain standards and are not connected with any membership. One of the most important features of the certification marks is that the entity which applies for registration is considered competent to certify the products concerned.³⁴

The trademark protection is obtained in a strictly formal administrative procedure performed in front of the national industrial property office. Once the trademark has been successfully registered, the industrial property office issues a registration certificate which is generally valid for 10 years and is subject to renewal unlimited number of times.

The trademarks have several important functions such as: guarantee, advertising, competitive etc. These functions emphasize the importance of the trademarks in the general system of trade with goods and services.

3. Infringement of intellectual property rights

The digitalization of the information and the development of computer networks are posing a new and far reaching challenge to intellectual property rights. The main technological challenge behind this "new revolution" is improvements in data storage, manipulation, communication and transmission. With digitalization all kinds of data may be recorded and compressed in the same binary format, and their reproduction can easily be made without any degradation. On the other hand data transmission is not limited to one-to-one basis, which makes a large computer network such as the Internet, a broadcasting system.³⁵ This rapid development requires amendments to the current intellectual property legal framework, especially the fundamental principle of territoriality, due to the fact that the protection of intellectual property rights online is not contained in the national boundaries or borders.

To date, copyright is the most high-profile "intellectual property and on line/social media" issue and it will likely remain that way. The number of cases that have arisen around the world show that so-called "user-generated content" is not the same thing as "user-created content." Content exchanged between individuals online is not always "content generated by a user" but, rather, "content created by a copyright holder who has not authorized its

³⁴ Reboul Yves, Akimovska P. Mirjana, Naumovski Goce – op.cit., p 11-22; Hochberg D. Elizabeth, Koenigbauer M. Fabian, Hoch B. Allison – op.cit, p 157-159.

³⁵ Correa M. Carlos, *Intellectual property rights and the WTO developing countries*, TWN 2000, p 145.

generation by the user.”³⁶ For copyright owners, the ability to exclude others from unauthorized access to their digitally constituted works on Internet is crucial to the commercial profitability. The copyright infringement online is usually divided into two main types: primary, commonly referred to as direct and secondary, contributory infringement. A primary infringement arises when someone is committing the infringement directly or authorizes someone else to do so. A person primary infringes copyright by reproducing, adapting, issues copies to the public or distributes without prior authorization. A person is liable for secondary infringement if the person, with knowledge of the infringing acts, induces or materially contributes to the infringing activity of another. The scope of the secondary infringement covers the acts of: dealing in infringing copies, providing articles for making infringing copies, facilitation the infringement by transmission, circumvention of protection measures etc.³⁷ The most prevalent and hotly contested examples of such alleged breaching is the case of file sharing (the uploading and downloading of music, movies, videos, photographs, books, text, or any other data that is shared between users of the internet, commonly referred to as “peers”). Current peer-to-peer(‘P2P’) file-sharing websites include MiniNova, FrostWire, uTorrent, and The Pirate Bay, but the number of such websites and networks are vast and they are constantly growing.³⁸

The social media web sites (Facebook, Tweeter, LinkedIn, YouTube) are mainly founded and operate under the US law.³⁹ Therefore, they require in the terms and services for use, that by posting the content online each user explicitly accepts that it owns all the content and information he posts on the page. On the other hand, the user grants the provider non-exclusive and royalty free license to use the posted content.⁴⁰ In other words the social media

³⁶ Scheirer L. Bianca – op.cit, p 3.1.2

³⁷ Reed Chris, Angel John, *Computer Law 6th Edition*, Oxford University press, 2007, p 357-363.; Radin J. Margareth, Rotchild A. John, Silverman M. Gregory, *Intellectual property and the Internet: cases and materials*, NY Foundation press, 2004, p 196-213.

³⁸ Some of the most famous cases against these P2P websites are: *A&M Records v. Napster*, *RIAA v. Limewire*, *MGM Studios v. Grokster*.- Scheirer L. Bianca – op.cit, p 3.1.3.

³⁹ The Statement of Rights and responsibilities on Facebook, which each user has to accept when opening a Facebook profile, explicitly states that: “This agreement was written in English (US). To the extent any translated version of this agreement conflicts with the English version, the English version controls. Please note that Section 16 contains certain changes to the general terms for users outside the United States...”; Section 15 explicitly provided that “you will resolve any claim, cause of action or dispute (claim) you have with us arising out of or relating to this Statement or Facebook exclusively in the U.S. District Court for the Northern District of California or a state court located in San Mateo County, and you agree to submit to the personal jurisdiction of such courts for the purpose of litigating all such claims. The laws of the State of California will govern this Statement, as well as any claim that might arise between you and us, without regard to conflict of law provisions.” - <https://www.facebook.com/legal/terms>, Last visit 18.08.2016.

⁴⁰ Section 2 of the Statement of Rights and Responsibilities on Facebook provides that: “You own all of the content and information you post on Facebook, and you can control how it is shared through your privacy and application settings. In addition: For content that is covered by intellectual property rights, like

web sites have as many rights as possible without assuming risk of ownership in the content, which could eliminate certain safe harbors under the Digital Millennium Copyright Act (DMCA).⁴¹

As discussed above the trademarks are an important tool in the commerce and as such are of essential importance in the e-commerce as well. Therefore, a general consensus has developed that the trademark protection law should extend to the Internet and that its scope should be the same as the protection granted in the physical world. However, the existing national or regional trademark law systems and the relevant international law treaties apply on territorial basis and are not tailored for the borderless world of the Internet. The trademark owners are faced with new challenges with respect to use of their marks in digital environment. The general presence on the Internet requires trademark owners to defend their rights against new forms of trademark abuse, across millions of discrete sites in multiple languages and domains, which impliedly constitute another obligation for trademark owners, to engage cyber surveillance companies.

Some internet practices that may raise trademark issues are: *Meta tagging*- a Meta tag is a means for Internet search engine to identify and categorize the contents of the web site. The Meta tag is not visible to normal users, but the more often the keyword appears in the hidden code, a search engine will rank the site in its search results; *Sale of trademarks as keyword* – some of the search engines, due to the phenomenon of higher ranking of certain keywords try to sell them to advertisers who want to target their marketing in a way that whenever the keyword is entered into a search engine, an advertisement appears along with the search results; *Pop - up advertisements* – the pop - up ad is a window not initiated by the user which appears on the top of the page when a site is loaded. A user who will click on the pop-up graphic will be redirected to the advertisers' web site in order to capture the user's attention; *Mousetrapping* – it is an aggressive marketing technique that forces the user to remain on a specific web site sometimes while disabling the browser functions or flooding them with pop – ups. To exit the loop the user is forced to exit the task or reboot the computer; *Linking and framing* – these technologies enable the Internet users to access the

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⁴¹ For further info see case *PhoneDog v. Kravitz*, No. C11-3474, 2011 WL 5415612 (N.D. Cal. Nov 8, 2011).

content stored in the millions of computers and at the same time enable users to use links to retrieve information from files on the same or other web sites. This can cause a situation where the user believes that a certain web page is approved, affiliated or endorsed by the trademark owner.⁴²

4. Protection of the intellectual property rights on the social media

While using social media increases the difficulty of protecting intellectual property rights, it is reasonable to conclude that intellectual property protection is not impossible on social media. We have mentioned on several occasion that the trademarks and copyrights are corporate assets which add value to corporate holdings. The necessity of protecting the intellectual property on the social media is so that the holder can more readily leverage the power of social media to build a brand.

In regards to the copyright and related rights, firstly, there is a possibility of registering/depositing any original expressions, whether they are artistic or written.⁴³ Registration/Depositing will ensure the right of claiming compensation of damages and attorneys fees in the event someone infringes the copyright. Second, the DMCA provides the takedown provisions which each social media platform organized and operated under the US law is obliged to incorporate. These typically are found in the platforms' terms and conditions or frequently asked questions. They outline steps which should be undertaken if it is believed that the copyrighted materials have been used unlawfully and want the site to remove the offending material.⁴⁴

In order to take legal action for copyright infringement on the social media, the copyright owners must address three fundamental issues: (1) who is liable for the infringement; (2) which jurisdiction does he take his action and which national law is applicable in the case; (3) what acts of infringement have been committed under the applicable law.⁴⁵ However in light of the strong territorial premise of copyright laws, the

⁴² World Intellectual Property Organization, *Intellectual property on the Internet: Survey of Issues*, WIPO Geneva 2002, p 41-44.

⁴³With the US Copyright Office there is a deadline within three months of publication - <http://www.copyright.gov/help/faq/faq-register.html>, Last visit 18.08.2016; In the Republic of Macedonia there are private agencies that provide circulars that walk you through the process of depositing the copyrighted work - http://avtorska.com.mk/index.php?option=com_content&view=article&id=62&Itemid=88, Last visit 18.08.2016.

⁴⁴ Facebook operates under the term Policies and Reporting, linked from the Statement of Rights and Responsibilities page - https://www.facebook.com/help/249141925204375?helpref=page_content, Last visit 18.08.2016.

⁴⁵ Leong H. Susanna, Saw Lim Cheng, "Copyright infringement in a borderless world-does territoriality matter?", *Oxford Journals vol. 15, 2007*, p 39-40; Tzou Darlene, "Liability of internet service providers under section 337: Why digital models will open the door for ISP liability on imports that infringe US patent", *IDEA - The Journal of the Franklin Pierce Center for Intellectual Property*, vol. 56 no. 1, 2016, p. 190-205.

localization of the act of the copyright infringement in particular jurisdiction in a spatial dimension like the cyberspace is complex and problematic task. Furthermore, the laws differ on the question whether they address copyright issues only or take the “horizontal approach” which governing the rule of liability of service providers regardless of the grounds for illegality of the transmitted material. There are laws in force in Germany, Sweden and Japan which state that the provider is liable only if it is technically possible to prevent the transmission of the infringing material; and the provider knows of the existence of the material and; (i) knows that it is infringing or (ii) reasonably ought to know that it infringes.⁴⁶

In the USA, the DMCA set down guidelines to copyright infringement online, but does not define when a service provider is liable for copyright infringement. It only defines the exemption of liability when the provider is acting as a passive conduit for the information, is not producer of the information and has responded expeditiously to remove or disable access to infringing material upon notice of copyright holder.⁴⁷ In the European Union, the service provider liability is regulated in the E-commerce Directive⁴⁸, Section 4, art. 12, which provides that: “Where an information society service is provided that consists of the transmission in a communication network of information provided by a recipient of the service, or the provision of access to a communication network, Member States shall ensure that the service provider is not liable for the information transmitted, on condition that the provider: (a) does not initiate the transmission; (b) does not select the receiver of the transmission; and (c) does not select or modify the information contained in the transmission”. Furthermore the Directive defines that the acts of transmission and of provision of access include the automatic, intermediate and transient storage of the information transmitted in so far as this takes place for the sole purpose of carrying out the transmission in the communication network, and provided that the information is not stored for any period longer than is reasonably necessary for the transmission.⁴⁹ However, the possibility for a court or administrative authority, in accordance with Member States' legal systems, of requiring the service provider to terminate or prevent an infringement is not

⁴⁶ Pedro A. De Miguel Asensio, “Internet Intermediaries and the Law Applicable to Intellectual Property Infringements”, 3 (2012) *JIPITEC* 3, p. 350-357.

⁴⁷ 17 U.S. Code § 512 - Limitations on liability relating to material online.

⁴⁸ DIRECTIVE 2000/31/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (Directive on electronic commerce) – in the art. 12 of the Section 4 the E-commerce Directive uses the term liability of intermediary service providers – available online at: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32000L0031&from=EN>, Last Visit 18.08.2016.

⁴⁹ Art. 12 paragraph 2 of the E-Commerce Directive.

affected by the Directive. The Law on electronic commerce of the Republic of Macedonia⁵⁰ applies the same principle of the E-Commerce Directive in regards to the liability of the service provider.⁵¹ Article 5 paragraph 2 line 1 of the Law on electronic commerce provides further limitation in regards to the copyright and related rights, respectively that the service providing in this field should be in the frame provided with the regulations governing the copyright and related rights for the territory of the Republic of Macedonia. In this regards the Law on copyright and related rights in the Article 159 provides civil, criminal⁵² and misdemeanor protection which can be initiated by the author, the holder of the copyright or an authorized person. The infringement claim in civil procedure contains request for cease of infringing activity, compensation of damages, punitive damages, stating the name of the author, removing of the object of infringement, restitution of the benefit made by the infringing activities and publication of the court decision.

To ensure that all uses of the trademarks insure to the holder's benefit, the inconsistent usage of should be avoided. Instead, each company should create trademark usage guidelines that promote the strength of the trademark and are applicable across all platforms and by all influencer marketers. Also, too many trademark owners neglect to file for trademark registration which can offer statutory advantages and presumptions of rights. The use of the sign on the Internet can infringe a trademark only if such use is deemed to take place in the country where the trademark enjoys protection. However when the use of the sign online is visible use on the web site, there should be a little problem applying offline infringement principles in the online environment. More difficult question arises when the infringement is invisible or is done through creating association. The social media web sites provide in their Policies that the clear intent to mislead others will be prevented, even if there is not an explicit trademark violation.⁵³ Furthermore, the social media web sites prohibit the use of their trademarks (ex. Facebook, Twitter, LinkedIn, YouTube) without having prior

⁵⁰ *Official Gazette of the Republic of Macedonia* 133/2007, 17/2011, 104/2015, 192/2015.

⁵¹ Art. 15 of the Law on electronic commerce.

⁵² The Criminal Code of the Republic of Macedonia (*Official Gazette of the Republic of Macedonia* 37/1996, 80/1999, 48/2001, 4/2002, 16/2002, 43/2003, 19/2004, 40/2004, 81/2005, 50/2006, 60/2006, 73/2006, 7/2008, 139/2008, 114/2009, 51/2011, 51/2011, 135/2011, 185/2011, 142/2012, 166/2012, 55/2013, 82/2013, 14/2014, 27/2014, 28/2014, 41/2014, 41/2014, 115/2014, 132/2014, 160/2014, 199/2014, 196/2015, 226/2015) in art. 157 criminal charge for violation of copyright and related rights, respectively whosoever in their own name or on behalf of others, without any authorization publish, shows, reproduces, distributes, performs, emits or in any other way without authorization reaches another's copyright or related right, i.e. copyright work, performance or item of related right, shall be sentenced to imprisonment of six months to three years. Whosoever commits the act through a computer system shall be sentenced to imprisonment of six months to three years.

⁵³ Section 5 point 2 of the Statement of rights and responsibilities on Facebook - <https://www.facebook.com/legal/terms>, Last visit 18.08.2016.

affiliation, relationship or endorsement with the social media web site.⁵⁴ They also include trademark violation reporting mechanisms referred to as: “non - copyright intellectual property issues”.⁵⁵ One of the most famous cases is the case with the Coca Cola Fun Page on Facebook, which was founded in 2008 by two individuals and the page was not authorized by or associated with the brand and was facing removal by Facebook. However, The Coca Cola Company asked Facebook to let the individuals keep the page as long as they share its content with The Company. The Fun Page now has more than 5 million members.⁵⁶ Therefore it is of outmost importance to engage in monitoring of the Internet for use of fraudulent trademarks. By successful monitoring and using the monitoring data, the right holder can start enforcement procedure against trademark infringement that has real potential to hurt the value of the intellectual property.⁵⁷

In accordance with the Section 32 §1114 of the Lanham Act which governs the Federal infringements of trademarks in USA in order to succeed on a federal claim for infringement, a plaintiff must show: that it has protectable ownership interest in the mark, that the defendant`s use of the mark is likely to cause consumer confusion, thereby infringing upon plaintiff`s rights to the mark. The Preamble of the EU Trademark Directive⁵⁸, which relates to the Community Trademark, in paragraph 9 provides that the “in all these cases it is up to the Member States to establish the applicable rules of procedure in regards to the granting and infringement of trademarks”. This only emphasized the territorial nature of the trademarks as intellectual property rights. In the Republic of Macedonia the Law on industrial property, Article 291 grants the right holder to file a claim for infringement of intellectual property rights, respectively trademarks in cases where there is an infringement. The law also defines the infringement of trademarks as any unauthorized usage, disposal, limitation, association and violation of rights which is contrary to the law.⁵⁹ On the other hand the Criminal Code provides in addition the criminal protection by incriminating the violation of

⁵⁴ <https://www.facebookbrand.com/trademarks/>, Last visit 18.08.2016.

⁵⁵ This formulation is expressly used on Facebook - <https://www.facebook.com/legal/terms>, Last visit 18.08.2016

⁵⁶ Bettinger T. Blein – op.cit., p. 80.

⁵⁷ <http://maximizesocialbusiness.com/secure-intellectual-property-in-social-media-8554/>, Last visit 19.08.2016.

⁵⁸ DIRECTIVE 2008/95/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 22 October 2008 to approximate the laws of the Member States relating to trade marks - <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:299:0025:0033:en:PDF>, Last visit 20.08.2016.

⁵⁹ Art. 291 paragraph 2 of the Law on industrial property.

industrial property rights in the article 285⁶⁰, among which the most common is the infringement of trademarks.

5. Conclusion

The communications infrastructure provides for the new information economy much of what the rail tracks of the nineteenth century were to the industrial age. Modern telecommunications technologies are a vastly more complex, fluid and global platform than the railroads, highways and ocean lanes of yesteryear's economy, but they make possible the great leaps forward of the digital era. However, predicting the future is notoriously difficult. The existence of the Internet and the course of its development are very difficult to foreseen, because of its rapid pace.

With the emergence of the social media, another problem occurs: How to protect the intellectual property rights on social media? It is widely known that the value of the intellectual property rights in practice depends on whether the owner of the rights is capable of undertaking necessary measures to prevent others from infringing its rights. But when we discuss about the protection of the intellectual property rights on the Internet it is inevitable to mention that the states and not the private parties, are responsible for providing effective legal measures for protection of the intellectual property rights. Much has been done in the field of e-commerce, but regarding the social media issue, we have not noticed any serious progress. Most of the countries have the necessary regulation, but do not interpret it in such a fashion to respond the challenges posed by the new platforms.

This Article shows that it is not easy to find the appropriate regulation, but there is a trend of moving forward. Furthermore, the basic principles of intellectual property law such as territoriality and specialty are another obstacle for the law makers. However, in our opinion the co - existence of rights could be seen as one of the possible solutions for this problem. The principle should be shaped in a way that would safeguard the intellectual property rights owners as well as the service providers. The application, of the co-existence principle would reduce the risk of confusion by introducing disclaimer statements and would demand usage in "good faith". Moreover, the conduct of the participants would be sanctioned by the above explained take down mechanisms, which in our opinion should be improved and unified for all social media providers. In this regards the protection of the

⁶⁰ Art. 285 paragraph 1: Whosoever against the regulations on industrial property, with the intent to deceive buyers and users of services, violates another's protected trade mark, another's protected industrial design, another's protected mark of product origin and geographic mark, shall be sentenced to imprisonment of at least three years.

intellectual property rights on the social media is only possible by changing, respectively amending the conscious of the participants in the online world.

Additionally the international community needs to react to the phenomena of infringement on intellectual property rights on social media platforms, onto several different levels. On the international and regional level, the international conventions and treaties have to be updated, by amending the rules of use and infringement of intellectual property rights, by adding to the traditional concept of use –the intellectual property rights on Internet and/or via social media platforms. The reaction on the national level, needs to be by modernizing the intellectual property laws which will lead to certain amendments of the procedural laws (civil and criminal), concerning the securing and submitting of evidences, monitoring of infringements etc., although the classic system of combating the infringers “works” properly in some countries. Having in mind the struggle of the prosecutors and the judiciary due to the nature of the computer related crime and computer derived evidences, certain adjustments need to be made also to the criminal law by adoption of *sui generis* offences for these types of infringement. This especially if we take into account that the infringers of intellectual property rights, usually exploit weaknesses in the systems, the inadequate physical, organizational and logical security procedures, which continue to be a central feature in the vast majority of examples of infringements of intellectual property rights.

