



News & Types: Client Advisories

Protecting Trademarks on Amazon.com: A Key Insight for Foreign-Owned Businesses

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Practices: Intellectual Property & Technology

In a continually digitalizing marketplace, it is pivotal for businesses to protect their brands and intellectual property from potential counterfeiters and infringers. The Amazon Brand Registry (“Brand Registry”) is one tool that enables businesses to protect their trademarks on one of the largest online marketplaces – Amazon.com. The Brand Registry is a free resource provided by Amazon to businesses that own registered trademarks or pending trademark applications. Businesses that enroll their registered trademarks or pending trademark applications in the Brand Registry receive the advantage of Amazon’s automated protections, which scan new listings and stop bad listings before they get published. Businesses enrolled in the Brand Registry are also able to monitor Amazon’s catalog and report infringing listings to Amazon for takedown. Notably, a business does not have to be an Amazon seller in order to participate in the Brand Registry. The Brand Registry is an effective and efficient tool for businesses to police and protect their brands on Amazon.

Businesses that are already enrolled in Amazon’s Brand Registry should be aware that Amazon conducts periodic audits to verify that the business entity which has enrolled in the Brand Registry actually owns or possesses the right to use the trademarks that such business has registered with Amazon. In certain circumstances, businesses have the right to use a trademark and they register that trademark with the Brand Registry even though those businesses do not own the trademark. One common scenario arises with U.S. subsidiaries of foreign parent companies where the U.S. subsidiary enrolls in the Brand Registry using trademarks that are owned by the foreign parent company. In these situations, Amazon’s audit will flag the U.S. subsidiary’s Brand Registry account and require the U.S. subsidiary to provide evidence that it owns or possesses the right to use the parent company’s trademark. Amazon gives flagged entities a strict, non-extendable, 30-day period to demonstrate that it is authorized to use the parent company’s trademark. If the subsidiary cannot provide proof of ownership or authorization to use the trademark within the 30-day period, then Amazon removes the business from the Brand Registry platform and prohibits it from using Amazon or the Brand Registry in the future. In these instances, while the U.S. subsidiary may believe that it has an implicit right or an understanding with its parent company to use the trademarks, Amazon will require evidence which expressly grants such use in order for the U.S. subsidiary to remain on the Brand Registry. Consequently, U.S. subsidiaries of foreign companies seeking to protect their brands and trademarks using Amazon’s Brand Registry should take advance action to be prepared for Amazon’s audits by verifying the ownership of the

trademarks that are registered with the Brand Registry and determining what methods should be used to establish that the U.S. subsidiary has the right to use its foreign parent company's trademarks.

If you have any questions regarding the content of this article, please contact your Masuda Funai relationship attorney or any member of Masuda Funai's Intellectual Property and Technology Practice Group.

Masuda Funai is a full-service law firm with offices in Chicago, Detroit, Los Angeles, and Schaumburg.