

Advertising, Media and Brands Newsletter

Global Hot Topics for Advertising, Media and Consumer Brands Executives

October 2022

Welcome

We are delighted to welcome you to our quarterly newsletter focusing on the global hot topics for advertising, media and consumer brands executives. To support you as we progress through 2022 and beyond, we want to highlight some key trends, legislation updates and best practices from across the globe to protect and enhance your business.

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Blogs

To keep up to date with our latest news, please sign up to our useful blogs:

<u>Our Global IP & Technology Law Blog</u> is a source for news and insights into international legal issues involving intellectual property and technology, such as trademark and brand protection; patent prosecution and protection; trade secrets, data protection and privacy; and advertising and media issues.

<u>Consumer Privacy World</u> is a source of news and insights on cybersecurity, privacy and data protection regulations and developments impacting businesses around the globe.



Watch Now - "The Perfect Storm: New Privacy Laws & the Cookie-less Future"

Q: Why did hundreds of registrants log on to attend last month's ACC webcast, "The Perfect Storm: New Privacy Laws & the Cookie-less Future"?

A.: Cookies. Cookies have been used to manage consent for years. The technology is based on open source, and the solutions are either cheap or free with the promise of instant compliance. However, times have changed. This approach has been ruled non-compliant in some jurisdictions, and the major issue it addresses (third-party cookies) will disappear in 2023. On top of the changes surrounding how consent is gathered, the requirements for notification have also become quite different. In this recent and thought-provoking ACC event, our lawyers Kyle Fath and Niloufar Massachi joined Kris Johnston, Rocket Central, and Amalia Barthel, Exterro, to re-think the consent and notification infrastructure and share thoughts on changing it.

In case you missed it, the full recording is now available.



Squire Patton Boggs Advises Animoca Brands on Investment in Klang Games

We advised Animoca Brands, the Hong Kong-based game software company and venture capital company, on a successful Series C funding round, raising US\$41 million for investment in Berlin-based entertainment and game development studio Klang Games. Animoca Brands and Kingsway Capital co-led the fundraising round, with participation from Anthos, Novator, Supercell, Roosh Ventures, AngelHub and New Life Ventures.

<u>China Publishes New Measures and Draft</u> <u>Standard Contract on Data Export</u>

In July, we saw two major developments relating to data export from China. On one hand, the data export-related regulation was officially adopted, which expands the scope of government assessment. On the other hand, the long-awaited draft personal data export standard contract and the rules relating to the application of the contract were released for public comment, which requires such contracts to be filed with the government.

For further details and expert analysis, visit our <u>Consumer</u> <u>Privacy World blog.</u>

China's Didi Fined Over US\$1 Billion by Chinese Data Regulators

On Thursday 21 July, the Cyberspace Administration of China fined Didi, China's largest ride service, ¥8 billion (US\$1.2 billion) for violations of the country's data privacy, data security and cybersecurity laws. The fine reportedly amounts to more than 4% of its total revenue for last year. It also fined the company's chairman, Cheng Wei, and president, Jean Liu, ¥1 million (US\$150,000) each as being responsible for the company's violations. Regulators claimed Didi, since July 2015, collected nearly 12 million screenshots, 107 million pieces of passenger facial recognition data and more that 167 million records of location data, as well as other information, causing serious national security risks to the country's critical information infrastructure and data security. Didi has posted on its social media account that it has "sincerely" accepted the decision. It is reported that the government will now ease restrictions it had placed on Didi, including adding new users and having apps removed from online stores in China.

You can <u>read an analysis of the ruling on our Consumer</u>
<u>Privacy World blog.</u>



China: Alternative Strategies to Trademark Enforcement Against Parallel Import of Cosmetics by Unauthorised Sellers

E-commerce platforms are full of Chinese traders selling foreign cosmetic products they purchased at a lower price outside China. These branded goods are sold without the trademark owner's consent for a much lower price than that of the official retailer. The consequences of such so-called "parallel imports" are well known: the foreign brand and its official Chinese distributor suffer economic losses and the brand is diluted by cheap sales of parallel imports. The latter problem is particularly acute if the foreign brand markets itself in the luxury segment.

Learn more on our Global IP & Technology Law Blog.

<u>China: Metaverse and Chinese Trademark</u> <u>Filings</u>

The metaverse trademark hype is on. Companies are increasingly focusing their attention on developing metaverses, and big brands are entering the metaverse through gaming, social networks and virtual commerce. They need to also secure the appropriate IP rights to protect their brands in this emerging new virtual marketplace. Fashion brands are, thus, filing trademark applications in the US and the EU to secure protection for the digital projection of their shoes and accessories. Their goal is to position themselves and secure IP rights in time to reap the economic benefits of this virtual commerce space.

Read more on our Global IP & Technology Law Blog.



Paris Saint-Germain to Launch Metaverse Project With Mandopop Superstar Jay Chou

The French football club Paris Saint-Germain (PSG) announced that it is launching a new metaverse art project in partnership with Mandopop superstar Jay Chou.

Jay Chou is one of Asia's top pop singers who starred in <u>The Green Hornet</u> and <u>Now You See Me 2</u>. He is also among one of the most streamed Asian artists on Spotify.

PSG expects that its partnership with the Mandopop icon will help it extend its reach in Asia. Similarly, Jay Chou gets to expand his reach in Europe through PSG.

Implementation of the Digital Content and Services Directive and the Sales of Goods Directive in Poland

Poland faces the implementation of two EU pro-consumer directives essential for the e-commerce sector: the Digital Content and Services Directive and the Sales of Goods Directive. The acts are intended to complement each other, but the new regulation will have implications that businesses need to be aware of. Find out more on our O-l-CEE! blog.



<u>Digital Markets Act: EU Gives Final Approval</u> to New Digital Markets Rules

The EU has given its final approval on new rules for a fair and competitive digital sector through the Digital Markets Act (DMA).

Despite the mounting controversy around the DMA and its interplay with existing EU competition and privacy rules, the EU approval arrived with relative speed. Just like with GDPR, the EU succeeds in being a trendsetter in global regulation of digital markets. The DMA is anticipated to be a first of its kind and a source of inspiration for other jurisdictions, such as the delayed UK digital markets unit regulations.

Learn more at Consumer Privacy World.

Five Things You Need to Know About Communications Law Compliance in Europe and the UK

Our colleague Francesco Liberatore recently shared a timely resource regarding the changes in communications law across Europe and the UK. The EU Electronic Communications Code (EECC) has extensively revised the existing EU regulatory framework for electronic communications services and networks across the European Economic Area (EEA). Among these changes, the EECC expands notification and registration requirements to certain types of internet and cloud-based communications services in each country in which it is applicable.

Our dedicated and centralised EECC compliance team can assist with managing the notification requirements set forth under the general authorisation regime in the EU/EEA member states. You can read the full alert on <u>our website</u>.

Stephanie Faber Speaks at French Association of Personal Data Protection Correspondents Annual Meeting

At the recent annual meeting of the French Association of Personal Data Protection Correspondents (AFCDP), CPW's Stephanie Faber presented the latest changes on data privacy in the US (providing a global overview with details on data protection for consumers in five states, requirements for opt out and OOPS, the Federal bill, initiatives of the FTC and the possible timeline for the new US EU framework of exchange of personal data) and in China (covering the data security act, cybersecurity act, PIPL with details on the localisation requirements and international transfers).

The AFCDP is the largest French association for privacy professionals and is also the founding member of the Confederation of European Data Protection Organisations.

<u>Ukraine: Intellectual Property as a War</u> <u>Weapon</u>

The Russia/Ukraine conflict on 24 February prompted a number of European measures in many fields, including intellectual property. The Russian government responded by taking initiatives in this area as well. What are these measures and their consequences?

Find out more at our Global IP & Technology Law Blog.

Legitimate Interests: Dutch Data Protection Authority's Appeal Dismissed but the Controversy Continues

In a previous blog post, we discussed the European Commission's criticism of the Dutch data protection authority's interpretation of legitimate interests as a lawful basis for processing personal data. In that post, we noted that the issue would potentially be resolved by the Netherlands' highest administrative court, the Council of State, when it ruled in the VoetbalTV case.

The Council of State's ruling was good news for VoetbalTV, as it confirmed that the GDPR fine of €575,000 imposed on VoetbalTV should be overturned. However, the Council of State found that it could arrive at that result without having to address the key question: whether processing based on purely commercial interests can fall within the legal basis contained in Article 6(1) f) GDPR (processing necessary for the purposes of the legitimate interests pursued by the controller or by a third party, except where such interests are overridden by the interests or fundamental rights and freedoms of the data subject).

You can <u>read an analysis of this ruling on our *Consumer Privacy World* blog.</u>





<u>Crackdown on Gambling Ads Featuring</u> <u>Sports Stars: New Advertising Rules</u>

Following research published by BeGambleAware, CAP launched a consultation in October 2020 to consider the need to reduce the appeal of gambling ads to under-18s and other vulnerable people.

Significantly, the new rules announced by CAP prohibit all gambling ads that "strongly" appeal to under-18s (regardless of whether such ads are more or less likely to appeal to adults than they are to under-18s). These new rules will be introduced by amendment to CAP rules 16.3.12 and 17.13, and BCAP rules 17.4.5 and 18.5.

Find out more at our Global IP & Technology Law Blog.

New Guidance Published Ahead of Gambling Rule Changes to Protect Consumers

New consumer protection guidance, which gambling businesses are required to take account of, will help them comply with new rules coming into effect in September. In April, the Gambling Commission announced new rules to ensure online gambling businesses do more to identify and take action to protect customers at risk of harm. The updated consumer protection guidance released on 20 June 2022 will help gambling businesses understand and comply with the new rules, which come into effect on 12 September.

Retail Experience Economy Report

We are delighted to announce our newly published Retail Experience Economy Report in partnership with Retail Economics.

The report identifies three key areas of focus: a consumer desire for escapism despite a cutback in spending; the significance of omnichannel business models in meeting consumer needs; and the role of environmental, social and governance (ESG) in gaining a competitive advantage. Moreover, the need for retailers to deliver value is critical for future success.

A summary of the report findings and a copy of the report are available on <u>our website</u>.

Online Safety in Digital Markets Needs a Joined-up Approach With Competition Law in the UK

There is increasing public pressure on internet companies to intervene with content moderation, particularly to tackle disinformation, harmful speech, copyright infringement, sexual abuse, automation and bias, terrorism and violent extremism. The new UK Online Safety Bill (as introduced in the UK Parliament on 17 March 2022) is the British response to such public demand.

Find out more at Consumer Privacy World.

Artificial Intelligence (AI) and the Risk of Bias in Recruitment Decisions

As part of the UK data protection authority's new three-year strategy (ICO25), launched on 14 July, UK Information Commissioner John Edwards announced an investigation into the use of AI systems in recruitment. The investigation will have a particular focus on the potential for bias and discrimination stemming from the algorithms and training data underpinning AI systems used to sift recruitment applications. A key concern is that training data could be negatively impacting the employment opportunities of those from diverse backgrounds.

You can <u>read further analysis on our *Consumer Privacy World* blog.</u>

UK Regulators Crack Down on "Greenwashing"

Within seven months of the UK regulator, the Competition and Markets Authority (CMA), announcing its review of green claims in the fashion retail sector, it has opened an investigation into such environmental claims made by various fashion businesses, including ASOS and George at Asda. This comes less than a year after all businesses were put on notice by the CMA to ensure their green claims were legally compliant.

The investigation will analyse each business's environmental claims in light of the CMA's Green Claims Code (for further discussion, see our <u>previous post</u>) and UK consumer protection law. Notably, the CMA has not yet reached a conclusion as to whether the retailers are in breach of the law.

You can read further analysis on our *Global IP & Technology Law Blog.*



NFL Names Little Caesars as Official Pizza Sponsor

Kyle Fath, partner in our Data Privacy, Cybersecurity & Digital Assets Practice, recently secured a sponsorship deal for Little Caesars to be the official sponsor of the NFL.

The deal includes social media activations, new products and promotions, with Little Caesars' first campaign to be revealed ahead of the 2022 NFL season. The Detroit-based pizza brand will also gain exclusive marketing rights, as it looks to leverage the NFL's significant domestic audience, as well as on-site activations at league events.

Future of Fitness Apps in Question as Adidas Files Lawsuit Against Nike

Adidas filed its first federal lawsuit against Nike. The lawsuit was filed in East Texas federal court with Adidas alleging Nike infringed on nine of its patents related to smartphone apps and adjustable shoe tech.

Adidas is seeking damages and a court order preventing Nike from "directly or indirectly infringing one or more" of the patents involved. Because the features at issue, such as GPS route tracking, are very common with fitness apps today, this case could have major implications for the future of fitness apps.

Alan Friel and Adam Fox Named 2022 Visionaries by Los Angeles Times

The Los Angeles Times has named partners Alan Friel and Adam Fox among its 2022 Legal Visionaries, as part of an annual publication recognising the top thought leaders and power brokers in Southern California's legal industry. Find out more on our website.

Updates to Automatic Renewal Laws With New Consent, Notice and Cancellation Requirements in the US and Germany

Legislatures, regulators and enforcement agencies across the US and in Germany have turned up the heat on subscription plans within the past year by updating their automatic renewal law (ARL), beginning 1 July 2022.

Generally, an automatic renewal or negative option is a paid subscription plan that automatically renews at the end of the term for a subsequent term, until the subscribing consumer cancels. Many US states and the US Federal Trade Commission (FTC) require businesses offering subscription plans to obtain from the consumer affirmative consent to subscription plan terms, send confirmation emails with the subscription terms, send renewal notices within a set number of days prior to the plan automatically renewing, and allow consumers to easily cancel their subscriptions, among other requirements.

Learn more at our Consumer Privacy World blog.

Online Webinar Now Available: Kristin Bryan and Kyle Fath Discuss Al and Biometrics Privacy Trends and Developments

In June, Kristin Bryan and Kyle Fath presented a webinar on "Al and Biometrics Privacy: Trends and Developments" with the International Association of Privacy Professionals (IAPP), the largest global community of privacy professionals. A recording of that webinar is available to all IAPP members and a summary of the webinar is available on our *Consumer Privacy World* blog.

Bombshell Ruling Puts Amendments to Click-wrap and Terms of Use Agreements in Question

In a potentially industry-changing ruling, Judge Gilliam of the Northern District of California ruled that amendments to click-wrap agreements, like Dropbox's terms of use, are invalid unless the user had to manifest assent through some act more than continued use of the service. For further insight and analysis, please visit our <u>Global IP & Technology Law Blog</u>.

Kristin Bryan and Glenn Brown on The Fraudian Slip Podcast ITRC – What You Should Know About State Privacy Laws

Kristin Bryan and Glenn Brown recently jointed James Lee, Chief Operating Officer of the Identity Theft Resource Center (ITRC), and Eva Velasquez, Chief Executive Officer of the ITRC, to discuss recent developments in privacy laws and privacy litigation. Their podcast, which addresses recently enacted privacy laws, litigation trends, and what may be on the horizon in this space, is <u>available here</u>. Be sure to check it out.



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