

EXPERT GUIDE

CORPORATE *LiveWire*

JANUARY 2016

INTELLECTUAL PROPERTY 2016



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Brands & Social Media: Challenges Galore?

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Social media presents countless opportunities for brand owners to engage with consumers. However, social media is changing fast and so are the potential challenges for brand owners, bearing in mind the global reach and speed of information that is shared through social media channels.

The importance of developing a “Social Media Risk” plan

Although it is difficult for any company to accurately predict all the risks associated with their social media strategy and use, they should, at a minimum, anticipate and plan for the most common ones. The main risks associated with social media fall into the following four categories:

Damage to brand reputation;
Disclosure of proprietary and/or confidential information;
Corporate identity theft; and
Legal, regulatory and compliance violations.

A social media risk plan should be de-

signed to identify measure, monitor and control the risks related to social media. Key considerations are:

1. Governance Structure: Strategic goals and on-going risk assessment measures should be set by senior

management and the board of directors that align with existing business initiatives.

2. Policies and Procedures: There should

be clear policies and procedures to address risks from online postings that are compliant with consumer protection laws and regulations.

3. Third Party Relationships: Information the third party places on social media sites needs to be regularly monitored, with due diligence conducted where appropriate.

4. Employee Training Programme: Guidance for official work related use of social media is essential for any effective social media plan. Permissions and approval workflows should be put in place for proper training



and to moderate operational, compliance and reputation risk.

5. Audit and Compliance Functions: To ensure ongoing compliance with all internal policies and applicable regulations, audit and compliance functions need to be up and running before the deployment of a social media plan.

6. Reporting Parameters: In order to achieve desired objectives, a periodic evaluation of effectiveness of the social media plan needs to be installed. The board of directors and senior management should regularly review the success of the plan and make appropriate changes to see results.

The importance of Social Media Monitoring

Social media monitoring is the process of carefully listening on social networks for conversations that include mentions of your business or brand. As a business, your social media presence is your professional face to the world. In the digital age where social media has made con-

versations between brands and customers transparent for the world to see, no longer can you hide behind complaints and negative feedback.

Steps to Social Media Monitoring

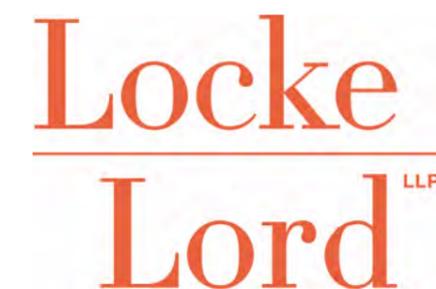
‘Brainstorming’ - compile a list of keywords associated with your business uses and your products or services, for example, [your product/brand] is awful, [your product/brand] is bad.

Online software tools such as *Hootsuite*, *TweetDeck*, *Klout* and *Social Mention* check how popular these words are on social media. You can then set up customised alerts and daily activity digests.

Benefits of Social Media monitoring

Monitoring the conversations your customers are having about your business can be incredibly valuable. You can:

Respond to customer complaints in a timely manner, avoiding escalation of disputes;
Enhance your online image and brand by showing you are responsive and interested in your customers;



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Forward the conversations about your brand to raise awareness of your products and services; and Listen to feedback to help you develop products and services that accurately fit your customers' needs.

When managed well with efficient and effective systems, it can enhance your customer service, brand reputation as well as the overall recognition of your company in the online space.

The importance of social media policies/guidelines and educating employees on social media use

While many companies do have policies regarding email communication and technology use, few have poli-

cies that specifically address social media governance and risks. Without governance regarding social media compliance and a specific individual or group taking responsibility for risk management, compliance monitoring efforts can be ineffective.

Some organisations that are only just beginning to use social media in their businesses are unclear how they should measure the effectiveness of their social media strategies and efforts.

Educating employees about social media

All members should work closely together to collaborate on content ap-

proaches that appeal to your target audience(s) and decide how to execute campaigns and find the most valuable and relevant tools your brand will use. Your company should identify how and why social media will be used to meet specific business and brand goals and create a social media task force team responsible for strategic vision, content strategy, influencing forums, measuring effectiveness of your company's social media posts and internal coordination and organisation.

Social Media Strategy

Company-wide social media guidelines should be implemented, shared and approved by senior leadership.

These guidelines should be often referred to in team meetings to ensure all individuals are collectively working towards the same goals. Regular updates and consistency is imperative to ensure all employees are focussed on the company's social media strategies.

Lawyers on Social Media

Lawyers are using social media marketing more than ever before, with small firms leading the way in engaging on social media networks, blogging and website development.

According to the American Bar Association ABA report, LinkedIn is by far the most popular social media



destination for attorneys, with 99% of large firms (100+ lawyers), 97% of mid-size firms (10-49 lawyers) and 94% of small firms (2-9 lawyers) having a LinkedIn profile.

38% of small firms and just 21% of large firms report participation with Facebook. Larger firms appear to favour Twitter, with 36% saying their firms maintain a Twitter presence compared with 16% of mid-size firms and 12% of small firms. When it comes to blogging, 24% of law firms overall report having a blog and 39% of lawyers say they have obtained clients from blogging. In comparison, 35% of lawyers say they have

obtained clients from their social networks.

So according to the data, blogging delivers more clients than social media but fewer lawyers are engage in blogging than social media. Is this where lawyers are going wrong?

Specific issues – what does the law say?

Entities listed in the UK should be mindful of the requirements of the Disclosure and Transparency Rules. Amongst other things, these require an organisation to disclose inside information via a Regulatory Informa-

tion Service prior to, or simultaneously with, disclosure on its internet site. This means inside information must be released in a controlled way. The good news about a new deal or improved financial performance should not be inadvertently posted or Tweeted before an appropriate regulatory announcement is made. If the good news is to be Tweeted or posted, the content of that post or Tweet should be reviewed carefully by the legal or compliance team to ensure that it fairly and properly discloses the underlying information. Typically, this means the relevant Tweet or post should include a link to the full regulatory disclosure.

The Disclosure and Transparency Rules also require the disclosure of inside information in response to press speculation or market rumour in some circumstances. Listed companies working on sensitive transactions should monitor social media for speculation or rumour as part of their obligation under the Listing Rules to have adequate systems in place to promptly identify disclosable information. Whilst isolated postings or Tweets might not trigger a disclosure, they may provide an early warning that rumour or speculation is building up and a disclosure may need to be made shortly.