

# Trends in Brand Abuse 2022

PLUS: Online Brand Protection Buyer's Guide





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# Trends in Brand Abuse and Brand Protection 2022

Brand abuse manifests in many forms and affects nearly every industry. To narrow in on such broad impact, what have we seen as the main trends in brand protection and drivers in brand abuse? And from these findings, what measures do companies need to be taking to safeguard their reputation, profits, and customers? The following are 4 large trends we've been tracking in brand abuse and brand protection:

## 1 The pandemic continues to fuel an increase in fraudulent activities.

We are almost 2 years into the Covid-19 pandemic, and its influence on brand abuse continues to be felt across various industries. Increased online shopping activity and practices such as [curbside pick-up](#)<sup>1</sup> have helped boost the mechanisms infringers favor, even affecting some trades previously less vulnerable to illicit behavior, like food and beverage. This activity heightens in areas with stricter lockdowns, such as Norway and Austria.



**55%**

**Increase in rate of fraudulent attempts to purchase online for curbside pickup**

Source: Forter

[Counterfeit activity is proliferating](#)<sup>2</sup> because many of the factories producing fake goods sit in China, and operations have not slowed down due to their stringent Covid-19 travel protocols.

Pharmaceutical companies particularly feel the brand abuse burden with [the illegal production and distribution of counterfeit medicine and vaccines](#)<sup>3</sup> posing as authentic coronavirus remedies. In a highly regulated field such as medicine, it becomes a public safety concern when infringers target unsuspecting consumers seeking healthcare, highlighting the critical need for comprehensive brand protection and efficient enforcement.

## 2 The Gen Z influence: Brands are taking measures to trademark digital goods.

As Gen Z's purchasing power expands, brands are finding new ways to get their attention. A popular activity amongst this youthful set is participation in games leveraging digital worlds for user interaction and group play. Players design avatars and interact with peers in fictitious environments, providing new channels for brand awareness—and brand abuse—in the way of logos on clothing or through digital products and storefronts.

This has led brands such as Nike to [trademark digital goods](#)<sup>4</sup>. FashionUnited highlights the trend, writing, "Fashion in the virtual world is a new medium and channel that many brands are exploring, but virtual counterfeits are already coming to the fore, which are infringements on real-world goods. In Second Life, an application that allows people to create an avatar for themselves, fake Rolex watches, Cartier jewelry, and Nike sneakers are already rampant."



**\$29 B**

**Gen Z's Total Annual Spending (66% of income)**

Source: Barkley, 2018



**125%**

**Increase in Millennial and Gen Z spending**

Source: American Express, 2021

1 Digital Commerce 360, 2020

2 Thomson Reuters, 2021

3 BMJ 2021;375:n2754

4 FashionUnited, 2021

# 3

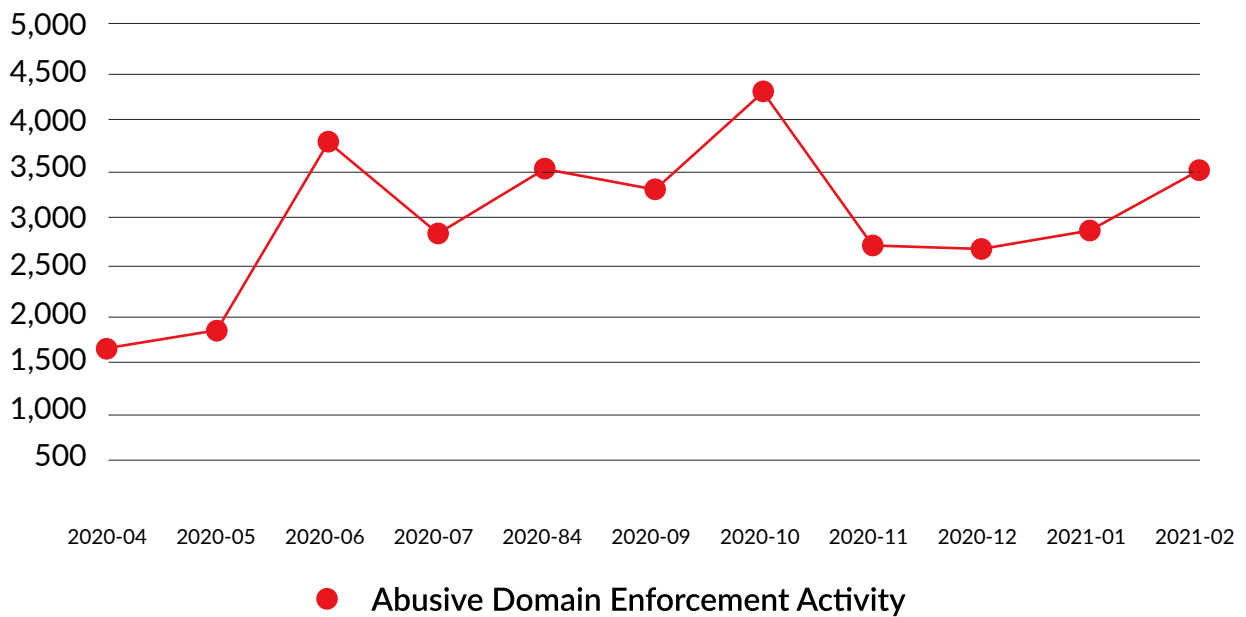
## GDPR-initiated enforcement woes power the rise of abuse networks and highly coordinated infringement.

Appdetex, the technology powering LexisNexis Brand Protection, found on average, monthly [brand abuse enforcement activity increased 100%](#)<sup>5</sup> between April 2020 and February 2021 (See Figure 1). A study released by [the Interisle Consulting group](#)<sup>6</sup> illustrates the domain name infringement enforcement challenges arising after the formation of the General Data Protection Regulation (GDPR), with ICANN increasing their redaction of domain registrant information.

These measures make it exponentially more difficult and expensive for brand holders to act against cybercriminals, cybersquatters, and domain infringers. With ICANN's decision to allow contact information to remain largely redacted, bad actors have turned the situation to their advantage, boldly creating systemic abuse networks that are resilient to traditional mitigation methods.

### Appdetex Trended Monthly Abusive Domain Enforcement Activity

“Market Basket” of Companies/Industries  
April 2020 - March 2021



5 AppDetex, 2021  
6 Interisle, 2021

# 4

## Rogue mobile app activity is a hotbed for abuse.

Mobile app spending continues to skyrocket, with consumers shelling out a record-breaking \$34 billion on apps in Q2 2021 (see Figure 2), according to [numbers from App Annie](#)<sup>7</sup>. Such a lucrative market makes mobile apps a hot target for fraud, and fraudulent mobile apps, developed solely to steal personal data and payment information from unsuspecting users, are rising.

### Worldwide App Consumer Spend Q2 2021

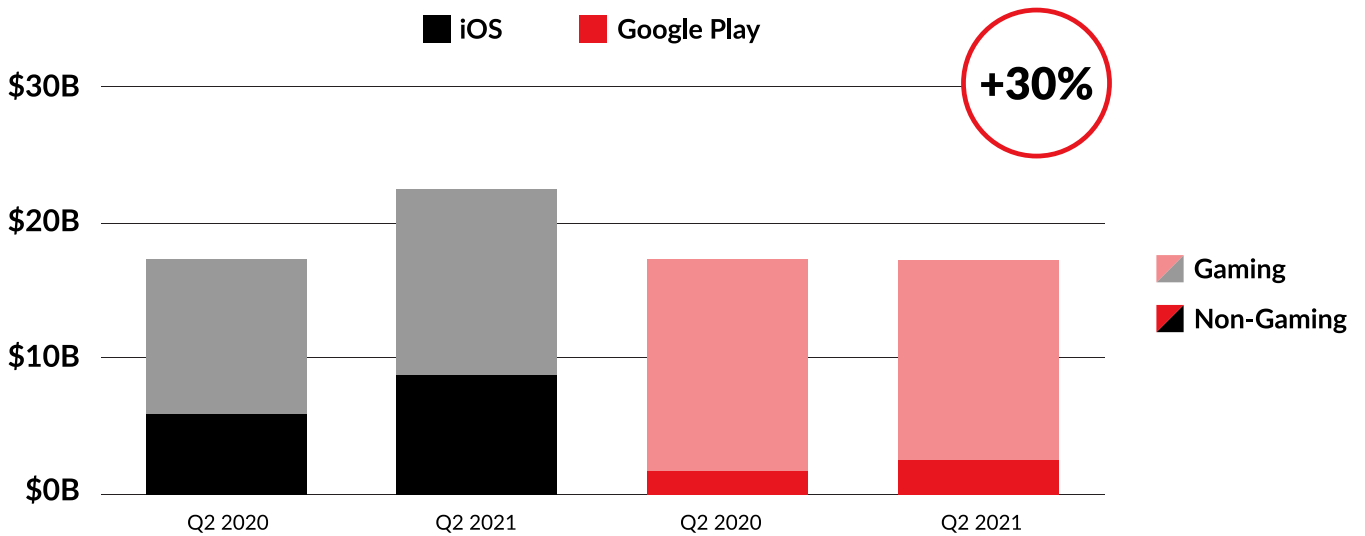


Figure 2 *iOS and Google Play Combined. Excludes third-party android. All estimates from App Annie Intelligence.*

With most consumers relying on mobile apps for a wide variety of everyday use, ensuring the safety of customers and the authenticity of their experience within apps is a crucial brand protection challenge. Rogue apps and misleading activity masquerading as your brand not only put your customers' safety and security at risk but can lead to long-term repercussions for your brand. Having a robust mobile app enforcement plan in place reduces support costs, increases customer satisfaction and loyalty, and protects both subscriber and in-app purchase revenue.



# INFOGRAPHIC: Traditional Brand Protection vs. Modern Brand Protection

## TRADITIONAL BRAND PROTECTION

VS

## MODERN BRAND PROTECTION

### IMPACT

- Lower returns and lower efficiency
- Temporary suppression
- Poor mitigation of brand risk
- Poor impact on customer confidence and trust

- Higher returns and higher efficiency
- Sustained suppression
- Strong mitigation of brand risks
- Builds confidence and trust in customers

### APPROACH

- Tactical with focus on one-off detections, "whack-a-mole"
- Detections and correlation are marketed as automated but are manual
- Returns low-value targets

- Strategic with focus on highvalue-targets and outcomes
- Detections and correlation are highly automated
- Pinpoints networks of abuse and highest-value targets

### TECHNOLOGY

- Outdated, basic technology
- Low customization and flexibility
- Spotty, low fidelity, and non-visualized results
- Marketplaces-heavy view of brand abuse

- Bleeding edge, enterprise-class technology
- High customization and flexibility
- Broad, high fidelity, and visualized results
- Balanced, multi-channel view of brand abuse

### INSIGHTS

- Largely an unusable data dump
- Poor visibility into true scope of systemic brand abuse
- Primarily used for take-downs
- Online data correlation only
- Primarily for legal audiences

- Usable, relevant, and actionable
- Used for take-downs, evidence, and intelligence
- Strong and complete visibility into systemic brand abuse
- Online + offline data correlation
- For legal, security, marketing audiences + external agencies

### SUPPORT

- Transactional and focuses on removing one-off and random abuses
- Primarily an enforcement shop
- Ad-hoc and reactive

- Business-driven focus and solves acute, critical business problems
- Strategic advisors who also do enforcements
- Methodical and proactive

# BONUS:

## Online Brand Protection Buyer's Guide

### The Key Considerations

A modern brand protection approach will quickly connect the digital dots and better identify abuse, abusers, and the criminal networks they rely upon to combat evolving brand abuse networks.

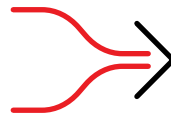
When assessing a brand protection solution provider, carefully evaluate and compare these four dimensions.



Technology



Insights



Approach



Support

# 01 TECHNOLOGY



### How sophisticated are their detection and correlation capabilities?

Traditional brand protection solutions rely solely on keyword searching and manual correlation to identify brand abuse. Modern brand protection solutions use keyword matching, image recognition, machine learning, and automated data correlation technology to map abuse networks, allowing brand owners to better qualify abuse's nature and severity. When selecting a brand protection solution, look for:

- Automated correlation capabilities vs. manual correlation capabilities
- Cutting-edge technologies leveraging image recognition, machine learning, and graph databases in addition to keyword matching
- Highly flexible and customizable case management, tagging, and workflows to streamline enforcement processes or subsequent actions (cease and desist, litigation, further investigations, etc.)
- A single, integrated platform to house all offline and online brand abuse-related data, including detection and enforcement activity
- Advance querying capabilities to reduce the noise and find the most relevant and malicious brand abuse across popular digital channels



# 02 INSIGHTS



## Do they deliver meaningful results without a lot of noise?

Modern brand protection provides data that benefit security and marketing teams, outside agencies such as border patrol and customs, and not only legal teams, as is typically the case with legacy solutions. The ability to quickly access online and offline data aids in investigative research, which can be used as evidence for litigation and beyond. When selecting a brand protection solution, look for:

- High fidelity detections and results data with positive signal to noise ratio versus huge, unusable dumps of data
- Automated data harvesting and correlation across a broad set of digital channels, including mobile apps, websites, domains, social media, marketplaces, and search engines
- Advanced data signals that go beyond basic search identifiers (IP address, email, name, etc.) to connect abuse schemes and identify higher-value targets
- Both visual and tabular reporting, including dashboards, dynamic graphs, tables and reports, to monitor, analyze, and visualize data easily

# 03 APPROACH



## Are they strategic and business-minded when solving your problems?

Brand protection can have an immediate financial impact on business. Legacy solutions often result in inefficiencies, temporary suppression of brand abuse, or missing the brand abuse altogether. A modern approach allows brand owners to prioritize enforcement activities on highly sophisticated brand abuse networks, which often inflict the most damage on brands and consumers, resulting in higher returns. When selecting a brand protection solution, look for:

- Focus on fighting high-value-targets and systemic brand abuse vs. focus on taking down one-off abuses
- True automation for brand abuse detections, correlation, and enforcements in order to sustain suppressed brand abuse
- Strategic, data-driven approach to uncover higher-value targets
- Ability to analyze and correlate online and offline data signals to prioritize enforcement activities on highly sophisticated brand abuse networks
- Multi-channel view of brand abuse across websites, social media, mobile apps, marketplaces, and search engines



# 04 SUPPORT



## Do they understand your brand's unique business problems and directives?

Legacy solutions are primarily an enforcement shop, with service teams delivering ad-hoc and reactive enforcements. With a modern brand protection solution, brand owners will have peace of mind knowing there's a team of experts, with a diverse and comprehensive skill set, that take a methodical and proactive approach to brand protection. When selecting a brand protection solution, look for:

- Tenured team of experienced professionals that understand the brand's unique challenges and act as an extension of their team
- Focus on solving real business problems, offers strategic guidance and driven by best practices
- Agility and flexibility to execute on a variety of tactical activities including takedowns, reporting, in-depth investigations, API analysis to executing on strategy



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