Internet and Branding: Protecting your Trademarks and Managing your Client’s Brand Presence Online

State Capital Group
2011 Annual Meeting
Washington D.C.
Use of Search Engines

• 92% of online adults use search engines
• 59% of online adults use search engines on a typical day
• Who uses search engines the most?
  • White male adults (18-29 years old), who are college graduates and who earn greater than $75,000.00 per year in household income

Over time, search and email are most popular online activities

% of internet users who do each activity

### Who uses search?

% of online adults in each group who use search engines to find information online

<table>
<thead>
<tr>
<th></th>
<th>% of each group who ever use search engines</th>
<th>% of each group who use search engines on a typical day</th>
</tr>
</thead>
<tbody>
<tr>
<td>All online adults</td>
<td>92%</td>
<td>59%</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>93</td>
<td>61</td>
</tr>
<tr>
<td>Female</td>
<td>91</td>
<td>57</td>
</tr>
<tr>
<td><strong>Race/Ethnicity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>93</td>
<td>60</td>
</tr>
<tr>
<td>African American</td>
<td>91</td>
<td>57</td>
</tr>
<tr>
<td>Hispanic</td>
<td>87</td>
<td>48</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-29</td>
<td>96</td>
<td>66</td>
</tr>
<tr>
<td>30-49</td>
<td>91</td>
<td>64</td>
</tr>
<tr>
<td>50-64</td>
<td>91</td>
<td>52</td>
</tr>
<tr>
<td>65+</td>
<td>87</td>
<td>37</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some high school</td>
<td>81</td>
<td>29</td>
</tr>
<tr>
<td>High school</td>
<td>88</td>
<td>41</td>
</tr>
<tr>
<td>Some college</td>
<td>94</td>
<td>66</td>
</tr>
<tr>
<td>College graduate</td>
<td>96</td>
<td>75</td>
</tr>
<tr>
<td><strong>Household income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; $30,000</td>
<td>90</td>
<td>38</td>
</tr>
<tr>
<td>$30,000 - $49,999</td>
<td>91</td>
<td>67</td>
</tr>
<tr>
<td>$50,000 - $74,999</td>
<td>93</td>
<td>66</td>
</tr>
<tr>
<td>$75,000+</td>
<td>98</td>
<td>78</td>
</tr>
</tbody>
</table>

U.S. Search Engine Market Share Reports

(a) Compete.com (August 2011)

- Google Powered search engines = 68.3% of U.S. searches
  (Google = 67.2%; AOL = 1.1%)
- Bing Powered search engines = 31.7% of U.S. searches
  (Yahoo! = 16.7%; Bing = 15%)

U.S. Search Engine Market Share Reports

(b) ComScore.com (August 2011)

- Google = 64.8% of U.S. searches
- Yahoo! = 16.3% of U.S. searches
- Microsoft = 14% of U.S. searches

Google’s Market Share

(c) Nielsen (August 2011)

(“Active Reach” refers to the % of internet users visiting a site per month)

- 380 million global Google users  
  – 85.3% Active Reach
- 185 million U.S. Google users  
  – 83.4% Active Reach

The Importance of High Search Results

- 2,369 U.S. citizens were surveyed by Jupiter Research and marketing firm iProspect in 2006:
  - 1/3rd thought that a company’s first page search result indicated that the company was a top brand
  - 62% would click on a first page search result
  - 90% would click on a first page search result if looking to purchase a product or service
  - 41% changed the search term if they did not find their search on the first page

The Importance of High Search Results

- Slingshot SEO clickthrough rate study:

  First Result = 18.2%
  Second Result = 10.05%
  Third Result = 7.22%


www.eMarketer.com
The Importance of High Search Results

- **Cornell University Experiment:**
  - Used eye-tracking techniques to determine the visual attention and clickthrough rates of 26 University students
  - First search result = (a) 28.43% visual attention; and (b) 56.36% clickthrough rate
  - After the first search result, all other search results dropped dramatically in regards to percentage of clickthrough rate

(http://www.cs.cornell.edu/People/tj/publications/granka_etal_04a.pdf)
<table>
<thead>
<tr>
<th>Title</th>
<th>Description</th>
<th>% of Clicks</th>
<th>% Time Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Something</td>
<td>Definition of something</td>
<td>56.36</td>
<td>28.43</td>
</tr>
<tr>
<td>Eaten lack my repertoire</td>
<td>Article discussing the phenomenon</td>
<td>13.45</td>
<td>25.08</td>
</tr>
<tr>
<td>On Something (Home)</td>
<td>Encourages something</td>
<td>9.82</td>
<td>14.72</td>
</tr>
<tr>
<td>Something-fakery.org</td>
<td>Article comparing different somethings</td>
<td>4.00</td>
<td>8.70</td>
</tr>
<tr>
<td>worldophone.co.uk</td>
<td>Article discussing the impact of something</td>
<td>4.73</td>
<td>6.02</td>
</tr>
<tr>
<td>Something: Wikipedia, the free encyclopedia</td>
<td>Article about the history of something</td>
<td>3.27</td>
<td>4.01</td>
</tr>
<tr>
<td>Something</td>
<td>Wikipedia, the free encyclopedia</td>
<td>0.36</td>
<td>3.01</td>
</tr>
<tr>
<td>Something Weird Videos</td>
<td>Article discussing the history of something</td>
<td>2.91</td>
<td>3.68</td>
</tr>
<tr>
<td>Something Corpora</td>
<td>Article about the impact of something</td>
<td>1.45</td>
<td>3.01</td>
</tr>
<tr>
<td>Something</td>
<td>Article discussing the history of something</td>
<td>2.55</td>
<td>2.34</td>
</tr>
</tbody>
</table>
Techniques to Drive Traffic

1) Search Engine Optimization

- Places a website in the top of an organic search results page

Techniques:

- Describe a product(s) and service(s) in the website’s title or major headings using keywords that users and search bots can identify
- Create a content rich website that optimizes many different keyword combinations
- Set-up web links to connect other popular websites to the website
- Monitor the website’s referrer log to determine where users come from and what search terms are inputted

Techniques to Drive Traffic

2) Search Engine Advertising

- Pay-per-click text ads
  

3) Meta-tagging

- A website provides meta-tag data for search engine robots
  - Meta-tag data is inserted into an html code between the opening and closing “HEAD” tags

i.e.:

```html
<HEAD>
<TITLE> Car Collecting World </TITLE>
<META name= "description" content ="Everything you want to know about cars.">
<META name="keywords" content="cars, car collecting, prices, cars”>
</HEAD>
```
Techniques to Drive Traffic

Meta-tagging Cont.

- The search engine robots fetch the website’s meta-tag data and returns the meta-tag data to the search engine.
- The search engine stores the meta-tag data and incorporates the data into search queries.
Online Consumer Behavior Survey

- Nielson Survey (June 2010): 27,000 internet users in 55 markets (Asia Pacific, Europe, Middle East, N. America and S. America)
  - Top products expected to be purchased online from July to December 2010:
    1) Books
    2) Clothing/Accessories/Shoes
    3) Airline Tickets/Reservations
    4) Electronic Equipment
    5) Tours/Hotel Reservations

(hk.nielsen.com/documents/Q12010OnlineShoppingTrendsReport.pdf)
U.S. E-Commerce – Retail Trade

Total U.S. retail trade from e-commerce:
2009 - $145 billion
2010 - $167.4 billion (estimated)

U.S. retail e-commerce as a percentage of total e-commerce:
2009 - 4% of all e-commerce
2010 - 4.3% of all e-commerce

Specific e-commerce products and figures:
- Clothing and accessories (including footwear) – $19.5 billion
- Motor vehicles and parts dealers - $17 billion
- Electronics and appliances - $14.2 billion
- Computer hardware - $11 billion

(U.S. Census Bureau E-Stats - http://www.census.gov/econ/estats/)
Online Piracy and Counterfeiting

  - Identified 100 internet sites responsible for online counterfeiting and digital piracy
  - Examined 22 brands in the digital category (movies/TV, music and software/videogames) and physical goods category (handbags, sports apparel, pharmaceuticals, luxury items, footwear and apparel)
  - Examined the level of traffic to the 100 internet sites and the actual physical locations where the sites are hosted
Online Piracy and Counterfeiting

Key Findings for Digital Piracy:

- 43 sites were classified as pure ‘digital piracy’, accounting for 146 million visits per day and 53 billion visits per year.
- The top three ‘digital piracy sites’, rapidshare.com, megavideo.com and megaupload.com, generate 21 billion visits per year.
- North American and Western European websites hosted 67% of digital piracy sites.
Online Piracy and Counterfeiting

- **Key Findings for Online Counterfeiting:**
  - 48 sites were classified as selling counterfeit goods, accounting for 240,000 visits per day or 87 million visits per year
  - 73% of ‘counterfeit’ sites were hosted in North America or Western Europe. Eastern Europe accounted for 14% and Asia accounted for 9%
  - 26 sites sold counterfeit prescription drugs, accounting for 141,000 visits per day or 51 million visits per year
  - 21 sites sold counterfeit luxury goods, accounting for 98,000 visits per day or 36 million visits per year
eBay as a Portal

(“Active Reach” refers to the % of internet users visiting a site per month)

- 134 million global users = 30.2% Active Reach
- 73.5 million U.S. users = 33% Active Reach


- 3.1 billion eBay web pages were viewed in July 2005
- 43% of Internet users visited eBay in July 2005
- eBay visitors average one hour, 54 minutes on the site and view 280 pages per month

eBay as a Portal

Financial Figures (2010):

- Global Market Value = US$39.6 billion
- Global Revenue = US$10 billion
- Global Gross Profit = US$6.6 billion


- U.S. Marketplace = US$62 billion in transactions
- U.S. Payment Processing = US$92 billion in payments
  - Note – “Payment processing” includes all payments through eBay owned payment services and certain payments do not originate from the eBay marketplace

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