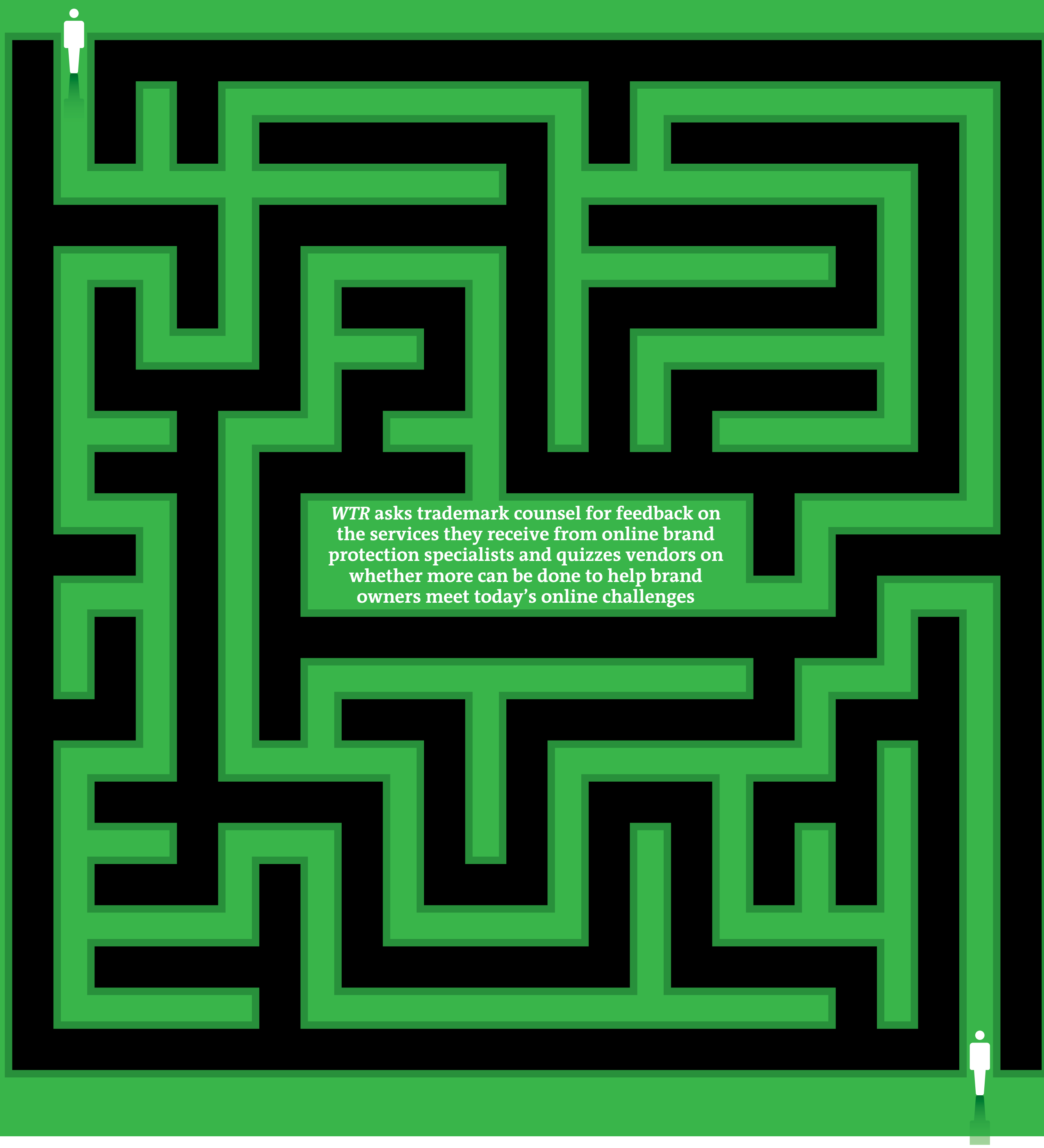
Locating your virtual partners



WTR asks trademark counsel for feedback on the services they receive from online brand protection specialists and quizzes vendors on whether more can be done to help brand owners meet today's online challenges

Last issue, *WTR* presented the results of its exclusive user opinion survey into non-legal trademark services (specifically, searching and watching, trademark management software, and renewals and recordals services). Our survey also explored services as they relate to brand protection in the online world, reflecting the challenges posed to brand owners in this expanding environment. This issue, we present these findings and ask whether service providers are meeting the needs of their clients.

Three broad areas were covered in our survey – domain name management and monitoring, digital content and online monitoring (including auction sites), and social media monitoring (encompassing usernames, handles and trademark monitoring).

Arguably the most significant trend in the non-legal trademark services arena, as identified in the last issue, was the pace of M&A activity in the sector. While there has been less activity on this front when it comes to online brand protection, a number of recent deals stand out. In September 2012, for example, the IP and science business of Thomson Reuters completed the acquisition of online brand protection specialist MarkMonitor, bringing an array of new online services into the Thomson fold. Viji Krishnan, vice president of Thomson Reuters Compumark, told *WTR* that the move stemmed from a natural focus on the commercialisation of brands.

Another significant acquisition was announced in March 2013, when Corporation Service Company (CSC) revealed it had bought the Digital Brand Services (DBS) division of Melbourne IT, creating a combined corporate domain name and online services business under the CSC Digital Brand Services name. Elsewhere, Corsearch acquired CitizenHawk, a provider of domain recovery and online brand protection tools.

All of this activity reflects the growing importance of online policing for corporates and suggests that service providers are positioning themselves to cater to user demand. But how do the services they currently receive shape up – and what more could users do to help the helpers?

When it comes to the management of domain portfolios and domain name monitoring, the picture is largely positive (see Table 1). On a scale of 1 to 10 (10 being the most positive), the responses averaged a healthy 7 or above for all of the criteria assessed (ie, thoroughness of the monitoring service, customer service and support, linguistic capability – such as translation, transliteration and phonetics – and likelihood of a recommendation).

One notable omission from the negative column was customer service, with the levels and nature of support received repeatedly cited as a positive – although one in-house respondent did observe: "The customer service has always been good since I have been at my current company because we are a high-volume customer. However, in a previous role, when we had fewer domain names, we had a much lower level of service."

Systems flexibility and ease of use also came in for praise, as did speed of response (albeit that some respondents did express a frustration that time-zone differences can cause delays when liaising directly with providers).

On the issue of cost, however, the feedback was more mixed. A number of respondents suggested the prices charged are fair and represent value for money. But there were also those who regarded the offerings as too expensive, with one user noting: "If anything, there is a slight tendency to over-service, without appreciating the tight budgets we are on." Other negative points noted were the overuse of technical jargon and ongoing linguistic challenges (the oversight of Chinese websites was highlighted as a particular weakness).

Table 1. **How do you rate your domain name services provider in the following areas?** (1 low, 10 high)

Thoroughness of the monitoring service received	7.28
Customer service and support	7.66
Linguistic capability (including translation, transliteration, phonetics, etc)	7.27
Your likeliness to recommend this provider	7.50

Table 2. **How do you rate your digital content/online monitoring provider in the following areas?** (1 low, 10 high)

Breadth and relevancy of the watch notices you receive	6.87
Flexibility and usability of the results	6.75
Linguistic capability (including translation, transliteration, phonetics, etc)	6.75
Your likeliness to recommend this provider	7.06

Table 3. **How do you rate your social media monitoring provider in the following areas?** (1 low, 10 high)

Breadth and relevancy of the results you receive	6.89
Flexibility and usability of the results	7
Linguistic capability (including translation, transliteration, phonetics, etc)	6.73
Your likeliness to recommend this provider	7.05

Table 4. **The top five contexts in which users have found online brand protection service providers**

Conference and exhibition booths
Online marketing, such as web advertising, emails and webinars or internet searches
Event sponsorships/branding
Previous company and/or legal services provider
Invitations/approaches from your service provider

Table 5. **From the following list, please rank up to five criteria on which you base your decision when purchasing online services** (respondents ranked according to importance, with responses given a weighted points value)

Price/value	772
Customer service and ongoing support	588
Software and systems, including integration and compatibility with other systems	485
Pre-existing relationship with law firm or company	450
Reputation in the marketplace	461
Transparency of fee structure	419
Relationship with provider/personnel	368
Scale of market coverage	328
Word of mouth / recommendation	300
Length of time in the marketplace	270

Preparing for the gTLD revolution

The generally positive reports are encouraging, given the seismic shift taking place in the domain name sphere. The imminent introduction of new generic top-level domains (gTLDs) will significantly expand the online environment. As Catherine La Rooy, head of IP portfolio applications at CPA Global, observes: "With the upcoming increase in the number of domain extensions, trademark owners will face even greater challenges when assessing their brand development and protection policies. The fact is that big changes are coming to the domain name sector, and trademark owners need to be prepared for them."

Elisa Cooper, director of product marketing at MarkMonitor, outlines the nature of those challenges: "With over 600 true generic registries (ie, not branded) launching over the next two years, companies will be forced to make difficult decisions about where to register, block and police. For most companies, it's all about determining their tolerance for risk and balancing that against budget constraints. Although no one really knows just how rampant cybersquatting will be, companies should assume that if they've been a target in the old gTLDs, they'll likely be a target in the new gTLDs too."

Drilling down, Ladas & Parry LLP's Dennis Prahl identifies four primary issues that brand owners will need to address. First is developing a strategy to protect their trademarks in the Trademark Clearinghouse and other private brand protection services such as Donuts' Domain Protected Marks List. Second is keeping track of sunrise and landrush periods for all relevant new domains that are of interest. Third is developing a sensible policy to address the anticipated rise in cybersquatting without breaking the corporate budget. Fourth is working out how best to use any new TLDs in their own trademark and marketing strategies. He adds: "For brand owners who have opted for their own '.brand', I think the challenge will be one of education to their consumers as to how that '.brand' is now more relevant than their existing '.com' presence."

That trademark owners need to be prepared is a given – and a similar message applies to vendors as they adapt current offerings and develop new products and services that will assist brand owners in policing this new environment.

Service providers are certainly talking a good game in this regard. La Rooy points to CPA's introduction of a wide range of new services, "including support for new gTLD launches, monitoring gTLD applications by other parties that might impact on a client's brand or trademark and managing Trademark Clearinghouse (TMCH) registrations". Meanwhile, Viji Kirshnan, vice president of Thomson Reuters Compumark, identifies the company's collaboration with MarkMonitor as allowing "the development of a comprehensive brand-building and protection solution in the new gTLD landscape".

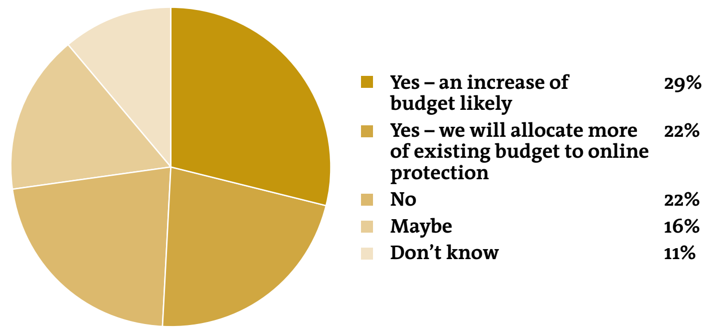
The gTLD expansion has also led to the creation of specialist brand protection companies focused on this particular space, such as IP Metro, which offers trademark validation services as well as domain name monitoring and brand protection tools.

Adapting to an internationalised environment

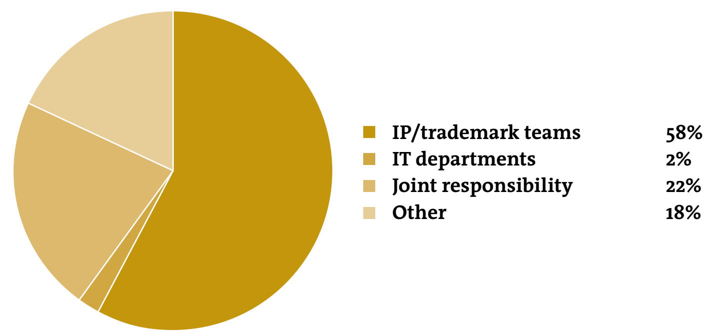
Such specialism will be critical in view of the multi-script challenge that gTLDs present. Online policing strategies are currently geared towards a Latin script environment, but internationalised domain names (IDNs) – the first gTLDs to be delegated – will soon create a very different online reality, drawing on Arabic, Hans, Hani, Hebrew, Japanese and Kana scripts.

Nick Wood, managing director of Valideus and Com Laude, notes: "IDNs have actually been around for a long time, but their impact has never really been felt because browsers have not supported them very effectively for email or websites. However, 116 of the 1,930 new gTLD applications were for IDN strings at the top level – and every other registry can, in theory, put IDNs at the second level. Commentators say that four-fifths of the online population use another language/script than English by choice. It is possible that the liberalisation the new gTLDs are bringing may herald the age of the IDN. The biggest short-term challenge will be monitoring and searching, while the biggest long-term challenge will be incorporating IDNs fully into an online brand protection strategy."

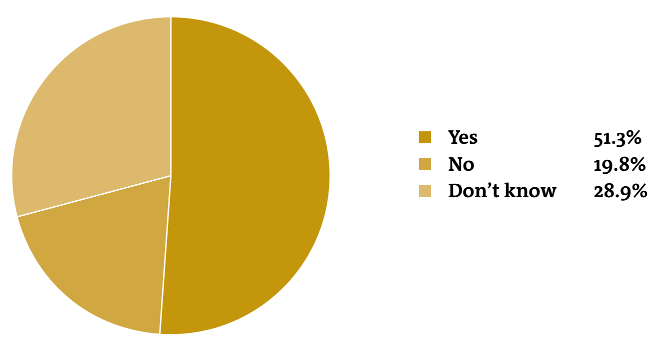
Graph 1. **In-house counsel: Do you see your budget increasing, or more of existing budget being directed towards, protecting your trademarks and brands in the future due to the evolution of the Internet?**



Graph 2. **Who owns the budget for online brand protection (corporate responses selected)?**



Graph 3. **Do you feel that you are receiving enough information about the threats faced, and strategies that can be employed, in the online environment?**



Who owns the budget?

A brand's online presence is often managed by multiple internal stakeholders, as evidenced by one in-house counsel who wished for a service that joined both marketing and legal strategies: "For example, our marketing team has one provider for marketing statistics and monitoring, and we have ours for monitoring and enforcing. Therefore, two providers to do very similar tasks, only from two different perspectives."

This raises the question of who actually owns the budget for online protection and whether corporate trademark teams can adopt a multi-stakeholder approach to budgeting. When queried on this point, most respondents (58%) identified the IP or trademark team, while IT departments were cited in just 2% of responses (see Graph 2). However, almost one-quarter revealed that responsibility was jointly held, while 18% said that responsibility lay elsewhere (including senior management, the communications team and the marketing department).

Speaking to the providers themselves, a similar picture emerged. Mark Calandra of CSC Digital Brand Services notes that his company tends to meet with trademark attorneys and members of the marketing team, as well as IT departments. Dennis Prahl, whose firm boasts an ICANN-accredited domain register, LadasDomains, similarly works cross-departmentally, with communications added to the list cited by Calandra.

Size can make a difference: Corsearch's Stolfi observes that larger companies often have dedicated staff who do their own policing and use various tools provided by the service providers, and while IP counsel are usually involved, IT staff are sometimes involved in the maintenance and purchase of domain names. As mentioned, marketing also plays a major role.

At MarkMonitor, Frederick Felman explains that IP counsel are involved "in almost every engagement", but has observed an increasing trend for the IT department to drive domain name registration vendor decisions.

For trademark counsel, then, the picture is often a complicated one, necessitating a multi-stakeholder approach to budgeting and vendor selection. While in many ways a positive, in that it facilitates closer relationships with other organisational departments, the coordination and management of different internal interests could prove a challenge at a time when external factors are preoccupation enough.

Cooper adds: "If native language trademarks exist, registering IDNs can be straightforward. However, trying to translate or transliterate brands can result in registrations that have little or no connection to the intended mark."

There is another important aspect for trademark counsel to consider. IDNs not only pose a challenge in terms of registering existing marks online in different scripts – additionally, trademark registration strategies and even future brand protection strategies may need to consider their portability to the IDN environment. Prahl expands: "Trademark owners have always been faced with translation and transliteration issues when it comes to their trademarks (usually Western trademarks) being used in foreign countries. The IDNs are therefore just a new twist on the old problem. But brand owners need to take a proactive role in developing the local language equivalents of their marks and then need to align their domain registration and detection strategies with the local brand versions they develop, so local consumers can readily find them and cybersquatters will not be enabled by a vacuum of protection."

Creating a wish list for providers

Turning to the monitoring of content online (including auction sites), linguistic capabilities were often identified as concerns, as was precision in some of the results generated for analysis. Users noted that large amounts of data can be returned when running searches, with one observing: "It will pick up the brand name of our company as a noun which does not relate to the trademark usage."

For some, this necessitates a degree of finessing, with one in-house counsel stating: "Some of the hits found and reported are not always relevant, and we sometimes have to raise hits that we have found and they have not – but this usually just involves further adjusting of their search criteria."

Overall, though, there was as much that was positive, with speed of service and the customisation of systems praised by a range of users.

Last issue, when queried on the factors that influence decision making when selecting non-legal trademark service providers, price topped the list. Unsurprisingly, this also holds true for online protection services, with price and value significantly ahead of customer service and support (see Table 5). In third place was software and systems, illustrating that – beyond price – the product itself, as well as related support, is clearly more important than recommendations or the length of time that the supplier has been operating in the market. Reputation does matter, but not as much as delivering solid service at a price point that represents true enterprise value.

Mark Calandra, vice president global sales, account management and product at CSC Digital Brand Services, observes: "Customers want to consolidate providers and services relating to their online presence in order to streamline management while reducing risks and costs. We believe that users should expect more from their brand protection services provider. Good service is certainly a necessity, but we also think it's our obligation to ensure that our customers are receiving value from our services beyond just a competitive price."

Happily for the providers themselves, online protection is likely to be the recipient of increased budget going forward. Just 22% did not anticipate budgets rising or being redirected to online protection (Graph 1). Almost one-third did predict increased budgets – a factor that will be important as users push for increased innovation and new products to meet ever-evolving online challenges.

As to how online protection service providers could adapt, and what products and services are desired, trademark counsel were not shy in coming forward with suggestions. Aside from reduced prices, suggestions included:

- more frequent free training courses for customers;
- scalable products to cater for all sizes of company;
- increased social media watches;
- improved website search tools;
- more cross-platform collaborative portals for counsel and brand owners;
- closer collaboration with clients to provide a customised solution rather than a 'one size fits all' approach; and
- increased knowledge of brand owners needs and business, to improve search results and streamline the number of hits.

Additional support in terms of guidance on online strategies and assistance in sifting results were commonly cited desirables, with one corporate respondent noting: "As online brand protection is different from traditional brand protection, I feel that a comprehensive advice service from providers would be useful, encompassing watching service and assistance in developing internal brand protection criteria."

Key to this is the service provider being "a partner rather than viewing the relationship as provider/client". One cross-sector brand owner urged providers to "add a more human element. The search results for a brand like ours are huge, so you need a human being to weed out what is actually of interest and they don't seem to be able to do this".

This integration could lead to increased market share for providers, as flexibility in systems and understanding of clients' businesses could allow them to offer bespoke offerings to those who feel that 'off the shelf' packages are not suitable for their purposes. One European respondent noted: "We actually developed our own tools in collaboration with tech-universities, since there was no tool tailored to our needs available. It was also cheaper and more reliable to develop in-house, rather than have a service provider adapt its tool."

Methodology

Over a two-week period between September 5 and September 23 2013, *WTR* ran an online survey designed to build up a complete picture of the trademark services market and how it caters to user needs. The research focused on the trademark services sector as distinct from the legal services sector, relating specifically to searching and watching, trademark management software, and renewals and recordals.

The survey asked respondents to identify and rate, on a scale of 1 to 10, the services that they receive across the sectors examined. Additionally, it posed a series of questions about the industry in general terms and asked users how they see the sector developing.

The survey was open to in-house trademark counsel and private practitioners, and was promoted through the *WTR* blog and dedicated mailshots to trademark professionals. After the survey closed, *WTR* examined all entries received, removing duplicates and non-qualifying responses.

WTR received just under 700 responses, from a broad demographic mix. Of the respondents, 47% originated from Europe, 5% from the Middle East and Africa, 24% from North America, 7% from Latin America and 17% from Asia-Pacific.

Editorial policy: *WTR* treated all responses as confidential and has not disclosed any respondent's comments or details to any third party. Responses used in the coverage of the results have been quoted anonymously and not attributed to any particular individual.

The ability to trial services was also cited as important – with counsel urging providers to allow them to test out offerings in practice before committing budget and signing contracts. One explained: "At a recent tender, one of the tenderers indicated that they have never been asked for a free trial and do not offer them – they did not proceed to the next stage."

However, not all providers are so reluctant to offer trials. Steve Stolfi, vice president of global sales and strategic partnerships at Corsearch, suggests that "trials are always a great way to compare and review capabilities against competitor's product offering. This area is constantly changing with emergence of social media and new technologies. We encourage at least one month, but can provide shorter time periods as well".

CSC's Calandra agrees: "We do offer trials, in particular for our monitoring services. We usually offer free demonstrations and give clients the chance to test platforms and see the quality of results themselves. These are subscription-based services and our clear objective is that clients are satisfied with the service as we want to be their long-term partner. We believe in 'try before you buy'."

Too little or too much?

As mentioned previously, information is regarded as an essential part of the service offering. While some respondents complained of overload ("We have sufficient information in connection with our needs from the colleges we work with around the world," noted one), in general the desire was expressed for up-to-date reports on threats and strategies that can be implemented to reduce them. Positively, over half of all respondents felt that they receive adequate information in this regard. However, a similar number said that they do not, or couldn't tell either way (Graph 3) – as one succinctly observed: "I don't know what I don't know!" When it comes to the main areas where further guidance would be valued, many users cited policing apps and tackling infringement in the Web 2.0 environment, "as more consumers are using them for primary ways to keep in touch and share information on brands".

Certainly, the online world frequently presents unforeseen challenges, making it difficult to predict future needs. In some respects, this places a greater burden on vendors to ensure they themselves stay ahead of the curve so that they can help trademark counsel keep on top of the next hot-button issues on the horizon. CSC's Calandra notes that while the company "believes that trademark counsel are aware of the issue, certainly those who work for corporations operating globally... with the continued growth of online threats it becomes increasingly difficult to stay abreast of all the changes and issues. Plus there is also still a disconnect between marketing and IT departments in terms of collaborating effectively. Business is shifting more and more towards various digital channels and managing brands in a controlled way is becoming more of a challenge. So we urge corporations today to communicate within departments to keep control of their brands online and have a well-defined strategy."

For its part, CSC utilises webinars, seminars and newsletters to provide strategic information to clients. Meanwhile, MarkMonitor's chief marketing officer Frederick Felman says that the company relies on webinars, newsletters, notices and alerts, whitepapers and microsites like its gTLD information centre. Additionally, he points to the organisation's advocacy activities, including direct participation in the Internet Corporation for Assigned Names and Numbers (ICANN). Com Laude's Wood adds that in addition to newsletters and bulletins, "most effective is a direct call from one of our policy experts or client managers. We don't task our team to upsell, so when they contact a client, it is because we think there is something they need to hear about. Several times a year we bring our clients together to talk with each other in a workshop, over dinner or a drink and to debate with expert speakers".

However, this relationship should never be a one-way street, so *WTR* asked providers if there were more that clients and brand owners could be doing to help their partners help them. Wood notes that one beneficial activity is to have "trainees and paralegals spend time with us, embedded in our teams", as well attending briefings that clients give to their legal advisers. That said, acknowledges Prahl: "With all the demands on corporate clients these days, it is difficult for them to spare the time and resources to focus on all that is needed to protect their IP. Our greatest success has been akin to an annual check-up with your doctor; we try to set up a time at least once a year where we can take time to focus on the big picture of where the client's business and IP is, where the business is going, and how we can best assist in matching their IP strategies with their commercial needs and budget."

Given the pressures on time and budget, combined with the ever-evolving nature of the online threat, staying one step ahead is tricky. When asked for his predictions on the core online issues of the coming years, Prahl observes that while the rollout of new gTLDs will perhaps present the greatest enforcement challenge, "certain industries will continue to have greater challenges with respect to auction sites, in particular as new sites pop up and enter the learning curve of how to protect brand owners' interests against the interests of their subscribers".

Ultimately, acknowledges Corsearch's Stolfi, the only certainty is uncertainty. "It's the challenge of the unknown that is the biggest challenge. It's difficult to predict at this early juncture whether the new gTLDs are going to be successful. Who would have known in 1994 that '.com's would be so important? Five years ago, MySpace was the most popular social media site, while today it's Facebook and Twitter – and tomorrow who knows what will be the flavour of the day? What is known is that the online world is moving fast and the digital superhighway now has seven lanes – and, with the new gTLDs, will be expanding to hundreds and thousands of new lanes."

Whether old challenges or new, there will be much to keep counsel and service providers busy; and in this environment, vendors will have to adapt at a quicker pace than their clients. As CSC's Calandra concludes: "Vendors will need to take a strategic view of how they continue to cover the IP needs of their customers. IP portfolios are changing as the online space evolves, and this will force companies to make strategic decisions on how to best protect, monitor and enforce brand assets." WTR