

Watching the watchers

WTR asks users to have their say on how the non-legal trademark services industry is meeting their needs, and asks vendors to respond to user concerns and requests

In a spell lasting a little over six months, a flurry of major acquisitions were announced in the non-legal trademark services space. In February 2013 CPA Global acquired First To File, a developer of electronic document management systems for the IP industry. Next came the news that Corporation Service Company had snapped up the digital brand services division of Melbourne IT, with the combined business to be renamed CSC Digital Brand Services. Just weeks later, Thomson Reuters CompuMark announced that it was acquiring Canadian outfit Onscope's trademark business, a deal which was followed in September by its acquisition of German transactional trademark search company Eucor. And in early June, Wolters Kluwer Corporate Legal Services made headlines by purchasing multinational trademark research company Avantiq, with its offerings positioned under the Corsearch brand.

As the pace of consolidation quickens, others providers have sought to strengthen their own positions on the market. In Anagua's case, this came through an agreement with private equity firm Insight Venture Partners, which saw the latter make a "significant investment" in the company (the terms of the agreement were not disclosed, although some media outlets reported a figure around the \$100 million mark).

But what does all this mean for users? Against this constantly changing backdrop, WTR polled trademark counsel (both corporate and in private practice) to identify the good, the bad and the ugly in the non-legal trademark services market.

Increased competition despite consolidation

These latest trends have emerged at a time when new players are eyeing the sector and when national office systems are themselves striving to provide users with practical search tools. The European Trademark and Design Network regards this as a key mission, with the Office for Harmonisation in the Internal Market (OHIM) and European IP offices working together to develop common tools such as TMView and Designview, and search applications for figurative

trademarks and designs. Such initiatives led one respondent to speculate: "I expect most trademark service providers to have disappeared within 10 years as the public sector tools provided by trademark offices are increased annually."

Suppliers themselves would beg to differ, citing the added value that they can bring. Viji Krishnan, vice president of Thomson Reuters Compumark, acknowledges that offices, "especially in core markets, have made significant investments into their free-to-view electronic databases", but argues that these do not meet several of the core requirements of trademark professionals, such as access to integrated global databases in one online solution and the ability to take a holistic approach to trademark screening. She adds: "Clients rely on our information to make important business decisions, which is why we perform extensive data cleansing on all the data we receive from offices and data providers. This is a crucial piece of our added value."

Steve Stolfi, vice president of global sales and strategic partnerships at Corsearch, similarly points to a "non-competitive coexistence" with the free-to-use electronic trademark databases, noting: "By aggregating, cleansing and enriching the data provided in such databases, and layering on sophisticated tools that enable our clients to more effectively use the data, we are a value-added partner."

The availability of such databases is a clear positive for trademark owners, with Catherine La Rooy, head of IP portfolio applications at CPA Global, noting that they offer counsel greater choice in deciding how to work with service providers and what work to assign to them. In these cost-conscious times, such flexibility is to be welcomed and may allow for budget to be redirected to other critical tasks.

Elsewhere, developments in the tech industry could also create more competitors within this space. For instance, Australian image recognition start-up See-Out Pty has developed and patented SeekTM, which allows counsel to search for trademarks through image recognition by uploading a picture file, rather than textual descriptions. At the time of writing, Australian database ATMOSS has been indexed, and the team is working to integrate OHIM and US Patent and Trademark Office (USPTO) databases and a watching and monitoring solution.

CEO Sandra Mau told WTR: "Trademark attorneys outlined to us that searching for trademarks via text-based image descriptors is often a subjective and time-consuming process. We believe that digital visual search management is the missing piece of the trademark searching process, and we have had very positive

Measuring user sentiment – trademark counsel rate the services they receive

For the non-legal trademark services survey, *WTR* asked users to rank the services that they receive on a scale of one to 10 (10 being the most positive). Overall, the results showed increased satisfaction when compared with last year's survey, suggesting that providers are developing their offerings to meet user needs.

When identifying the positive aspects of the portfolio management services received, the qualities most often cited were reliability of systems, swift response times and promptness of reminders. A number of respondents also expressed satisfaction with the support and customer service received, although here the negative voices were louder. One user stated: "If by 'service' your question refers to 'customer service', then I have nothing positive to say."

For some, the results make poor service just about tolerable, with one in-house counsel noting: "Rude, impatient, unresponsive – take your pick. Fortunately, the software is worth putting up with the people." However, service providers cannot expect such an attitude to prevail across the board and there is clearly work to be done in this area. Other bugbears included the need for more frequent system updates, difficulties in customising reports and poor integration across different platforms.

As it is for trademark management software, so too for renewals and recordals (positives: reliability and response times; negatives: flexibility of reporting and searching), and for searching and watching services (positives: timeliness and reliability; negatives: flexibility of systems).

Two additional – and more prevalent – complaints that emerged when analysing the responses on trademark watching relate to noise and translations. With respect to the noise (or, as one respondent put it, "nonsense") that is received, the level and relevance of results were major concerns, with one user summarising that "searches can be over-inclusive to the point that relevancy is an issue".

For some, this is not a problem – one trademark owner suggested that "most of the information we receive is not relevant for our brand and can be deleted right away. But at the end of the day, it is better to get too much information than not enough". But for many, if the results are relevant, less noise equals less work wading through lengthy lists. To give a sense of scale, one law firm respondent noted: "About 98% are not reported to the client, because they are not relevant."

On translations, many respondents complained that these were weak in certain languages (particularly Chinese),

Trademark management software

	2013 rating	Movement from 2012
Performance and reliability	7.4	+0.6
Flexibility and customisability	6.5	+0.8
Customer service and support	6.5	+0.7
Your likeliness to recommend this provider	6.5	+0.5

Trademark searches

	2013 rating	Movement from 2012
Relevancy of the records you receive from the provider	8	+0.8
Flexibility of your search provider	7.8	+0.6
Usability and delivery timing of the search reports	8.2	+0.7
Linguistic capability	7.7	+0.2

automated or entirely absent. Foreign language proficiency is a critical aspect of both trademark searching and watching, as the majority of respondents stressed (see Figure 2).

For their part, suppliers do acknowledge the need for local service and expertise, which was cited as a driver of recent M&A activity. Corsearch's Steve Stolfi notes: "We are very cognisant of the importance of local knowledge and this is an area that we have been investing

heavily in with a particular emphasis in Europe. We have been investing both organically and through acquisitions, including the Avantiq acquisition, which further enhances our local reach and foreign language capabilities."

Similarly, Thomson Reuters Compumark's Krishnan explains: "We recognise the importance of local laws, language and culture, and therefore we heavily invested in expanding our local footprint in

reactions from trademark attorneys in this area. A number of Australian firms have already signed up to the service."

Customer demands

Despite the consolidation that has occurred in the sector, competition remains intense, which should allow customers to drive innovation by demanding more from their providers. So what messages are suppliers currently receiving from their customers?

The main emphasis seems to be to enhance their current offerings to enable time and budget-stretched attorneys to maximise the effectiveness of their resources. Stolfi notes that Corsearch's customers are themselves "continually pressed to offer higher levels of services and added value to their internal and external clients. As a result, our customers are looking for high-quality services and supporting tools that simplify their workflow

and save them time in their brand clearance and protection duties. In addition, clients are requiring more customisation in reporting and require their results in formats which allow them to better serve their clients by improving their legal analysis time".

James Lacey, head of IP portfolio assurance at CPA Global, agrees that continued pressure on resources and costs remains a challenge for users, with many demanding "tools and services to enable them to work more cost efficiently, while not compromising on quality".

At Thomson Reuters Compumark, Krishnan has similarly observed "an increased need for instant access to both global and local trademark expertise", noting: "In the midst of intensified competition, increased workloads, often without additional staff and frozen budgets, trademark professionals face an uphill battle to quickly and effectively protect brands globally... [But] screening

Renewals and recordals

	2013 rating	Movement from 2012
Technical and legal expertise of this service	7.4	+1
Ability to reduce your administration burden	7.3	+0.8
Customer service and support	7	+0.6
Your likeliness to recommend this provider	7	+0.7

Trademark watching

	2013 rating	Movement from 2012
Relevancy of the watch notices	7.4	+0.8
Flexibility and usability of the watch results	7.4	+0.6
Linguistic capability	7.2	+0.6
Your likeliness to recommend this provider	7.6	+0.6

key geographies.” Specifically, she points to the company’s acquisitions of Canadian provider Onscope and Eucor, a transactional trademark search provider in the German market.

For CPA Global, meanwhile, market reach has been extended through office expansions, with presences in mainland China and the West Coast established over the past year.

Drilling down into trademark search offerings, comments on customer service were markedly

more positive, with more personal contact cited and a general sense that both individuals and systems are more user friendly. Where criticisms were still voiced on the services provided, these focused more on cost and the supply of results “of dubious relevance”. Additionally, the data received is not always up to date – although this is not necessarily the fault of service suppliers, but instead depends “on the information provided by the respective trademark offices”.

proposed trademarks in markets around the world is critical for successful brand expansion in our global economy. Our goal is to simplify this process.”

As the remit of trademark counsel becomes increasingly broad, new tools are also being offered to assist them in this expanded role. One such example is CPA Global’s M&A support service. “With the market for mergers and acquisitions picking up, a number of trademark clients are being drawn more deeply into the IP aspects of M&A work,” explains La Rooy. “Previously, this was given only cursory attention, but with the increasing recognition of the value of IP, it has now taken on greater significance. While that is good in terms of raising the importance of IP on the boardroom agenda, it means additional work for IP professionals, many of whom are already hard pressed to manage their existing workload.”

Trademark management software and renewals and recordals services

IPPO (WebTMS)

Dennemeyer
Thomson Reuters (inc Thomson IP Manager/IPMaster/PC Master/Thomson IP Management Services)
Computer Packages Inc (CPi)
CPA Global (in Memotech/Inprotech/FoundationIP/Ipendo/First To File)

Searching and watching services

Corporation Services Company (CSC)

CORSEARCH (inc Edital/Avantiq)
SMD Markeur (inc CEDELEX (Search Software), smdNET (Search Software)/SMD Markeur Trademark Searching/i-Search Trademark Searches with Legal Opinion)/SMD Markeur Watching Service/Schumadi (Watching Software)
CPA Global/TMDS
Thomson Reuters (inc Thomson CompuMark/Onscope/SAEGIS on SERION)

WTR asked respondents to rate the services they received on the respective criteria. Given the nature of the industry, a wide spread of suppliers were named and rated by respondents. Rather than giving every supplier cited a rating, WTR decided to provide ratings only for those which received the most feedback in each category, to ensure the integrity of the data. Therefore, the ranking tables reflect only those

suppliers which received both a base level of ratings and which also achieved an aggregate score (across the four areas rated) of more than six. The results were then grouped into three bands – gold, silver and bronze. The results therefore purely reflect the results as received by WTR and should not be regarded either as exhaustive in each sector featured or as an endorsement by WTR of the suppliers cited.

Moving with the times

With time often of the essence, the way that services are accessed is also changing. Global business demands a 24/7 service that allows for remote access, with the ability to work offline while travelling a distinct plus.

The cloud is one way to achieve immediate access, enabling users to plug into providers’ systems regardless of location, as Stolfi confirms. “We have moved to the cloud and our clients can access their search and watch reports anytime, anywhere. Our new platform then builds on our cloud strategy by allowing clients to access content through a range of devices and technologies. Client expectations for mobile solutions have greatly increased over the past year, to the point where it is just assumed that our platform is accessible via all devices.”

Expanding on this theme, Mark Calandra, vice president global

Figure 1. What is the most likely scenario for how you see the trademark service provider marketplace evolving? (Respondents could pick up to two options, so the total accounts for greater than 100%)

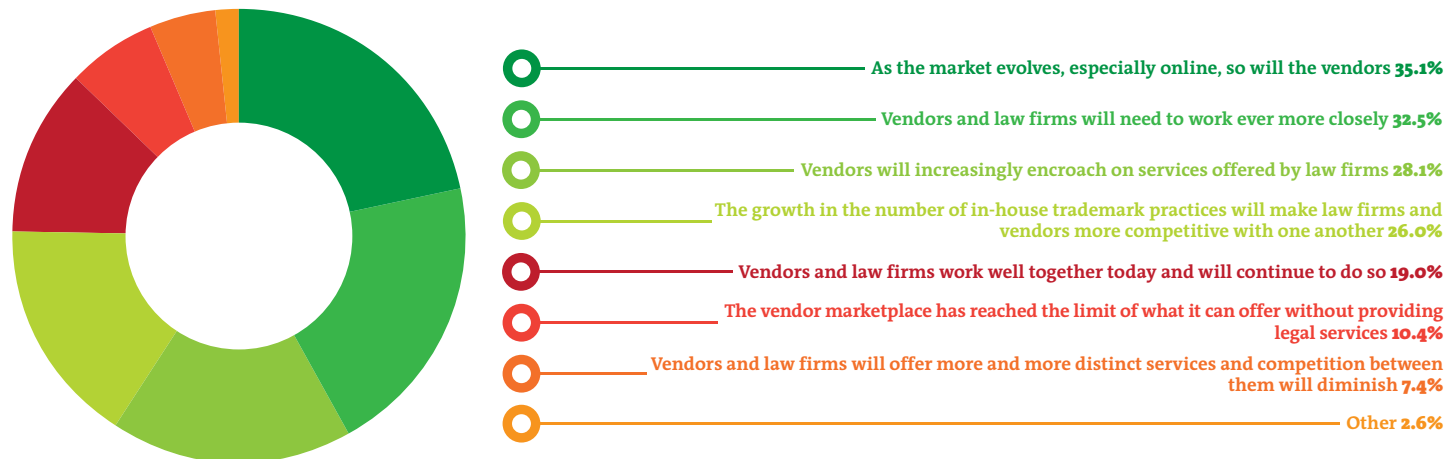
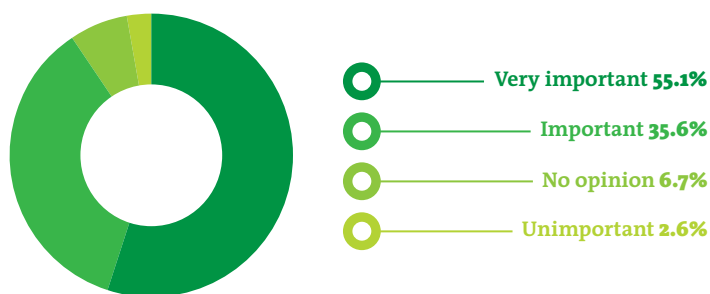


Figure 2. To what extent is local knowledge and expertise, including foreign language proficiency, important in trademark searching and watching?



sales, account management and product at CSC Digital Brand Services, comments: “We realise that the need for mobile/tablet access exists and will likely increase in the future. Many of our core platforms are already compatible and new development going forward will continue to focus on mobile capabilities.”

In August, Thomson Reuters CompuMark launched Trademark Analysis, an iPad app which offers search and watch reports on the go, with the ability to review, analyse and make annotations to search results while offline. Krishnan describes the offering as “the first native app for the iPad in the trademark space. Due to the offline mode, trademark search or watch results can be processed when and where they need it, allowing clients to optimise travel times, start working from home or be more effective during client meetings”.

While the providers who responded to *WTR*’s questions stressed the importance of flexibility, a number of survey respondents identified an over-emphasis on Windows-based offerings and a lack of smartphone apps. Whether this is perception or reality, mobile is clearly changing work patterns and ease of access and systems navigation will only become more important going forward.

Do you get what you pay for?

When *WTR* asked market players for their criticisms of the services facilitated through this technology, several common

themes emerged, with cost – perhaps unsurprisingly – occupying the top spot.

In sourcing non-legal trademark services, price remains the predominant consideration, followed by customer service and ongoing support (see Table 1). The response from service providers is that prospective clients should consider the entire package and the overall value offered. “While the asset management business is sensitive to pricing concerns, it is more important to look at the return on investment,” says Cynthia Murphy, senior vice president innovation and asset management at Thomson Reuters.

Lacey agrees, urging prospective clients to “be sure you are comparing the same components. There are many different types of service provider and they can vary enormously in terms of quality of service, reliability, level of expertise, geographic reach, resources and capability. We recognise that many IP professionals, both in corporations and law firms, have tighter budgets to manage, but this has to be balanced against the need for quality and assurance – and paying for a service they can really trust”.

This makes sense, and a number of respondents did suggest that the services they receive offer value for money. However a far greater proportion cited cost as a concern. In the current climate, price sensitivity is acute. One law firm respondent noted: “The cost of searches is certainly too high for clients, particularly when there are so many databases available electronically. I question whether the significantly higher cost does add that much value.”

Complex fee structures and unexpected add-on changes also came under fire. One respondent suggested that “sometimes the searchers overdo citing references, so as to justify the search’s expense by the number of pages they contain”. This is an issue that CSC Digital Brand Services’ Calandra has also observed: “On the brand monitoring/protection front, we see many customers switch to us who have received overwhelming amounts of data from their previous provider that they haven’t looked at, and which is mostly not actionable. How important is price if you are deriving no value from the service?”

It is thus important to evaluate the service received and the added value that results, and then weigh this up against the cost charged. While savings can always be made (one user told *WTR* that the high costs charged for obtaining full copies of trademarks has prompted them to obtain these from trademark offices themselves

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 records.

The survey asked respondents to identify and rate, on a scale of one 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.

For the tables of service providers in the service provider ratings section of the survey, *WTR* suggested a number of suppliers that respondents might use (with product names cited according to confirmation from those suppliers). Once the survey closed, *WTR* reviewed the responses to ensure that only the views of qualifying individuals were included, and all results were analysed to

ensure that in instances where a respondent named a product or company in the 'other' box, product names were aggregated under the correct company umbrella.

Given the nature of the industry, a wide spread of suppliers were named and rated by respondents. Rather than giving every supplier cited a rating, *WTR* decided to provide ratings only for those which received the most feedback in each category, to ensure the integrity of the data. Therefore, the ranking tables reflect only those suppliers which received both 10+ ratings and achieved an aggregate score (across the four areas rated) of more than six. The results therefore purely reflect the results as received by *WTR*

and should not be regarded either as exhaustive in each sector featured or as an endorsement by *WTR* of the suppliers cited.

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.

rather than overpaying their service provider to do so), investigating all options and negotiating the right service at the right price should be a regular exercise.

Corsearch's Stolfi concludes that "price sensitivity is a market reality", and that while "the company therefore seeks to add value where possible... the core market we serve is trademark legal professionals and our products are priced to serve this market".

Ultimately, adds Krishnan, "value is perceived by the eye of the beholder. The type of brand, size of the portfolio, organisational characteristics and risk averseness will all influence that perception of value. Businesses and trademark practitioners who understand the risks of not properly clearing proposed brands and recognise the importance of protecting established brand assets are essentially the core market we serve".

What is clear is that price reductions are unlikely and there is no 'one-size-fits-all' solution. This places the onus on brand owners to shop around to ensure that they are getting the optimal service at the best price point – a burden, perhaps, but one that will directly influence department efficiency and is therefore worth regular review.

Areas for improvement

When it comes to the actual service received, industry feedback would suggest that customer service is one area where there is still some room for improvement. Although not a universal irritant, the lack of a personalised service was the second most common complaint voiced by survey respondents, after cost. A number were angered by "pushy salespeople" and "upselling" tactics. One in-house counsel told *WTR*: "The personalised services received from our rep are barely able to balance out the arrogance and high-handedness of the home office. Do they really think they could sell the 'bundling' of their services as a good thing to all their clients, in the same way that cable companies try to?"

By contrast, the service providers themselves would appear to take pride in the quality of their customer care. La Rooy notes that her organisation has "dedicated phone lines and email addresses that clients use to contact their particular client service team, and we have established client engagement and support centres in many of our offices internationally. We also conduct regular calls to obtain feedback on the service we provide". Stolfi likewise observes that all client feedback is documented and responded to, coordinated by a "dedicated customer service team with many years of experience in the trademark industry". Similarly, Krishnan maintains that her company's "customer service and the entire organisation are best known for their expert understanding of individual client needs and the ever-changing trademark environment", adding that this year global customer support has been made available 24 hours a day.

Whatever the reality, the responses from industry confirm that those providers which get personal service right will reap handsome dividends, and this itself should be a compelling reason to set the bar high. One particularly effusive respondent stated: "When I moved from a law firm to an in-house role, I switched provider and will now continue to use them as they are very customer oriented. They are very willing to work with you on the searches, consolidate where available and they answer questions promptly. In fact, I have recommended them to our sister companies and I require that all our outside firms use them for our searching as well."

Other key factors identified as most important to users included geographical spread, as well as knowledge of local laws and language when determining watch/search lists selections (which can affect the relevance of hits). Global business demands global services, and respondents repeatedly stressed the need for providers to ensure that they are covering more jurisdictions, while also taking account of the local context when generating lists. As a possible value-add,

Making a selection

Table 1. **From the following list, what are the top five criteria on which you base your decision when purchasing trademark services? (Respondents ranked according to importance, with responses given a weighted points value)**

Price/value	869 points
Customer service and ongoing support	666 points
Pre-existing relationship with law firm or company	554 points
Reputation in the marketplace	530 points
Software and systems, including integration and compatibility with other systems	525 points
Transparency of fee structure	494 points
Degree of global presence/coverage	431 points
Relationship with provider/personnel	416 points
Word of mouth/recommendation	374 points
Length of time in the marketplace	338 points
Extent of liability accepted	314 points
I am not the decision maker	174 points

Table 2. **The top five contexts in which non-legal trademark service providers have been sourced**

Internet searches/companies' own website
Conference and exhibition booths
Previous company and/or legal services provider
Online marketing (web advertising, emails, and webinars)
Event sponsorships/company branding

one user suggested: "They could even assist in coming up with appropriate translations or transliterations of trademarks in the local language." Related to this was concern that translations are sometimes automated, or absent altogether; one respondent called for "real translations in watches and searches instead of Google translations".

A world of possibilities

And this was not the only suggestion received for potential improvements. When *WTR* asked counsel what enhancements they would like to see, the lengthy wish list included enhanced design search packages, "low-cost automated watching and monitoring services using aural and visual similarity technology", and deeper systems integration. One respondent called for single platforms for "trademark surveillance, searching and docketing/portfolio management, with interfaces to local patent/trademark offices to download and sync records. Most vendors either have separate platforms for each service due to piecemeal acquisitions, or do not interface with the USPTO and other patent/trademark offices for docketing".

Users also indicated a desire for more strategic advice and information. As to the forms this could take, "more conferences and seminars for paralegals", opinions demonstrating "proficiency of the local trademark background and standards" with watch reports and advice on branding and trademark use in different markets were all suggested.

One respondent further identified a gap in the market for support with the customs interface: "There is a real need for a service or portal that helps to track customs detentions and resolutions, assists budget and operational reporting, and hosts training material. This could link customs offices, local counsel and

brand owners. I and others continue to struggle with email inboxes and Excel spreadsheets. However, I really tried to push this with one vendor as an opportunity and they showed no interest whatsoever."

Considering this suggestion, Lucia Caporuscio, IP legal services at CPA Global, observed: "This is not a service that we currently provide, but feasibly it could be made available to trademark owners in collaboration with law firms, due to the need for litigation support. The administrative side of the service is relatively simple, and it is certainly an area where trademark service providers could provide help as part of a wider offering of services aimed at nurturing a brand through close policing."

CSC Digital Brand Services' Calandra similarly sees potential in this area: "This is not a solution that we offer today, but we are considering offering elements of it in the future if we determine that it will be of benefit to our customers. It is clear that global companies continue to require expanded workflows in a common platform for work, retention and reporting."

What the future holds

So service suppliers are open to new ideas. But the more service extensions and new products that they develop, the more their costs will increase – which in turn will inevitably drive up user fees. This presents a challenge for providers: while continued improvements in service may be welcome or even necessary, implementing them could compromise their price points – the main advantage which they currently enjoy over law firms.

Indeed, the relationship between law firms and suppliers remains a complex one, shifting variously from competitor to partner and sometimes both simultaneously. *WTR* asked respondents to predict how this relationship, and the sector in general, might evolve (see Figure 1). There is clearly confidence in the industry's continued capacity to innovate, with over one-third of respondents expecting offerings to evolve to meet new needs. Interestingly, while a further one-third of respondents felt that vendors and law firms will collaborate increasingly closely, 28% predicted that vendors will encroach further on services offered by law firms and a similar level (26%) suggested that law firms and vendors will become more competitive with one another.

Service providers likewise agree that cooperation with law firms will increase in the future. "We believe the trend for law firms to work in partnership with IP service providers will strengthen, especially as law firms face pressure from their corporate clients to offer alternative pricing structures," says Lacey. "Working with IP service providers enables law firms to offer clients a broader range of trademark management services in a more cost-effective manner."

Corsearch's Stolfi concurs: "Trademark research for both clearance and brand protection is a specialised and nuanced business, and firms understand the benefits of working with highly trained and specialised vendors that can perform certain functions more efficiently and cost effectively due to the economies of scale they enjoy by having a broad base of clients. With the increased focus on cost pressures and efficiency, we fully expect this symbiotic relationship to continue well into the future."

For Calandra, this partnership with law firms will also be important to clients: "Corporate budgets and resources will continue to be squeezed. This will force corporations to seek more efficient and cost-effective ways of doing things. We believe that we can partner with law firms to take on more research and administrative roles, while allowing law firms to focus on legal advice in order to achieve a cost-effective balance for companies."

Thomson Reuters Compumark's Krishnan adds: "The market is

evolving towards streamlining workflows using online capabilities in an effort to increase efficiency and to do more with less resources. This is a trend we see across the business, for trademark professionals in corporations, in law firms and vendors alike. These online capabilities create new opportunities for increased collaboration tools between corporations, law firms and vendors.”

So is the forecast for a happy, harmonious future in which suppliers, law firms and clients all pull together in pursuit of strengthened brand protection and the common good? Or rather for heightened price sensitivity, restraining innovation and increasing competition for the trademark budget? Whatever the outlook, certain constants will remain. Suppliers will face increasingly complex demands. Users will seek solutions to ever-changing challenges. And cost will remain a key focus. “The market is evolving rapidly,” concludes Stolfi. “Any vendor that does not evolve with it, and invest heavily in enhancing the value proposition it offers, runs the risk of being left behind.” [WTR](#)

“ Service suppliers are open to new ideas. But the more service extensions and new products that they develop, the more their costs will increase – which in turn will inevitably drive up user fees ”

Next issue: online brand protection services

Next issue, *WTR* will present the second part of its non-legal trademark services analysis, turning its gaze to online brand protection offerings.