

The inside track – Microsoft

The head of trademarks at Microsoft discusses the changing definitions underpinning trademark law, dealing with cybersquatters and the need for faster prosecution and more staff, among other things

By **Véronique Musson**

Russ Pangborn is the head of Microsoft's trademark group. He joined Microsoft in 2003 as a trademark attorney supporting the Windows group, the servers and tools division and the Microsoft embedded division. He later became manager of the company's copyright and trade secret group – “a small but incredibly talented group of IP specialists” – and returned to trademarks in June 2007 when the opportunity arose to manage the trademark group.

Pangborn grew up in Long Beach, California. After graduating from Stanford University with a degree in psychology, Pangborn worked for nearly two years in commercial real estate in Silicon Valley. He opted for law over business at graduate school because the law opens more doors than business. “You can get a law degree and be involved in a business practice, but you can't use a business degree to practise law.” After graduating from the University of California Hastings College of the Law, he joined a boutique IP firm and later Intel Corporation as a senior trademark attorney. Pangborn says that it is at Intel that he had the opportunity to take his trademark responsibilities truly global. “I was given responsibility over several brands of global reach and was exposed to all aspects of a trademark practice on a multinational basis. It was a great experience.”

When did you realise you wanted to be a trademark lawyer?

I was a trademark lawyer before I realized I wanted to be one. While I was contemplating a legal career in estate planning or tax law immediately after law school, a job opportunity arose with the IP firm of Fulwider Patton Lee & Utecht in Southern California. I was fortunate to be mentored by a well-respected IP lawyer – Vern Schooley – who gave me an opportunity to shine, particularly in trademarks. Since I didn't have a patent background, I wasn't sure that intellectual property was the right fit. But at Fulwider I was given tremendous opportunities in trademarks, as well as broader copyright and patent litigation. I embraced trademark law and haven't looked back since.

Now I am a self-professed trademark geek and being away from the practice for a period of time reaffirmed my passion for trademarks. In my view, I now have the greatest trademark job on the planet – managing an immensely talented and diverse group of trademark professionals who face some of the most demanding clients and interesting issues in the trademark field. Further, I have a management chain and business clients who appreciate the value and importance of trademarks and support the work being done by my team.

What does your current position entail?

I oversee the team that is primarily responsible for the trademark management and enforcement function at Microsoft. There are additional groups in the company with responsibilities that touch trademarks (eg, anti-piracy, litigation, internet safety, standards, etc), but the management and enforcement of Microsoft's trademarks are

Exciting times

Below is a list of recent deals and projects handled by the Microsoft trademark team:

- Licensing deal with Ford for its voice activated in-car communication and entertainment system technology, Sync – powered by Microsoft.
- Participation with Dell in the (Product) Red campaign advertising Dell systems preinstalled with the Windows Vista Ultimate operating system. (Product) Red is an initiative launched by U2's frontman Bono and Bobby Shriver of Debt, AIDS, Trade, Africa to raise money for the Global Fund to Fight AIDS, tuberculosis and malaria. A percentage of the profits from the Dell and Microsoft systems is given to the fund.
- Deal with Starwood Hotels under which Microsoft provides hardware and software technologies for use by hotel guests in Sheraton lobbies and club lounges, including the new Microsoft Surface™ computers, MSN services, keyboard and mice.
- Launch of the latest episode of the blockbuster Halo video game franchise and related merchandising.
- Viva Piñata television show with 4Kids channel.
- Licensing the Microsoft Exchange technology to Apple for its 3G iPhone.
- The Silverlight launch and its recent use to enhance NBC's Beijing Olympics website, as well as the US Democratic National Committee and Republican National Committee presidential conventions.
- Microsoft Live Search deal with Research In Motion for use on BlackBerry smartphones.
- Deal with Zillow.com for Microsoft Virtual Earth technology and use of the name.

predominantly handled by my team.

My role involves managing a group of trademark professionals responsible for:

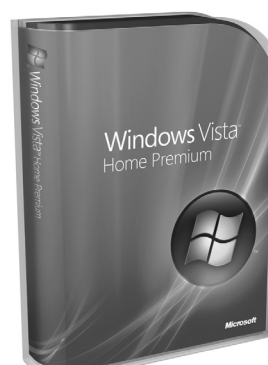
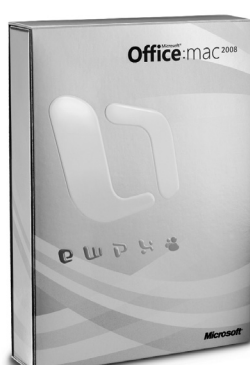
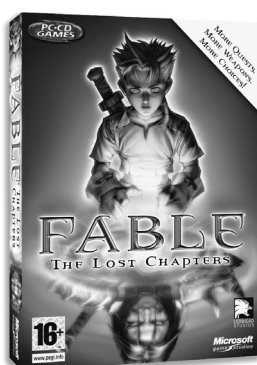
- Counselling Microsoft clients on trademark-related issues.
- Clearing names and marks for all of Microsoft's product and service offerings.
- Managing a large trademark portfolio – that is, overseeing effective prosecution and maintenance of over 16,000 trademark applications and registrations globally.
- Handling trademark enforcement (including offensive and defensive conflicts) and domain name disputes.
- Negotiating and advising on extensive trademark licensing.
- Engaging in policy and industry

outreach efforts.

- Handling trademark due diligence and integration in acquisitions.
- Managing the trademark group's budget, infrastructure and people.

What aspects of your job do you find the most challenging?

There are so many challenges – but good challenges. Microsoft has grown so much recently that continuous training is required to ensure that our clients follow best practices, understand the ramifications of improper trademark usage, and comprehend the ongoing investment of time, money and resources the adoption of new marks require. We also regularly face timing challenges – as much as we espouse the need for adequate



Microsoft key trademark facts

- The Microsoft trademark team consists of five attorneys and 15 non-attorney trademark professionals – each attorney is responsible for primary trademark support of one or more of Microsoft's businesses and oversight of paralegals supporting the specific business. The paralegals and other trademark professionals have various responsibilities, including clearance and counselling, enforcement, portfolio management, and licensing specific to businesses they support. Their experience spans one to 17 years at Microsoft.
- Microsoft's trademark portfolio consists of around 16,000 trademark applications and registrations around the world.
- The Microsoft brand has been consistently rated among the top most valuable brands in the world. Interbrand's Best Global Brands 2008 Survey valued the brand in excess of \$59 billion.

lead time to do clearance correctly, we still get occasional last-minute requests. We continuously impress upon our clients to loop us in early enough to do appropriate due diligence and avoid costly mistakes. With the volume, speed and evolution of technology products and services at Microsoft, the greatest challenge is to ensure that we are not merely reactive, but proactive.

- counsel for patents.
- Steve Tapia, senior attorney and group manager for copyrights and trade secrets.
- Brad Smith, the senior vice president and general counsel.

I also engage with business clients at all levels on trademark issues as needs arise.

What aspects do you find the most rewarding?

I really enjoy being part of – in my humble opinion – the greatest trademark team bar none. It is difficult to imagine many other companies facing the issues we face. Microsoft is truly cutting-edge. The clients are constantly churning out new technologies, new products and services, and even new categories of products and services. This is a place that challenges its lawyers to consider legal issues posed by expanding technologies and innovations that were not contemplated at the time existing laws were drafted. This constantly challenges my team and me to utilise the full extent of our legal skills in furtherance of Microsoft's expanding need for IP protection.

What kind of relationship do you have with outside counsel and who are they?

Since the trademark function has a strong international aspect to it, I rely heavily on top outside counsel around the world. I have a close relationship with several superb US lawyers who focus on trademarks and represent Microsoft:

- Bill Ferron at Seed IP in Seattle.
- Floyd Mandell at Katten Muchin in Chicago.
- Suzanne Wilson at Arnold & Porter in Los Angeles.
- Molly Richard at the Richard Law Group in Dallas.
- Bruce Keller at Debevoise & Plimpton in New York.

Internationally, there are too many to name, but some incredible lawyers who immediately come to mind are:

- Isabel Davies at CMS Cameron McKenna in the United Kingdom, also advising us on EU issues.
- Alfred Meijboom of Kennedy Van der Laan in the Netherlands.
- Bill Kopacz of the Law Offices Kopacz in France.
- Pravin Anand of Anand And Anand in India.
- Gonzalo de Ulloa y Suelves of Gómez-Acebo & Pombo Abogados in Spain.
- Ik Hyun Seo of Cho & Partners in South Korea.

To whom do you report and what sort of relationship do you have with the other key players in the company?

I report to Tom Rubin, the chief counsel for IP strategy, with whom I have a very strong relationship. I also have a good relationship with the other major IP leaders at the company, including:

- Horacio Gutierrez, the vice president and deputy general counsel for intellectual property and licensing.
- Marshall Phelps, the corporate vice president for IP policy and strategy.
- Bart Eppenauer, the associate general



What are the main protection/enforcement problems the team encounters, and where?

There are all kinds: cybersquatters, counterfeiters, cloners, enthusiasts, trade name usurpers and the like, all over the world. From an enforcement perspective, we probably have more domain name enforcement matters than any other category of infringer and this will likely continue – even increase – in the future.

What are your pet hates in relation to trademark law?

Here are a few personal pet peeves:

- The lack of worldwide adoption of the doctrine of foreign equivalents.
- The need for UDRP [Uniform Domain Name Dispute Resolution Policy] equivalents for many country-code top-level domains (ccTLDs); for instance, there is no alternative dispute resolution policy under ‘.cm’ – the Cameroon ccTLD – even though there is a danger that this domain is abused by cybersquatters waiting for internet users to mistype a genuine ‘.com’ domain name.
- Timid opinions from international counsel that fail to give practical business advice in opinion on risk assessments.

If you could make one change to the law at this time, what would it be?

Just one?! My personal preference would be to mandate faster prosecution of applications globally – all reviews must be

completed and registrations issued (or not) within one year.

What are the current main areas of change and development in your work?

Online services and the new uses of trademarks are making the line between direct, contributory and no infringement very difficult to predict.

What would you say are the main challenges facing the trademark community as a whole at this time?

The challenges are many. Technology and the Internet are straining traditional notions of trademarks. Information overload online affects the perception of enforcement and what is descriptive and/or generic. There now exist many ‘uses’ other than in the traditional trademark sense – metatags, URLs and keywords are just a few examples. This environment also lowers the barriers of entry for infringers. For instance, it is very cheap to accumulate domain names and/or to establish websites with pay-per-click ads that may leverage third-party marks. The Internet provides counterfeiters and other nefarious characters with a new channel for distribution of their wares, forcing brand owners to come up with new means of protection and enforcement of their valuable brands.

If you could change one thing about your job, what would it be?

Increase headcount. There is so much more to be done! *iam*