



What issues need to be dealt

My company is rebranding. What are the priorities from an IP point-of-view?

The transactional issues

Be tax efficient

Consider the best location for ownership of IP: the creation of a new brand is the ideal time to consider the most tax efficient location for ownership of your brand. Moving ownership of an established brand can be challenging because transfer taxes (such as capital gains) are often payable when migrating brand assets out of a high tax jurisdiction to a low tax jurisdiction. Those issues are minimised when considering the appropriate ownership and licensing structure for a new brand where the starting value is low or negligible. As such, the adoption of a new brand presents a window of opportunity to improve the overall tax position of a corporate group.

Think about tax at the outset. It is important to consider possible tax advantages before significant value is

created or expenditure on the brand is incurred. Ideally tax structuring should be settled well before any creative work starts on developing the new brand but certainly before any trade mark applications are filed. Earlier is most certainly better. This is because tax authorities look at which entity in the group undertook expenditure on the creation of the new brand and not only where the brand asset is ultimately registered, so early attention to this issue is vital.

Don't forget transfer pricing: if the new brand will be used by more than one entity in the group, you'll need to consider transfer pricing issues. Think about your intra-group licensing structure in advance and plan for any required (or desired) royalty payments to flow in a tax-efficient and tax-compliant way.

Manage liability

There are many reasons for a major rebranding exercise and not all will raise liability issues. However, if you are rebranding in circumstances where someone else will continue using the previous brand (for example, because you have sold it, or your licence of the previous brand is terminating) you should consider liability issues. If you are in a position to negotiate indemnities from the person who will use the previous brand going forward to cover any loss you may suffer as a result of their manner of use, well and good. If that is not possible, consider other means of containing liability. This might include insurance and pre-planning an effective PR plan, for example ensuring the public know you are no longer connected with the previous brand and planning reactive communications in case of an adverse event.

The in-house counsel view

A global rebrand, or the launch of a new corporate brand, is necessarily high profile. It's going to capture the attention of the general counsel, the CEO, the board and the market. Depending on the reason for the rebrand, it is also likely to be conducted under extraordinary time constraints. Getting it right is a key business goal and one that will have a lot of visibility, particularly if it does not go smoothly. This is an opportunity for both the internal and external IP counsel to shine, or not, as the case may be.

In the beginning stages, important decisions will need to be made, and the IP team will be central to counselling the business: how many names do we need to generate to get one clear one globally?; what if the business clients don't like the one clear mark, do we need to end up with options?; how much is this all going to cost and how

long will it take?; what are the risks to the company if the name is launched and is blocked in some countries, or has an embarrassing or less than positive connotation in one or more markets? The main piece of advice to give your business clients is: the faster they want to go, the more expensive it will be.

A big project like this will test the capacity of most in-house teams given how leanly they are staffed, and may involve some atypical decisions. This means appointing or working with existing external counsel: we need to understand how well resourced they are and if they have the right kind of global clearance experience to run such a project, and to provide opinions on the likely significance of prior rights located all over the world, not just relay the opinions of local lawyers. Selecting and contracting with marketing agencies brings up fresh considerations, like whether they will

conduct initial screening searches, and what kind of focus group and local language testing is performed. All of these initial preparations have to involve very strict confidentiality obligations to prevent leaks and brand hijacking. You have to think about your company name and domain name options too.

If the project leads to news headlines, it may also capture the attention of pirates and cybersquatters. Therefore, it is imperative to file both trade mark applications and domain name applications well in advance of any news release. It is also important to cover the new names as much as possible in Asian markets where pirates are especially problematic.

Setting a sensible action plan, and realistic budget, can be done in conjunction with external counsel. We suggest looking for a proposal that involves the least wasted costs, an

with in a corporate rebrand?

Trade mark strategy

Get your house in order

Ensure your other IP is in the right name: If the re-brand involves changing company names, consider whether any other IP such as product name trade marks, patents and designs will be listed in the wrong company name on the relevant IP registers. This can impact your ability to license, remit royalties and enforce these rights. With the right knowledge, you can prioritise the recordal of these changes of names, to handle the change in your highest-risk jurisdictions first, and delay the recordal (and costs for this) in those jurisdictions where there is no negative impact of doing so.



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aggressive knock-out searching component, and a sensible contingency for post-search clearance – which should probably be a bit bigger than you initially think. The timings around launch, and how to keep the brand secret, while still securing your rights, should also be part of the plan.

Once a name has been selected (hopefully the one we advised the business was the lowest risk), practical and logistical items come into focus. The phase-out plan should be in place, and the internal and external communications reviewed. It is also a good opportunity to implement or re-launch brand usage guidelines for marketing teams.



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Clearing and protecting a new global brand can take time, particularly if the first choice is not available. In order to avoid wasted costs and urgency charges on searching, we recommend beginning the process several months before the brand launch deadline. If a truly global brand is required, four to six months is a tight but sensible timeframe, depending on the budget available and the type of mark that is likely to be selected.

Speaking of budgets, while this will obviously depend on the number of countries involved, the number of names you start with, how flexible you are on discarding names that present obstacles during the process, and whether you have time to search sequentially, a general rule of thumb is that the faster the process the more expensive it will be. It is prudent to build in a contingency for unanticipated costs such as legal fees to cancel a blocking registration, defend an infringement action, or buy a mark.

The type of mark favoured by the business or selected by the branding agency will depend on the business involved, but this can also have an impact on clearance strategy and budget.

Descriptive marks are less likely to be able to be registered which may rule them out of contention as the final brand, as these marks are hard to protect and build value in. Somewhat laudatory or favourably allusive marks are more likely to have already been registered by others meaning more of the proposed marks are going to be discarded. Part of the initial stages of the clearance process should aim to identify these kind of defects and potentially eliminate marks from consideration.

The usual approach is a phased set of trade mark searches, first to knock out any obviously unavailable names, so that most cost is allocated to the best names. Once the list of possible names is whittled down, full searches can be ordered, including a check of whether

any similar brands are in use and for negative local connotations. Also search potential translations or transliterations. For global brands the selection of a Chinese character variant is key, otherwise the market may just choose one for you, and it may be negative! Don't forget company and domain names.

The process to clear obstacles to the final brand contenders can be time-consuming, potentially expensive, and with an uncertain outcome, so should be started as early as possible – usually as

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soon as there is at least one potential brand that appears relatively available and is acceptable to the business. Consider how quickly such matters are likely to be resolved in different territories when assessing the brand finalists, not just your chances of succeeding in any action.

Trade mark searches are just a snapshot, and the timing of trade mark filings is crucial to protect the newly selected brand. With strategic thinking the trade mark system can assist. Most rebrands use the priority system, and for some the advantages of International Registrations outweigh the disadvantages of possible central attack and restrictions on future assignments. The final plank of the rebrand should be to monitor and respond to infringing activity around the new and old brand, on and offline.



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