



Recipe for success?

As brand owners demand much more from their trade mark portfolios, what does it take to satisfy them? Jessica Le Gros suggests some key ingredients



There are so many challenges involved in managing a global trade mark portfolio. In particular, meeting client demands for speed of service, providing a competitive cost structure and maintaining accurate data to ensure rights are properly managed and preserved.

Adding to the pressure are increased access to online trade mark information, the drive for e-filing and direct filings, and the reliance on email correspondence with the expectation of speedy responses – all of which have left brand owners looking to their legal providers to offer a new level of service at an extremely competitive cost.

How can global portfolio managers answer these multiple demands? I'll look at what a combination of appropriate technology, legal process outsourcing techniques, and excellent legal and strategic advice can achieve in creating a managed legal service that is highly suited to trade mark portfolio management today.

What clients want

Clients are facing ever-greater challenges in managing large trade mark portfolios, with an increasing demand for quick and accurate information and advice at the same time as downward pressures on budgets and internal headcount.

High on the list of client priorities is immediate access to accurate information about their portfolio with which to inform decisions. When looking to enforce rights, settle disputes, sell assets or take decisions on renewal, clients need to know what they own, where and any vulnerability in those rights.

In terms of reporting matters, it may sound basic, but clients want quick and accurate reporting of deadlines, so that they have the maximum time available to take internal decisions about how to proceed. A robust system of identifying, monitoring and reporting deadlines is, therefore, a mandatory requirement.

Meanwhile, the rise of online tools and electronic communication has changed expectations of how and when information should be available. Clients expect instant reporting and believe it should be done at the push of a button and at no cost to them. There is also increasing resistance to paying individual bills for prosecution reporting by standard letter.

At the same time, clients are reporting that routine portfolio management tasks (particularly filing applications and monitoring standard prosecution steps through to renewal) are viewed as relatively administrative internally, and represent a high overhead cost to holding a large trade mark portfolio.



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Pressure on providers

These client concerns are commonly passed on to the legal service provider in turn, setting in train additional challenges.

The perception of portfolio management as a largely routine and administrative exercise, and the need for cost cutting, results in continued pressure on flat fee amounts, and a rise in benchmarking exercises to determine the lowest cost for individual services in the market. When combined with the increasing cost of data maintenance performed by UK-based formalities or administrative staff, it can be difficult to offer an ever-higher level of service while meeting the demands for lower prices.

A more advanced request, but one that I've heard from senior legal counsel, is that an understanding of their portfolio trends (specifically, an analysis of searching, filing and dispute trends across countries or regions) enables them to demonstrate the value of the trade mark spend to the business and is invaluable in justifying budget requests. As a result, additional effort may be spent on personalised reporting aimed at shoring up the client's business case.

Tailored tools

One source of potential relief and support against these pressures has come from technology platform providers, who have responded by offering workflow and costs support. These come in the form of standardised offerings that can meet the speed of business and cost requirements of many clients, and also more tailored (and costly) platforms that allow legal service providers to respond to clients' specific requirements. Indeed, these

platforms can be a key differentiator in winning work.

For those reluctant to commit to more expensive options and the potential upheaval of an IT migration, remember that while there is an upfront cost to investing in any new technology, there is a financial downside for those who don't. Maintaining older or less sophisticated databases can often mean higher data entry costs, because of the need for a greater amount of manual data entry, the transposing of information and the greater likelihood of error, which means more manual auditing and checking is required.

In addition, the larger database providers may offer a level of future proofing and legislation change support that is not available with more basic systems. Finally, the ability to integrate workflow and billing processes into database functions reduces the chance of error, captures and bills fees appropriately, and makes administrative support more efficient and consequently cheaper.

Essential ingredient

Yet a technology platform alone is not enough. Providers must offer a managed legal service to brand owners. While it's not a clearly defined term, features of a managed legal service can often include:

- global or regional co-ordination of service provision through a fixed point or points of contact, with a clearly defined scope and set of policies in place;
- the breakdown of repetitive workflows into their component parts for delivery in the most efficient and standardised way;
- the application of legal and strategic advice only at decision points; and
- cost certainty and fixed-price arrangements. ▶

It can, in some instances, be difficult for an in-house legal team to justify the cost of these registrations to those outside the legal department, particularly if it is not a highly contentious portfolio. As a result, the trade mark budget is perceived as a place in which savings can be made for clients that are facing continued restrictions on internal headcount and external legal spend, and support can be needed to supply evidence of corporate value.

Last, but by no means least, predicting and tracking legal spend is assuming more prominence in client decision making. Making budget is often tied to in-house IP counsel performance targets, so that budget overruns have significant personal and business impacts.

Crucial questions: sifting through the IT options

- 1) Consider your current and future clients and their requirements, including the spread of countries involved, the mix of rights, and the type of reporting and information they demand.
- 2) What is the cost of the database and ongoing licences, balanced against any overhead cost saving likely to flow from reduced need for data entry?
- 3) How is accuracy of data monitored and is there an audit trail available?
- 4) Does the database calculate deadlines and prompt status changes, and is there sufficient flexibility in searchable and editable fields to ensure all trade mark data can be accurately captured and tracked?
- 5) Does the technology provider offer you access to future development and the ability to customise the platform?
- 6) Is it a distributed database, allowing direct data entry by agents and online access to data by clients? If so, what functionality is available to restrict access to different data sets and to give read and edit permissions?
- 7) How easy is it to import and export data and report in an automated fashion without manual retyping of information? Can you customise the data reports?
- 8) Does the database support workflows, including instructions out to agents and into billing and reporting functions?
- 9) Can the database store correspondence files electronically?
- 10) Is there support for rule changes flowing from legislation change globally, and if so, what is the cost of this support?



Why is this framework so useful? Trade mark processes, by their very nature, are repetitive and have several standard components, and these can be delivered by administrative staff in low-cost jurisdictions, provided that appropriate legal oversight is maintained. Reporting can be handled by giving clients access to their data, allowing them to query the status of their portfolio and receive electronic automated reports of status changes.

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Furthermore, removing substantive legal input from the standard steps of the process and replacing administrative support with automated functions allows the cost of routine prosecution to be reduced.

Of course, legal input and strategic advice is of crucial importance, but only needs to be provided at certain key points in the process (ie when deciding what to file, or to oppose etc). Breaking down all trade mark

workflows into their administrative and legal components again reduces the cost of service delivery, decreases error and assists with speed of service delivery.

In most cases, developing this type of relationship requires a great deal of investment from the legal service provider – in getting to know the client, preparing and implementing best practice and agreed workflows, managing a wider group of law firms or agents, and providing tailored reporting and analysis. However, in return for this effort, the provider receives a volume of instruction, a certain fee, and a long-term and potentially exclusive or preferred relationship.

Drawing together all these strands, it's clear that global trade mark portfolio management must continue to evolve if it is to meet the needs and demands of brand owners, and technological support has a large part to play. However, it must be integrated with workflow redesigns and the effective input of high-quality legal strategy at the right times. In my view, a managed legal service maximises the cost advantages of technology and process improvements while still providing an ever-improving quality and value to build strong brand assets for clients – in other words, a recipe for success. ■

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