

The Value of Pursuing a TM Portfolio

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As trademark counsel we are often asked to justify the legal cost associated with developing and maintaining trademark protection in the U.S. and around the world. Acquiring, maintaining, policing and enforcing rights can be a heavy investment for a company, particularly those that are in the early stages of development. Even mature companies often ask whether the relative cost of pursuing protection provides adequate benefit for the cost.

In our experience, matching the right investment to the value of the portfolio is not a matter of applying simple protocols or mathematical algorithms and the elusive "balance" of expense to value can be very hard to achieve. That said, the absolute worst mistake a trademark owner can make is not to consider this balance before embarking on a reasonable strategy. More than once we've been asked to review a strategy set out by prior counsel only to be struck dumb by the fact that "the attorney told us to file everywhere to ensure we were protected" when the goods in question were only sold in a few jurisdictions or the mark was intended to have a short lifespan. A \$200,000 filing strategy is a nice thing if you can afford it, but most owners are not so lucky and a scorched earth approach to filing is rarely in an owner's best interest--even for famous brand owners-- at least without giving careful consideration to a number of factors.

So how can businesses implement a filing strategy that strikes the right balance? How will you know that your strategy is the right one for your company, or whether it is too ambitious or too short-sighted?

Again, there is no easy single answer for every company, but there is a method for trying to compare your company's progress

with that of its peers. Specifically, you can review what the competition is doing with respect to its trademark portfolio and benchmark your investment in filings next to theirs. This will help you accomplish two important goals. First, it will quickly help you identify in which markets you may be competing. Second, it will assist you in justifying your investment in brand protection with management.

Below are some comparative statistics showing the number of U.S. trademark filings owned by various companies, categorized by commercial sector.¹

Sector	Company	Active U.S. Filings
Computers/IT	Oracle	214
	Microsoft	895
	Sun Microsystems	96
	Cisco	226
Ecommerce	eBay	79
	Amazon	217
Consumer Goods	Sears	795
	Wal-mart	614
	Target	561
Food/Candy	Hershey's	622
	Mars	1169
	Russell Stover	46
Luxury	Gucci America	70
	Armani	19
	Dolce & Gabbana	7
Financial Services	Citigroup	317
	Bank of America	940
	American Express	495

Reviewing statistics like these for companies similar in size, market cap, product/service

category and/or distribution model can help clients determine whether their own filing strategies seem to be aggressive or weak in comparison to the competition. Of course, caution should be exercised when reviewing raw statistics since the data can be misleading without further analysis. For instance, the searches that uncovered the statistics above do not take into account the possibility that portions of corporate portfolios may be owned by subsidiaries whose marks do not show in the raw numbers. Furthermore, different companies follow different application strategies that can have an apparently dramatic effect on numbers. For instance, some applicants file one application per class of goods and services, while others file combined applications. Hence while a company might have 900 active U.S. trademark files, that number may only cover 45 marks each filed in 20 different classes, all filed separately.

In addition, a thorough examination of competitive statistics also would look not just at U.S. filings, but at global filings as well.

Effective benchmarking of your portfolio strategy against the competition is only one of many techniques that can and should be used to help develop a plan for trademark protection. Trademark lawyers at Burns & Levinson LLP can help you research and understand how your portfolio strategy stacks up against the competition and how to keep costs in line with your budget and marketing goals.

This Brand Bulletin was written by Renee Inomata and Deborah J. Peckham, Partners in Burns & Levinson's Intellectual Property / SciTech Group.

¹ These are non-scientific figures derived from searches of the U.S.PTO online Trademark Database for marks owned by various owners.