

CORPORATE COUNSEL

Worlds Apart? How to Bridge the Gap Between Legal and Marketing Departments

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The general counsel of a famous brand in New York City charged with managing intellectual property recently explained that the marketing department was located "across the street."

To meet with his marketing colleagues he had to cross the street. This street was more like a chasm — filled with NYC traffic — and not easily crossed. They didn't meet all that often.

This situation may sound impossible in this day and age — after all, meeting in person isn't what it used to be — but it neatly symbolizes the gap we often see between the legal and marketing departments in most companies. Whether collocated or not, the professionals who work in these two departments often seem separated by a busy New York City street.

How do we bridge the gap?

To interact more effectively with marketing colleagues we recommend that in-house lawyers charged with managing trademarks focus on the following six steps. Outside counsel can enhance their value to their clients by supporting in-house counsel in this effort.

(1) Become more relationship-oriented than task-oriented. Counter the stereotype that most lawyers are only task-oriented by focusing on relationships. Our day-to-day lives are task-oriented, constantly working to meet deadlines. But the highlight of our year is dominated by a relationship-focused event: meeting our trademark colleagues at the International Trademark Association (INTA) annual meeting. Also, most successful outside counsel get new business as a result of their relationships.



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In contrast, most of the traditional interactions between trademark lawyers and marketing personnel are more task-oriented (e.g., clearing a trademark). Focus more on the relationship you have with marketing. Try to create a dynamic, positive and friendly environment for interactions with marketing staff. Offer creative solutions and alternatives when trademark search results show that a brand name that marketing really wants is too risky or

unavailable. Educate your marketing department and include it in your trademark risk assessment process.

(2) Demonstrate practical intelligence, not just analytical intelligence. Counter the stereotype that lawyers are not in touch with the practicality of their work by showing practical intelligence in how you communicate about legal matters. Do this in terms of not only what you say, but how you say it. Put legal discussions in the appropriate business context and always start with a brief executive summary. Marketing executives (and most in-house counsel) have little time to read lengthy legal prose. Report risk on a proposed trademark or new brand name in a way that is useful for business people. And clearly distinguish between "theoretical risk" and "practical risk."

"Theoretical risk" refers to the risk if the trademark registry rejects your application for the proposed brand based on a third party's rights, where there is no or limited overlap in the marketplace. "Practical risk" refers to the risk of challenge by a third party, competing in the same market, with prior rights to a mark similar or identical to your client's proposed brand name.

Explain the implications of any practical risk such as the likelihood a challenger could get an injunction — a court order to stop using a trademark — against the company. And use layman's terms instead of trademark jargon and legalese. For example, say "we need to show we

are still using the brand," instead of saying "we need to file a Section 8." Outside counsel can help facilitate this in the way it reports advice to inside counsel.

(3) Participate in brand creation. Counter the stereotype that marketing executives and naming agencies have cornered the market on creativity by proving that many trademark lawyers are inherently creative.

Trademark lawyers are arguably better positioned than naming agencies to create brands. Companies devote significant resources to creating brand names, typically turning to naming agencies, ad agencies, and their own employees to create the names. Besides marketplace appeal the names created must have the ability to be used with low risk, get registered as trademarks, and also appeal to consumers without negative connotations.

While naming agencies may tout the notion that they provide names that are "legally sound," many of these names fail during initial trademark searching and legal evaluation. Trademark lawyers have both creativity and the necessary knowledge of trademark law. In-house counsel are already positioned to collaborate with marketing executives to create brand names. Be creative and seek out ways to get more involved in the naming process. This can help speed brand selection, control cost, and create goodwill in the process. Outside counsel are an excellent resource for comprehensive trademark searching and can help guide the process.

(4) Give marketing executives a voice in brand clearance. Counter the assumption that "no" means having to completely start over in the branding process, by empowering marketing executives (in concert with other business executives) to decide on their tolerance for risk before a trademark is searched. Give marketing executives specific factors to consider in making this decision: e.g., projected revenue from the product; projected advertising and promotional expenditures for the

product; duration of proposed use; and the ability to quickly stop the use if necessary. Give marketing executives a framework in which to express the level of theoretical and practical risk they will tolerate: high, moderate-to-high, moderate, low-to-moderate, or low.

Then, if a marketing executive says it will tolerate "moderate-to-high theoretical risk" and "moderate practical risk," the search results will be easier to understand and the executive will be less angry if a mark does not clear. This is because he/she had a hand in setting the acceptable level of risk. Quantify (or at least estimate) how much it will cost to acquire, or litigate over, a risky but highly sought after trademark. This will go a long way in helping marketing executives understand the costs of the risks they want to take.

(5) Be a better advocate for the value of trademarks and the role lawyers can play in building it. Counter the mistaken belief that trademark lawyers are the "business prevention unit" or merely a "cost center," by giving marketing executives more specifics about how this can be a company's most valuable business asset. Sure, they can remind executives that brand advantage can be reflected in market share (look at Coca-Cola); that more trademark applications are being filed now than a decade ago; and that today's electronic marketplace and brand proliferation dictates that trademarks have superior value.

But trademark lawyers should go a step further. They should become better storytellers and show how trademark lawyers are indispensable for brand building in the company's specific industry. To do this, remind marketing executives of compelling, industry-specific examples of how good brand-protection practices can help exploit business opportunities. When a competitor succeeds or fails, share the story with marketing colleagues. Outside counsel can help spot relevant successes and failures in key markets.

(6) Be empathetic to the perspective of marketing executives. Counter the frequently defensive position of marketing personnel by being empathetic. Marketing personnel often fear lawyers will interfere with their creativity and cause delay in getting goods/services to market. Hard economic times reinforce these fears. The pressure to do more with less is real. Be empathetic. In-house counsel should seek every opportunity possible to meet with, socialize with, and listen to their marketing colleagues. Camaraderie between the legal and marketing departments can go a long way towards improving teamwork and efficiency between the two departments.

In today's world of multinational corporations, many legal and marketing departments do not share the same space or geographic location. But regardless of whether they are located across the hall from one another, across a busy New York City Street, or on another continent, these departments seem deeply divided in most organizations. The six steps above are effective ways to bridge that gap.

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