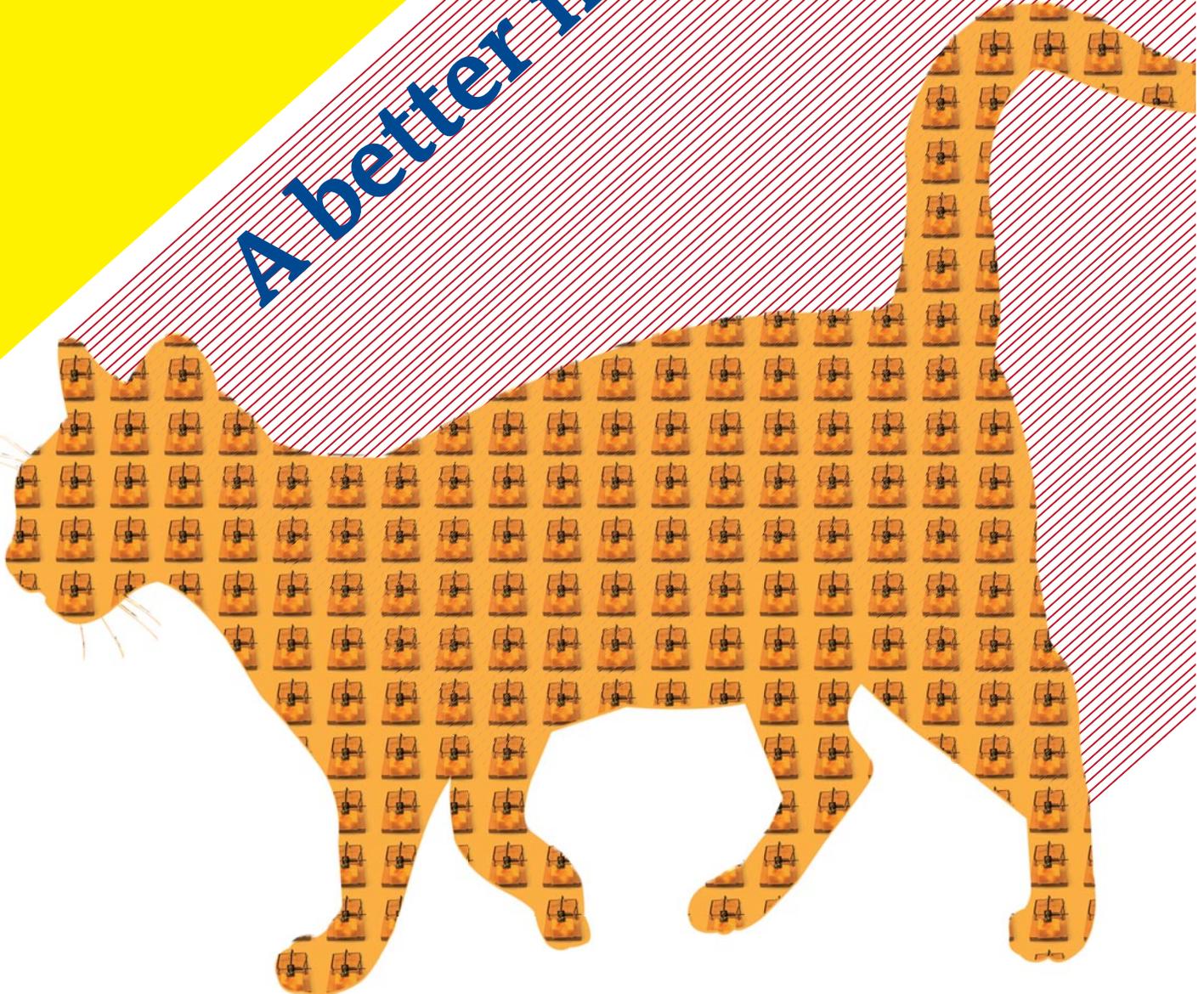


Feature
By Adam Smith

A better mousetrap?



Cat silhouette: ©iStockphoto.com/Ken Brown. Mousetrap: ©iStockphoto.com/Marek Mnich

As exclusive USPTO data reveals the ascent of new business models for trademark filing services, WTR examines the challenge posed by new market entrants and why they are causing a stir

A veritable trademark filing revolution is underway – but few attorneys seem to know about it. The 2010 US Patent and Trademark Office (USPTO) filing charts reveal that entrepreneurs offering inexpensive, web-based trademark services are now trouncing conventional law firms. The table of top 100 firms for 2010 (see Tables 1 and 2) shows just how far these new outfits have come in a single year. Leapfrogging from position 87 in 2009 to position 3 in 2010 is The Trademark Company, an agency founded by former USPTO examining attorneys who looked at conventional filing practices in the early 2000s and worked out how to build a better mousetrap. Even more astonishingly, Raj Abhyanker's 20-attorney crew zoomed past 90 filing stalwarts to capture the top spot, ending Greenberg Traurig's six-year reign at number one.

The figures are nothing short of astounding. For every two marks filed by Greenberg Traurig in 2010, Abhyanker filed five. This success is all down to Trademarkia, an automated online filing portal designed by Abhyanker and built by web developers in Silicon Valley. Abhyanker's rise has been so meteoric that most attorneys have thus far failed to register it. However, the handful of lawyers who are aware of this nascent power shift have used blogs and industry email lists to express their awe, bewilderment or criticism – or all three at once.

In the opinion of influential commentators on US trademark law and in-house counsel for some of the biggest-filing brands, the controversy over the new business models has only just begun. All are now poring over the filing tables, released in previous years by CSC as the *Trademark Insider* report. The tables are published for the first time by WTR in what may be seen as a breakthrough year for new agencies. The latest figures are not just shocking; hitherto, they have also remained unexplored. Paying them due consideration will force every trademark counsel to consider whether they can take advantage of this shifting market in order to reduce costs and create efficiencies, and traditional law firms to check that they really are adding value to a client's mark through their services.

Methodology

As per previous years, when the filing statistics were published in CSC's *Trademark Insider*, the results are derived from an analysis of public trademark filings data compiled by the United States Patent and Trademark Office and maintained in CSC's global trademark data centre. CSC makes every effort to ensure

the accuracy of the data provided. Founded in 1899, CSC provides business, legal and financial services to many of the world's largest companies, law firms and financial institutions. An ICANN-accredited domain name registrar since 1999, CSC is the trusted partner of more than half the 100 Best Global Brands (Interbrand).

Economies of scale

Away from any change in private practice, the first observation from the USPTO's latest annual figures is that filing numbers have rebounded since the financial crisis (see Table 3). In 2007, filings peaked at 304,407, the highest ever recorded, but the recession set in motion a downward spiral that endured until the first shoots of recovery appeared last year. There is still some ground to regain before filings reach their earlier high, but attorneys can be optimistic that the upswing should continue for the time being.

When it comes to the firm tables, 2010 saw the great shake-up in years. Greenberg Traurig has topped the charts since 2004, retaining its title even as it filed fewer marks over successive years in the wake of the financial crisis. Since 2007, the firm's output has fallen from 2,172 to 1,685 – and it did not bounce back in 2010 in line with the general filing trend. Fourth-placed K&L Gates has posted an average annual filings increase of around 8% since 2006, but the stats report a 7% fall for the firm in 2010. For its part, DLA Piper Rudnick, in fifth position, filed 988 marks after a drop in 2008 and 2009, but is still shy of the 993 marks filed in 2006.

Meanwhile, the new agencies are storming ahead. The Trademark Company entered the tables in 2009 with 268 marks; in 2010, it filed 1,138 – a 425% increase – to land in third place. Abhyanker only just made the table in 2009, with 265 marks. But in 2010 he multiplied this by a factor of 15, filing 4,126 marks. Abhyanker's success is straight out of the Silicon Valley storybook: all an entrepreneur needs, it seems, is a unique idea and a smart web developer. According to Professor J Thomas McCarthy, one of the most influential figures in US trademark law, Abhyanker "shows you just how the Internet has changed everything" in trademark practice.

“The trademark review process is very delicate and complicated,” claims Sarah Deutsch, Verizon’s associate general counsel. “You wouldn’t want that process turning into a commodity”

Table 1. **Top 100 trademark law firms by filing volume for 2010**

Rank	Law firm	Number of trademarks filed in 2010	2009 rank	Rank	Law firm	Number of trademarks filed in 2010	2009 rank
1	Raj Abhyanker PC	4,126	91	56	Nixon Peabody	367	31
2	Greenberg Traurig	1,685	1	57	Wolf Greenfield & Sacks	363	79
3	Trademark Company, The	1,138	87	57	Lewis & Roca	363	26
4	K & L Gates	1,028	2	59	Oblon Spivak McClelland Maier & Neustadt	351	81
5	DLA Piper Rudnick	988	3	60	Womble Carlyle Sandridge & Rice	347	46
6	Fross Zelnick Lehrman & Zissu	957	4	61	Fenwick & West	346	N/A
7	Knobbe Martens Olson & Bear	774	6	61	Brinks Hofer Gilson & Lione	346	N/A
8	Merchant & Gould	676	8	63	Blakely Sokoloff Taylor & Zafman	344	47
9	Abelman Frayne & Schwab	673	10	64	Eckert Seamans Cherin & Mellott	342	68
10	Husch Blackwell	662	7	65	Gottlieb Rackman & Reisman	339	72
11	Gerben Law Firm	659	27	66	Alston & Bird	337	50
12	Law Office of Xavier Morales	653	5	67	Buchanan Ingersoll	333	63
13	Barnes & Thornburg	647	13	68	Rader Fishman & Grauer	331	92
14	Arent Fox	641	11	68	Blank Rome	331	43
15	Dorsey & Whitney	575	17	70	Honigman Miller Schwartz and Cohn	322	N/A
16	Perkins Coie	574	29	70	Connolly Bove Lodge & Hutz	322	58
17	Venable	556	9	72	Christie Parker & Hale	319	70
18	Cooley LLP	546	25	73	Sheridan Ross	318	76
19	McDermott Will & Emery	526	16	74	Nixon & Vanderhye	313	75
20	Orrick Herrington & Sutcliffe	521	53	75	Manatt Phelps & Phillips	310	33
21	Cowan Liebowitz & Latman	515	35	76	Frost Brown Todd	308	N/A
22	Ladas & Parry	507	19	77	Cantor Colburn	307	60
23	Baker & Hostetler	498	24	78	Sheppard Mullin Richter & Hampton	306	N/A
24	Holland & Hart	481	34	79	Jackson Walker	304	42
25	Birch Stewart Kolasch & Birch	476	21	80	Stetina Brunda Garred & Brucker	301	N/A
26	Duane Morris	474	15	81	Smith Gambrell & Russell	298	N/A
27	Pillsbury Winthrop Shaw Pittman	466	14	82	Wilson Sonsini Goodrich & Rosati	296	81
28	Foley & Lardner	465	17	82	Reed Smith	296	88
29	Pryor Cashman LLP	464	19	84	Stoel Rives	295	88
30	Allen Dyer Doppelt Milbrath & Gilchrist	463	45	85	Leydig Voit & Mayer	294	84
31	Finnegan Henderson Farabow Garrett & Dunner	458	41	86	McCarter & English	289	65
32	Fish & Richardson	457	12	87	Fulwider Patton	288	67
33	Fredrikson & Byron	446	51	88	Locke Lord Bissell & Liddell	285	N/A
34	Bryan Cave	439	55	89	Baker & Rannels	284	N/A
35	Baker & McKenzie	438	44	90	Edwards Angell Palmer & Dodge	283	N/A
36	SNR Denton	435	N/A	90	Dinsmore & Shohl	283	N/A
37	Davis Wright Tremaine	428	23	92	Davis & Gilbert	280	N/A
38	Wood Herron & Evans	427	78	93	Ostrolenk Faber Gerb & Soffen	275	N/A
39	Sughrue Mion	421	39	93	McGuireWoods	275	92
40	Kenyon & Kenyon	420	40	95	Quarles & Brady	273	N/A
41	Holland & Knight	417	28	96	Malloy & Malloy	272	N/A
41	Drinker Biddle & Reath	417	37	97	Procopio Cory Hargreaves & Savitch	271	N/A
43	Law Offices of Arturo Perez-Guerrero	415	30	98	Fay Sharpe Fagan Minnich & McKee	270	N/A
44	Townsend & Townsend & Crew	406	49	99	Richard L Morris, Jr., Esq.	268	73
45	Michael Best & Friedrich	397	61	100	Vedder Price	266	N/A
46	Cozen O'Connor	393	38				
47	Law Office of Christopher Day	392	48				
48	Kilpatrick Stockton	389	32				
49	Woodard Emhardt Moriarty McNett & Henry	376	79				
50	Patel & Alunit	374	57				
50	Katten Muchin Rosenman	374	22				
52	Fulbright & Jaworski	372	55				
53	Hovey Williams	370	58				
54	Morgan Lewis & Bockius	369	69				
54	Harness Dickey & Pierce	369	54				

Source: CSC

Table 2. Top 10 firms by rank advance in 2010

Rank	Filing firm	Filings 2010	Rank 2010	Rank 2009
1	Raj Abhyanker PC	4,126	1	91
2	Trademark Company, The	1,138	3	87
3	Wood Herron & Evans	427	38	78
4	Orrick Herrington & Sutcliffe	521	20	53
5	Woodard Emhardt Moriarty McNett & Henry	376	49	79
6	Rader Fishman & Grauer	331	68	92
7	Wolf Greenfield & Sacks	363	57	79
7	Oblon Spivak McClelland Maier & Neustadt	351	59	81
8	Bryan Cave	439	34	55
9	Fredrikson & Byron	446	33	51
10	Gerben Law Firm	659	11	27
10	Michael Best & Friedrich	397	45	61

Source: CSC

Table 3. USPTO trademark filing numbers

Year	Number of filings
1997	190,987
1998	199,644
1999	264,277
2000	286,206
2001	218,509
2002	213,576
2003	223,976
2004	245,664
2005	262,102
2006	279,132
2007	304,407
2008	289,430
2009	258,835
2010	279,401

Source: CSC

McCarthy’s observation should hit home for every attorney who believes that trademark filing practice is a stable part of their business. It is now dawning on the legal profession that things may never be the same again. But equally, it is possible that these new agencies may just be a fad, or a sign of a diversifying market. Have they really raised the stakes for existing firms or is their success rooted in attracting mark owners that otherwise would not be filing? And what is the nature of the services they offer? The respective stories of The Trademark Company and Trademarkia reveal some fascinating answers to these questions.

The maverick

Back in 2000, Matt Swyers was an examining attorney at the USPTO. As Swyers and a handful of colleagues processed trademark applications, they started to wonder whether they could streamline the traditional law firm filing method. Just as they started to develop their idea, the dot-com bubble burst: trademark filings dropped by nearly one-quarter and the USPTO had to lay off one-third of its workforce. Pushed into private practice, Swyers and his future partners had to focus on commercial survival. “The concept of The Trademark Company got shelved,” he recalls. But by 2003 they were already thinking of how to create an agency that could offer a gold standard in response time for filings and office actions at the most competitive prices. The group began to work with a select group of clients; by 2004, Swyers had left his firm to become full-time principal and general counsel at the fledgling business. “And then we did something interesting,” he told *WTR*. “We didn’t start marketing for four years. A lot of people still ask why. Well, there’s a great scene in *Maverick*, when Mel Gibson’s character promises everyone at the poker table that he’s going to lose for an hour. Then when he starts playing, they lose and he wins big. In that hour, he was learning the systems and working out his opponents’ strategies. So we kept ourselves intentionally small for a while. And now we have unparalleled systems.”

According to Swyers, The Trademark Company is now one of the fastest-growing businesses in the United States – but he’s still keeping that in check. “We want to make sure our quality remains high,” he says. “We’re growing at a steady pace, even though we could be doing more.”

Swyers’ model is cheaper because it strips out expensive attorneys by relying on what his firm calls “research and application

managers”, who are trained to engage personally with clients, perform trademark searches and then prepare applications. Clients pay increasing amounts depending on the comprehensiveness of the search they order; the basic package costs \$149, plus filing fee. As the client handlers are not attorneys, Swyers inspects and signs every application sent to the USPTO himself (see Table 4 for his individual position in the charts). And it’s not just ‘mom and pop’ enterprises that are taking advantage of his offering. “We have several large law firms who outsource their trademark work to us,” he reports. “We work behind the scenes supporting them to get their marks cleared or registered. This is a fascinating development that wasn’t part of our business plan.”

This kind of demand should not come as a surprise: buying into a white-label service can be very cost effective because trademark filing is not a great revenue generator for most traditional firms. But many view this as a way in which they can add value to their strategic advice. In straitened times, ditching a loss-making filings practice could drive away clients that expect nothing less than a full service. So Swyers and co have slipped into a new niche, created mostly by the USPTO’s shift to electronic filing and signing. Efficiencies created by these USPTO upgrades have also benefited in-house counsel.

Fabricio Vayra, assistant general counsel for Time Warner, the third biggest filer in the United States (see Table 5), notes: “The more streamlined the system becomes, the more profitable you can make it.” Perhaps those firms that now file via The Trademark Company are merely acknowledging that mark owners don’t want to pay for a service that is not half as burdensome as it used to be. “That may be one of the reasons why we see some firms outsourcing to us quietly,” Swyers notes.

The webpreneur

Whereas Swyers worked his way through various aspects of the trademark system, Abhyanker is a relative outsider. At high school, he set up AOLclassifieds.com – and sold it to AOL for \$5,000. After several years as an electrical engineer at Hewlett Packard and Juniper Systems, Abhyanker retrained as a patent attorney and ended up representing Silicon Valley stars Adobe, Apple and eBay. He returned to the classroom at Stanford University, but then the online neighbourhood network he had been developing took off. Abhyanker dropped out of Stanford to become chief executive of the

Table 4. Top 25 trademark attorneys by filing volume for 2010

Rank	Attorney	Law firm	Number of trademarks filed in 2010
1	Raj Abhyanker	Raj Abhyanker PC	2,301
2	Christopher Ditico	Raj Abhyanker PC	1,395
3	Matthew H Swyers	Trademark Company, The	1,138
4	Josh Gerben	Gerben Law Firm	659
5	Lawrence E Abelman	Abelman Frayne & Schwab	654
6	Xavier Morales	Law Office of Xavier Morales	653
7	Arkadia Delay Olson	Husch Blackwell SNR Denton	387 67
8	Arturo Perez-Guerrero	Law Offices of Arturo Perez-Guerrero	415
9	Christopher J Day	Law Office of Christopher Day	392
10	Vandana Balakrishnan	Raj Abhyanker PC	391
11	John Alumit	Patel & Alumet	368
12	Robert J Kenney	Birch Stewart Kolasch & Birch	307
13	Susan Upton Douglass	Fross Zelnick Lehrman & Zissu	294
14	Stephen L Baker	Baker & Rannels	275
15	Richard L Morris Jr	Richard L Morris Jr Esq	268
16	Thomas H Zellerbach	Orrick Herrington & Sutcliffe	259
17	Thomas I Rozsa	Rozsa Law Group	246
17	Mark B Harrison	Venable	246
19	Jeffrey M Furr	Furr Law Firm	244
20	Kevin T Oliveira	Odin Feldman & Pittleman	243
20	Ann K Ford	DLA Piper Rudnick	243
22	Erik M Pelton	Erik M Pelton & Associates	242
22	Brad D Rose	Pryor Cashman LLP	242
24	Howard N Aronson	Lackenbach Siegel	238
25	William H Brewster	Kilpatrick Stockton	219

Source: CSC

new outfit, raising \$8 million in venture capital. That company, Fatdoor, was sold and Abhyanker went back to building his patent practice – and a pancake restaurant to boot. But he soon realised how simple it would be to use the Internet to capitalise on the USPTO’s streamlined processes. In 2009 he created Trademarkia, a customer-facing web portal for his law firm, which reviews clients’ trademark applications before filing them with the USPTO.

Abhyanker must have known that he was tapping into a sizeable

market, but how did he position his firm to become the number one filer so quickly? “We didn’t scale it as slowly as we wanted to, because the market wanted to scale it faster,” he says. “We got a few early adopters – a lot were attorneys in different practice areas who needed a reliable way to file trademarks only occasionally. And because we took care of our clients in ways they didn’t anticipate, we had a lot of good word of mouth.”

Thanks to this – and savvy search engine optimisation –

“ Abhyanker’s success is straight out of a Silicon Valley storybook: all an entrepreneur needs, it seems, is a unique idea and a smart web developer ”

Table 5. Top 100 companies by trademark filing volume for 2010

Rank	Company	Number of trademarks filed in 2010	2009 rank
1	Mattel, Inc	657	2
2	Johnson & Johnson	547	3
3	Time Warner	478	1
4	Walt Disney Company	428	4
5	GlaxoSmithKline	308	10
6	News Corporation	301	7
7	L'Oréal	290	6
8	LG Electronics Inc	275	8
9	PepsiCo	259	11
10	Procter & Gamble Company, The	248	14
11	Novartis	214	9
12	Bristol-Myers Squibb Company	209	5
13	Skechers U.S.A. Inc. II	199	N/A
14	Sony Corporation	183	18
15	K-2 Corporation	182	N/A
16	Sears Holdings Corp	171	15
17	Limited Brands Inc	169	13
18	General Electric Company	164	16
19	The Wine Group LLC	162	72
20	Target Brands Inc	159	N/A
21	Pfizer Inc	157	52
22	Bayer Corporation	151	58
23	Schering Corporation	150	N/A
24	American Express Company	148	49
25	Altria Group	147	23
26	Viacom International Inc	144	17
27	Hasbro Inc	143	26
28	Collective Brands Inc	138	N/A
29	Estée Lauder Inc	125	49
29	Bally Gaming International Inc	125	31
31	Abercrombie & Fitch Trading Co	123	40
31	Holiday Companies	123	N/A
31	CBS Corporation	123	24
34	IGT	119	12
34	Eco Product Group LLC	119	N/A
36	Cisco Technology Inc	117	N/A
37	Unilever	116	43
38	Eli Lilly and Company	112	70
39	Abbott Laboratories	111	38
39	DaimlerChrysler Corporation	111	N/A
39	Aventis Pharmaceuticals Inc	111	37
42	Hershey Company, The	110	30
43	Diageo PLC	109	34
44	World Wrestling Entertainment Inc	108	59
45	Aristocrat Technologies Australia Pty Ltd	107	43
46	Australian Gold LLC	103	N/A
47	Reckitt Benckiser Inc	101	32
48	Samsung	100	25
49	ASICS Corporation	99	N/A
50	Brown-Forman Corporation	98	N/A
51	World Triathlon Corporation	97	N/A
52	TSA Stores Inc	95	N/A
53	S.C. Johnson	94	49
54	General Mills Inc	93	56
54	Da Lian Ya Tu Tou Zi Zi Xun You Xian Gong Si	93	N/A

Rank	Company	Number of trademarks filed in 2010	2009 rank
56	Ministero Delle Politiche Agricole	92	N/A
57	Advance Magazine Publishers Inc	90	N/A
57	Syngenta Crop Protection Inc	90	63
59	Dow Chemical Company, The	89	91
60	Boehringer Ingelheim	88	N/A
61	Henkel Group	87	32
62	Konami Corporation	86	66
62	Hallmark Cards Inc	86	48
64	Toph Daddy Designs	85	N/A
64	Siemens	85	95
64	Discovery Communications Inc	85	N/A
67	Hansen Beverage Company	84	N/A
68	Harvey Ball Smile Limited	82	38
69	Wm Wrigley Jr Company	81	N/A
70	Deutsche Telekom AG	80	21
70	APX Alarm Security Solutions Inc	80	N/A
72	Colgate-Palmolive Company	79	84
73	WMS Gaming Inc	78	81
73	Ford Motor Company	78	22
75	Tyco International	76	N/A
75	Margaritaville Enterprises LLC	76	72
77	Novo Nordisk A/S	75	N/A
77	Nestlé	75	N/A
77	Alcon	75	N/A
80	Major League Baseball Properties Inc	74	N/A
81	Nissan	73	N/A
82	Marvel Enterprises Inc	71	N/A
83	Karsten Manufacturing Corporation	70	N/A
83	Columbia Insurance Company	70	88
85	Vital Pharmaceuticals Inc	68	55
85	Summit Entertainment	68	100
85	Bridgestone	68	N/A
88	Gibson Guitar Corporation	66	N/A
88	Georgia-Pacific Corporation	66	N/A
88	Conair Corporation	66	N/A
91	Hanesbrands Inc	65	N/A
92	Royal Philips Electronics	64	N/A
92	Medtronic Inc	64	72
92	FremantleMedia North America Inc	64	N/A
95	Wal-Mart Stores Inc	63	65
95	Meredith Corporation	63	N/A
97	VF Corporation	62	95
97	Mars Incorporated	62	59
97	L.C. Licensing Inc	62	N/A
97	Cargill Incorporated	62	N/A

Source: CSC

GOAL : WORLD'S LARGEST LAW FIRM BY 2025



Raj Abhyanker P.C. is pleased to be featured as the #1 trademark law firm for trademark filings by this year's World Trademark Review. But, we're not planning on stopping there. Raj Abhyanker P.C.'s aim is to be the world's largest law firm (overall in any category) by the year 2025. To accomplish this, we will use innovative technology that will organize the world's legal information into search engines that are freely accessible, relevant and interesting to consumers. Our first website, Trademarkia.com is a testament to that vision. We are breaking the mold and flattening the traditional tenure-based hierarchies of traditional law firms.

We reward talent, not tenure. For those of you who have tracked our firm's progress, we have grown from a solo law practice to a multinational firm that is the largest trademark law firm in the world in a span of 3 years. We have grown our trademark filings through Trademarkia.com, the innovative website built by our firm. However, we are not stopping at U.S. trademarks. In the coming 12 months, Trademarkia and our firm will expand our reach to new markets, and to new heights. We are expanding into other areas of law, different geographies, localized search, and new search and explore experiences

using legal data in an effort to drive more meaningful interactions with our clients.

We are looking for talented, ambitious, self motivated and skilled attorneys in countries around the world to open Abhyanker P.C. offices worldwide. In our first phase, we are looking to partner with those who share our vision for high quality, high volume low cost trademark services worldwide that leverage a global footprint.

So we ask you, will you join us on this quest to become the largest and best law firm in the world?

Send me an email directly for consideration.

Sincerely,

Raj Abhyanker
raj@rajpatent.com
Partner, Raj Abhyanker P.C. - United States.
Sorvillo Abhyanker - France and United Kingdom.
Sharma Abhyanker - India.
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Business as usual? Questions for the USPTO's new commissioner of trademarks

When Lynne Beresford retired from her post as US commissioner of trademarks at the end of last year, she left behind a well-oiled trademark office that was the envy of the patent profession. So how does Debbie Cohn, the new commissioner, feel about filling Beresford's shoes? "I'm very lucky," she told *WTR*. "Our customers seem to be very happy with our work, both in timeliness and quality. So in terms of operations, our job is to keep on going." With fluctuating filing levels, maintaining a stable operation is not always easy, but Cohn plans to concentrate on maintaining the office's hard-won reputation. She's especially keen to step up the office's outreach programme. "We want to involve stakeholders and operations on what about the office might need tweaking," she says.

But how does this differ from or exceed Beresford's admirable initiatives? "It will be along similar channels, but more of it. We've had a number of roundtables and focus groups in the past 12 months and we're planning additional ones. We're trying to increase the engagement." Cohn adds that her duty is to find out what the public needs with regard to trademarks. Her businesslike approach has won praise from J Thomas McCarthy, author of *McCarthy on Trademarks*, the most influential treatise on US trademark law, who heard her speak at an California State Bar event when she was still new to the role. McCarthy told *WTR* afterwards: "I was astonished to hear Cohn talk the way she did because she sounds like she's head of a business. Cutting costs and improving service? I wish a lot of people in government could have that attitude!"

One improvement that some trademark owners would like to see is the introduction of a fast lane into the trademark examination process. The registry already offers TEAS Plus – for applicants that wish to provide more information upfront – and the 'petition to make special' arrangement for when an applied-for mark is the subject of litigation. In addition to these processes, some observers claim that companies would welcome a fast-track examination and would be willing to pay an appropriate fee. The USPTO has considered this proposal in the past without identifying much interest. When *WTR* mentioned it to Cohn, she said, "This is the third time I've heard of it in a short period of time. So it is something to discuss again."

Matt Swyers, principal of The Trademark Company and the third greatest filer by volume in 2010 (see Table 2), says he is inundated with requests for expedited review. "There's a real opportunity for the PTO to



Debbie Cohn, new commissioner of trademarks at the USPTO, has been praised for her businesslike approach

charge \$500 to \$600 per class so that an expedited processing unit will review the application within two or three weeks," he suggests. "There would be significant demand for this, because oftentimes even the best trademark lawyer in the world reaches a grey opinion as to whether a mark is registrable when the client has millions of dollars in advertising waiting to be launched and has to wait for the office examination."

But the trademark manager at one of the biggest brand owners by filings is not so sure that a fast track would be necessary. "There's a very small number cases where you need registration before moving forward and using the mark," reports Fabricio Vayra, assistant general counsel at Time Warner. "Most of the time, once you've done your clearance, you put down your flagpole and apply, but you use the mark anyway and begin to build common-law rights. You don't need one to launch the other."

That sounds like a conundrum that only Cohn can solve: to test demand and, if enough exists, design a service for the right price. In short, a business opportunity to investigate.

Trademarkia attracted all types. Indeed, it increased the number of clients for what was previously a boutique patent firm from 200 to 13,000. Abhyanker says that two-thirds of these are small and medium-sized businesses; around 15% are foreign companies wishing to file in the United States, but without a local attorney; and the remainder comprise large brand owners and high-profile individuals. New services seem to appear on Abhyanker's platforms daily: his team now offers domain name registration, social network user name sign-ups and even brand identity creation. But trademarks will remain Trademarkia's bread and butter for some time yet. In 2011, Abhyanker predicts, he will double the number of filings. "This year we'll do 8,000," he told *WTR*. "The way we're going, it could even be 10,000."

Such a coup would represent 3.5% of the total USPTO filings for 2011. "We're changing this landscape fast," he boasts.

Just how exactly Abhyanker has achieved this is classic Silicon Valley innovation. Trademarkia's developers have built an automated system that aims to make trademark searches easier for the client. Clients then file their application with Trademarkia and agree to allow

Abhyanker's law firm represent them before the USPTO. The attorney who will ultimately file the mark with the office is required to check that the application will result in a registration. "We don't file it if we don't think we can get round an office action," explains Abhyanker. If an office action comes in, a computer scans it for keywords, tags it depending on its type and then prepares a quote and even a template response. An attorney checks that the computer is doing its job right, adds extra detail and then hits 'send' to communicate with the client and the examiner.

But Abhyanker disputes that this reduces the attorney to a mere button-pusher. "Do you really want an attorney to look around an office action just to decide what the issue is?" he argues. "Attorneys went to law school because they want to think, not to do clerical tasks. So we automate all those clerical tasks to make the attorney highly efficient."

You pay for what you get. Don't you?

Independent observers could hardly disagree that the likes of Abhyanker and Swyers are maximising efficiencies, but they have

Table 6. Top 10 company debuts (ranked in 2010, but not 2009)

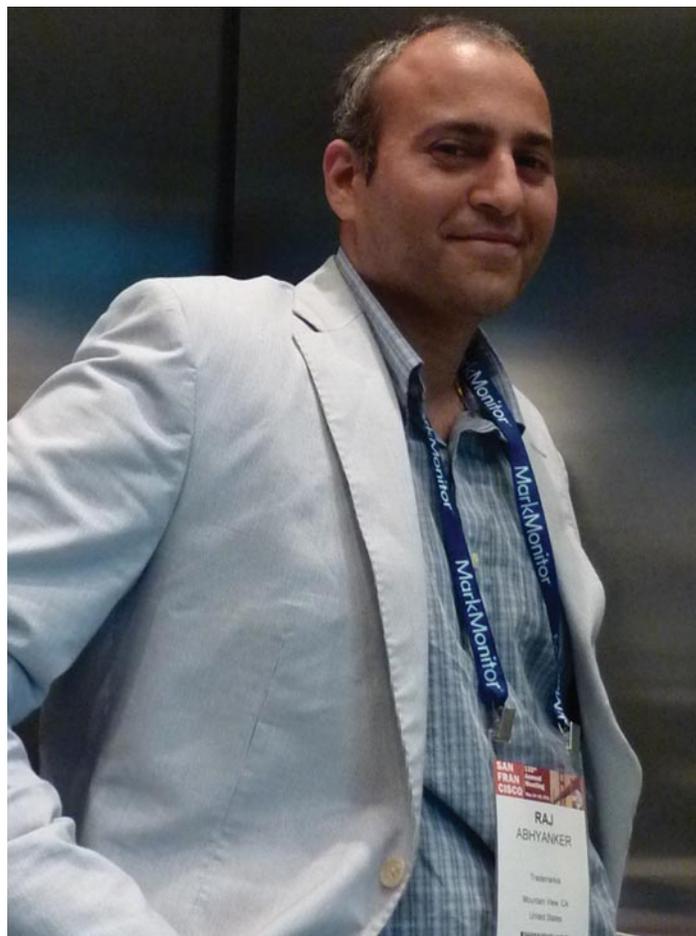
Rank 2010	Company	Filings
13	Skechers U.S.A., Inc II	199
15	K-2 Corporation	182
20	Target Brands Inc	159
23	Schering Corporation	150
28	Collective Brands Inc	138
31	Holiday Companies	123
34	Eco Product Group LLC	119
36	Cisco Technology Inc	117
39	DaimlerChrysler Corporation	111
46	Australian Gold LLC	103

Source: CSC

Table 7. Top 10 filing firm debuts (ranked in 2010, but not 2009)

Rank 2010	Company	Filings
36	SNR Denton	435
61	Fenwick & West	346
61	Brinks Hofer Gilson & Lione	346
70	Honigman Miller Schwartz and Cohn	322
76	Frost Brown Todd	308
78	Sheppard Mullin Richter & Hampton	306
80	Stetina Brunda Garred & Brucker	301
81	Smith Gambrell & Russell	298
88	Locke Lord Bissell & Liddell	285
89	Baker & Rannells	284

Source: CSC



also sparked some intense industry debate, with Trademarkia in particular causing a stir.

According to Abhyanker, his team rejects one in 15 applications on the basis that the mark applied for is just not good enough. If sustained, that ratio could prevent Abhyanker's firm from serving some large clients. Says Vayra: "If you're not a big company, then it's much easier to deal with the one in 15 false positives, because you might be dealing with only 15 registrations a year," he notes. "If you're doing thousands of registrations a year, then one in 15 is high."

Vayra is not the only one to raise concerns over Trademarkia's approach. Abhyanker may argue that a large proportion of the trademark application procedure is clerical, but Verizon's associate general counsel Sarah Deutsch is uncomfortable with this view. "The trademark review process is very delicate and complicated," she claims. "You wouldn't want that process turning into a commodity."

Deutsch adds that this is exactly what has happened with domain names. She ought to know: Verizon's trademarks are attacked by cybersquatters daily.

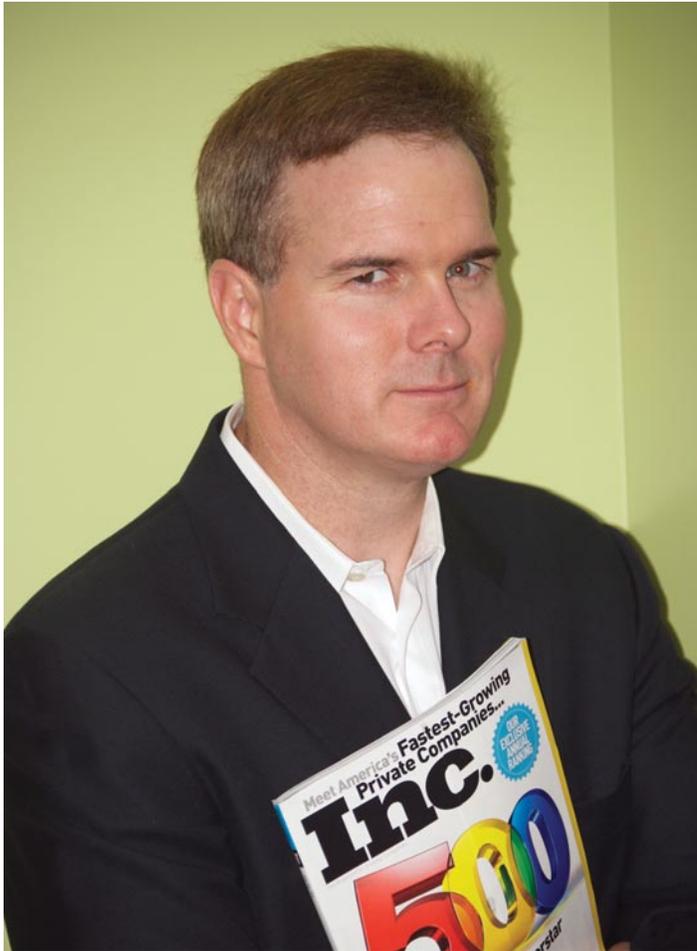
Beyond any concerns over commodification, Trademarkia has also attracted criticism for its marketing practices. Industry blogs such as IP Ally are reflecting the unease of attorneys who have received unsolicited marketing material for Trademarkia. And a small number of attorneys have connected through the various forums provided by the International Trademark Association (INTA) to try to unpick Trademarkia's fee structure. "Among the chief complaints," reports a story published in Bloomberg in June, is that "Trademarkia's online agreement doesn't adequately explain to

clients that they are hiring Abhyanker's law firm. It charges a flat fee without identifying problems that could make a trademark application more complicated and costly." Abhyanker told the Bloomberg reporter that such critics are "making stuff up and mischaracterising us in an effort to bring us down." Abhyanker acknowledges that Trademarkia has had to address some concerns of the trademark community – for example, regarding marketing claims that contained incorrect information about trademarks (which are now amended). But Owen Smigelski, senior counsel for The Sunrider Corporation, writing on INTA's LinkedIn group, notes, "It is not *our* position to correct these errors. The onus is on the attorney(s) to not make them in the first place, and some of them crossed the ethics line." Abhyanker, meanwhile, asserts that his firm is upholding the "highest ethical principles."

With regard to quality, Smigelski says that Abhyanker's firm has "filed a significant number of questionable applications that are now rightfully being opposed/rejected, resulting in wasted fees for their clients (and the USPTO and opposers)". Abhyanker refutes any suggestion that his model churns out low-quality marks, claiming in the Bloomberg piece that Trademarkia can actually "upgrade the quality of applications".

For traditional firms, the issue of quality has become the key battleground. For example, filing chart-topper Greenberg Traurig, which is also home to a highly regarded trademark practice, insists that it can't be beaten on quality. Co-chair Susan Heller explains that quality of service is built not just on the strength of the mark, but also on the value added to it. "It's not just about building a portfolio

Matt Swyers founded The Trademark Company with other former USPTO examining attorneys who looked at conventional filing practices in the early 2000s and felt they could build a better mousetrap



by adding more marks," she says. "We have to broaden the footprint of a mark so that its reach is stronger. At the end of the day, if we're not making that IP asset more valuable then we're not serving our model."

The revolution will be digitised

The quantity versus quality debate also inspires one to consider whether these sorts of services will change conventional practice. Vayra responds: "I think it behoves firms to go back and look at their trademark filing segment, because obviously the more complicated or work intensive it is, the more likely you are to create a bottleneck." Nevertheless, he is sure that new technological offerings will not put law firms out of business. "Instead, it just opens up this facility for those who would not previously have availed themselves of trademark services."

His opinion is echoed by many commentators surveyed for this article, who suggest that the new agencies are picking up trademark owners that otherwise would not have applied to register. This correlates to the fact that the new models tend to serve small and medium-sized businesses, which are usually less likely to file. In this way, the threat to law firms is reduced. But it does mean that the method of winning clients has changed dramatically. "When I started as a lawyer," recalls McCarthy, "I was told that one of my jobs was to go to clubs, meet people and bring back clients. These days, firms doing trademark work are bigger. Young associates bring in people who can't afford the firm. So the whole model is changing."

Johnson & Johnson: behind the scenes of a top filer

Although shy of the top spot by 100 trademarks, Johnson & Johnson (J&J) is still a high-volume filer in the United States. The company, whose diversified business includes pharma, consumer and medical device products, moved from third to second place, filing 547 (see Table 5; the company thinks the number could be well over 550 once the marks of some extra subsidiaries are counted). These numbers are no surprise for a company with such a diversified business. According to Larry Rickles, J&J's associate trademark counsel, "We file for many trademarks because we have so many different products. Some companies rely more on their house brand; we brand each product. If we have five different catheters, for example, each will have its own brand name. And there's high turnover in our sector, too, because many medical device products tend to have a short lifecycle. You create a hip implant called X and then, within five years, the technology improves and you call your new implant Y."

At the consumer end of the spectrum, of course, J&J owns and manages several huge brands such as Listerine and Splenda. And it is in this area where the company can really foster a long-term connection to the customer (especially since it is not so restricted by regulations, as its pharma

products are). Indeed, J&J shares the top filer table with other companies that value brands to the extent that they devote significant resources to trademark filing. "In our sector," Rickles notes, "a consumer-focused brand may file two or three registrations per package, whereas a less sophisticated company will file one and be done with it. The companies that file a lot focus on developing good brands. They don't just pick a descriptive name; they'll spend time and money coming up with a strong brand they can protect and enforce." That's certainly the way the table looks, from Mattel to L'Oreal and J&J rival GlaxoSmithKline.

Ultimately, though, as Rickles says, the size of a consumer company's filing practice comes down to a combination of manpower and money. Historically, J&J did not file for "every little thing", he says, but became more proactive as it grew. "We have more people doing it in-house than ever before," he told *WTR*. "Fifteen years ago, I was the third attorney to join; now we have seven. When you have more attorneys, you can focus more on the brands by speaking to the business guys and the people who generate ideas."

The result of this shift is that the junior attorneys who can innovate within the trademark space or simply market themselves better will be more likely to establish strong practices. The need for this kind of commercial nous is gradually percolating down to the law schools, says David Franklyn, professor of law at the University of San Francisco. "I'm preaching that our law school needs a course on how to see yourself as a business," he told *WTR*, "and how to be an entrepreneur – because you are going to need to be one."

To some extent, it is inevitable that junior members of the profession who were raised with the Internet will find new ways to shake up trademark legal services. If this comes to pass – and the latest filing stats suggest that it could – it will increase the need for traditional firms to innovate in order to win, and keep, clients. The recession showed that clients simply won't stick around for loyalty's

“I’m preaching that our law school needs a course on how to see yourself as a business and how to be an entrepreneur – because you are going to need to be one”

sake: since 2007, corporate counsel have used budget cuts to drive harder bargains with their external advisers, or even dropped them altogether in favour of cheaper alternatives. Entire IP firms have gone under – most notably Darby & Darby.

While the financial crisis may have wiped out some trademark practices, new business practices could pose a more sustained threat. The Internet has not only made it easy for Trademarkia to interface with the public and for The Trademark Company to attract clients, but is also driving efficiencies among in-house attorneys to the extent that some might eventually decide to abandon external filing firms altogether. In-house counsel are increasingly strategic and focused, and are growing more confident in conducting their own initial knockout searches at the USPTO database and through Google. (Google may be monetising your trademarks, but it’s also saving you time and money when creating new ones.)

Against that backdrop, it is not hard to imagine an in-house counsel conducting his own search, deciding based on the filing strategy he has written and then seeking a low-cost service provider to do the application legwork. Vayra says: “Unless a company wants to maintain a small in-house team that manages external counsel, it could become more comfortable with these newer types of filing company. There isn’t much argument, aside from volume or team structure, to have any people outside look at it.”

That’s easy for Vayra to say: his in-house trademark practice at Time Warner is a significant operation and can easily spend the time needed on strategy and developments in law and practice. By contrast, smaller in-house teams – and companies with no in-house trademark component whatsoever – still require external advice. In short, the market will continue to support traditional firms that can help clients to understand their marks and build them on behalf of the businesses. “A trademark is a live asset,” notes Heller. “A lot of value in trademark work is created between filings. The trademark owner needs to know what’s going on in case law. You need to follow new developments and technologies that will help you protect the mark.”

This level of knowledge and advice is what traditional firms have traded on. Some of the online discussion centred on Trademarkia has even suggested that traditional firms could benefit from a new source of new clients – those that file cheaply through an online system and then become disillusioned by associated costs further down the line. Former INTA president Paul Reidl comments on IP Ally: “I guess it gives me a steady flow of business from people who thought they were getting a bargain.”

The Google mentality

While Abhyanker and Swyers have both leaped up the trademark filing tables, the surprising thing is that they haven’t really spotted each other as yet. And when each is mentioned to the other, neither expresses much interest. Indeed, Abhyanker doesn’t spare much thought even for traditional firms: “A lot of my friends at big firms are happy with Trademarkia, but they’re the young associates, not the old curmudgeons,” he explains.

And does Swyers feel envious that Trademarkia has leaped ahead, even though his own company was a first mover in this space? Not at all. “Good for them,” he says, adding that he doesn’t keep a close watch on the marketplace. “We know relatively little about what our competitors are doing,” he admits. Instead of looking outwards at his rivals, Swyers’ focus is internal – and in particular on ensuring that his own game is the best it can be. “Southwest Airlines’ philosophy is not to say its competitors are bad,” he explains. “They just know that Southwest are awesome.” In order for Swyers and his senior team to build a similar level of self-belief, they retreat every Thursday at noon into a special room in order to brainstorm ideas of what customers could need next and what would be “cool” to offer them. He says, “It’s the Google mentality.”

The analogy is neat: by allowing companies to use competitors’ trademarks to activate advertisements, Google sent tremors through the trademark community, but it didn’t put anyone out of business. By exploiting new technologies and redesigning business processes around trademarks, perhaps Swyers and Abhyanker will trigger a veritable earthquake. [WTR](#)

Adam Smith, *World Trademark Review*