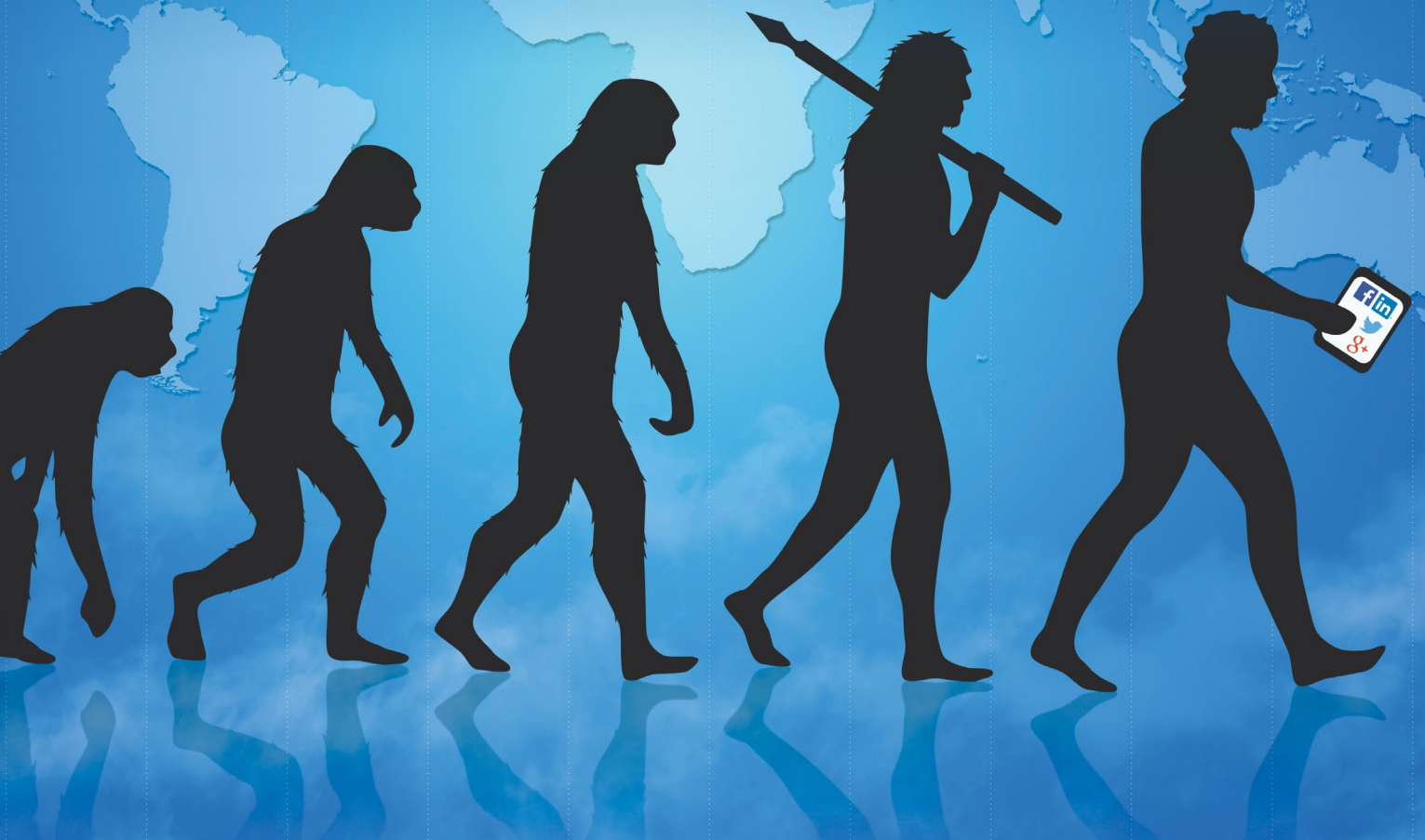


EVOLVE™

TRADEMARKS AND INTELLECTUAL PROPERTY

THE SURVIVAL OF THE FITTEST BRAND:

PROTECTING ASSETS IN THE AGE OF
SOCIAL MEDIA AND NEW TECHNOLOGY



DuaneMorris®

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TRADEMARKS AND INTELLECTUAL PROPERTY





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THE SURVIVAL OF THE FITTEST BRAND: Protecting Assets in the Age of Social Media and New Technology

The best branding gurus can take a page from ancient philosophers, mathematicians and modern scientists: Change is constant. A brand's message may shift incrementally over time, its look and feel flexes, and even the tools used to engage customers are ever-evolving. Companies of all sizes are embracing social media to engage customers and heighten brand awareness while keeping older models (print, radio and television) in play.

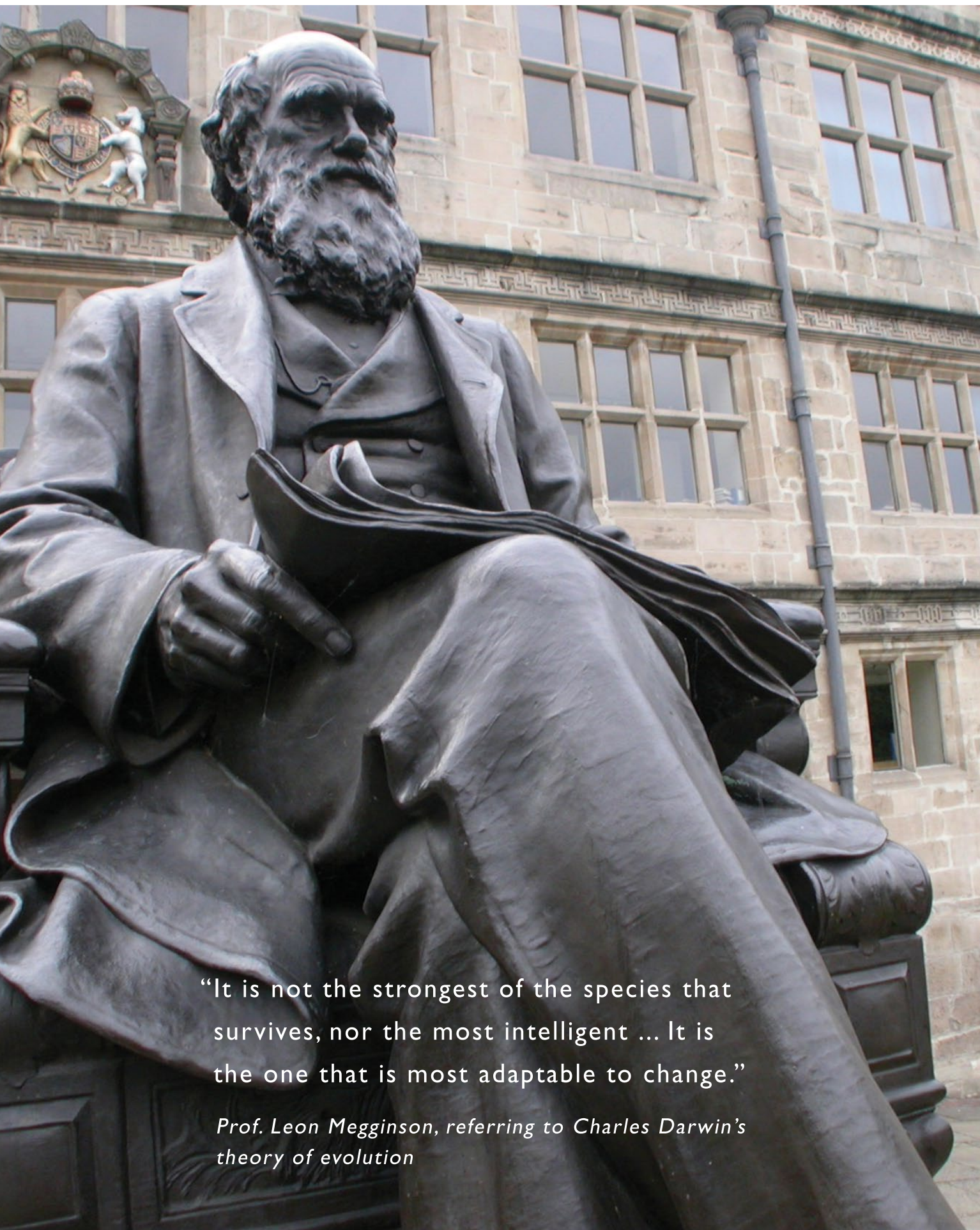
In the midst of this evolution, how does a company create and develop a strong brand in today's fast-moving, technology-driven marketplace? How does a branding strategist stay one step ahead of new and emerging social media?

The answer may not surprise IP professionals: The survival of the fittest depends on the span and flexibility of intellectual property.



Mark Steiner, a partner in Duane Morris' San Francisco office and co-chair of the firm's trademark and copyright practice, helped convene a panel at that office in spring 2014 to answer the question on every branding professional's mind: [What IP strategies can help evolve and protect a brand?](#)





“It is not the strongest of the species that survives, nor the most intelligent ... It is the one that is most adaptable to change.”

Prof. Leon Megginson, referring to Charles Darwin's theory of evolution

“After years of preaching about the value of branding, I find it’s really not necessary anymore. People really get it. People are quantifying the value of their brand and using that measuring stick to drive their business decisions.”

Sue Hutner, Brand Strategy Director, HDSF



At Duane Morris’ San Francisco office, the panel discussion was sponsored by the Business Leadership Council (BLC) of the Jewish Community Federation.

THE PANELISTS



MARK STEINER, a Partner at Duane Morris LLP, an international law firm, practices in the area of intellectual property law with a focus on trademarks and copyrights. Steiner offers clients a strong combination of trial experience, counseling, enforcement, procurement and licensing know-how in matters concerning trademarks, trade identity, Internet domain names, copyrights, trade secrets and unfair competition.

VICTORIA TREYGER, Chief Marketing Officer at Kabbage Inc., is a marketing executive with deep expertise in developing brands, driving customer acquisition and building customer loyalty across business-to-consumer and business-to-business companies. Kabbage is an Atlanta-based online provider of business loans.

GUY YALIF most recently led global product marketing at Twitter for three years. Before Twitter, Yalif spent seven years at Yahoo! leading product management and marketing organizations serving advertisers large and small in search, display, mobile, video and web presence. His core expertise is integrating the broad range of marketing disciplines and customer experience for both products and services to scale companies and build awareness.

SUE HUTNER, Founder and Brand Strategy Director of HDSF, a branding identity firm, helps customers create dynamic brands that alter the customer experience. From high tech to real estate development, healthcare and the food and wine industry, Hutner's focus is driving growth through brand activation—forging emotional connections to influence decisions and inspire action.

THE BRAND IN TODAY'S EVOLVING MARKETPLACE

Strong brands are unique and different from the competition. A brand's trademark portfolio should reflect that differentiation. Of course, "trademark" goes beyond a name or logo, says Mark Steiner of Duane Morris. "There are service marks, sound marks, color marks, motion marks and even smell marks—all of which are in different ways symbolizing the good will that a company has to offer."

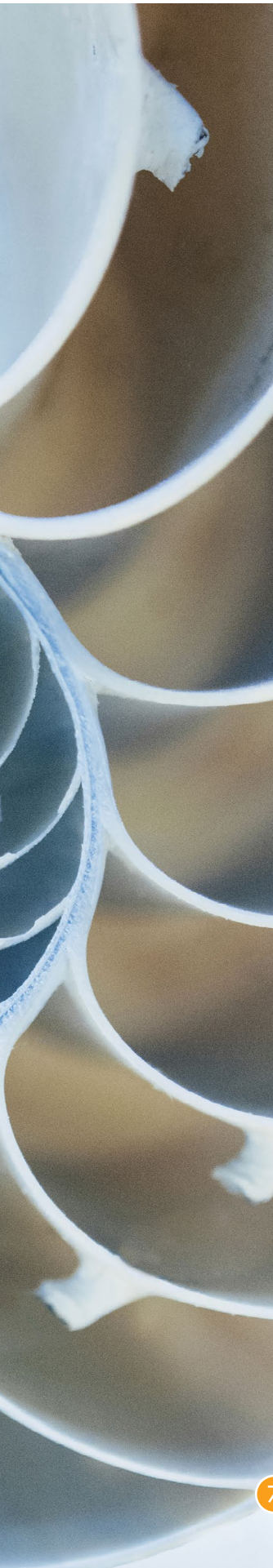
That's important because in this age of social media, a brand is dynamic. Sue Hutner of HDSF says brand equates to reputation. Victoria Treyger, Chief Marketing Officer of Kabbage, Inc., defines a brand as the sum of all the different touch points that a consumer has with a company—including what people say about your brand online and how you respond to what's being said—and that every single interaction with a customer can be significant.

Communication is key. "At its core, a brand is a promise," says Guy Yalif. In communicating about your brand, you are telling people what it's going to be like to spend time with your product or service, setting up an expectation that hopefully you will be able to deliver. Product companies are, in effect, designing their brand into the product. Service providers are reinforcing or detracting from their brand with every delivery of their offering.

"At its core, a brand
is a promise."

Guy Yalif





RISING FROM THE PRIMORDIAL OOZE: A Distinctive Brand's Evolution

So, how best can you differentiate a brand? Steiner has extensive experience working with companies of all sizes across a wide array of industries in the protection of their brands. Sometimes he has to steer clients away from the creation of brand or product names that could potentially cause legal issues. "I often find that people want to come up with a word, phrase or term that describes the goods or services that they're using the name for—something that sounds like what it is so the public will know," he says.

"From the legal point of view, it's better to pick a trademark that is not descriptive of what your goods and services are—something that we call distinctive. This strategy will maximize the brand owner's ability to protect trademarks domestically and around the world."

Mark Steiner, Duane Morris

It's well known that a distinctive trademark can be "fanciful"—a made-up word like Exxon, Xerox or Kodak. A mark will also be distinctive if it's "arbitrary" and doesn't describe the goods and services in any way, such as Apple for computer and other technology products.

Brand owners can cause problems for themselves by failing to do their homework. When launching a new brand, a company needs to carefully research all the relevant places to ensure that a name is available. Steiner notes that a common misstep that brand owners make is to simply check with the Secretary of State (in the case of California, Delaware or other states) to see if a name is available.

Instead, he says, a brand owner should perform a full trademark search to determine if the name under consideration is already being used for similar goods or services. Calling on a trademark lawyer to conduct a thorough trademark search can be one of the wisest investments a business can make since trademarks ultimately become one of a company's most valuable assets. This step is of particular importance in the United States where there can be legal rights in both registered and unregistered trademarks.

TOOLS FOR SURVIVAL: How Best to Market Your Brand

While traditional media may not be dead, consumers, particularly younger ones, have adopted social media with unprecedented speed. In the past, a company setting out to build brand awareness focused on “outbound” communications to their potential customers, including print, television, radio, direct mail, billboards and telemarketing. Now companies are paying increasing attention to promoting their brand through “inbound” marketing that encompasses Internet search engines, social media, blogs, podcasts, video, e-newsletters, SEO and other forms of content marketing, all designed to increase customer engagement with a company’s services and/or products.

With the proliferation of “inbound” new media, a company now has more choices than ever for reaching its customers and building its brand. Since no one has an unlimited marketing budget, this means making strategic choices about how to most effectively invest marketing dollars. When are traditional media an effective tool? When should a company be focusing more efforts through social media? According to the panel, there’s no secret formula for success. How to allocate resources to build a brand depends entirely on a company’s target audience and how best to reach it.

For example, Yalif points out that spending on television advertising has actually been increasing and that advertising costs for the Super Bowl were higher in 2014 than in 2013. The common wisdom is that TV is an effective way to reach that unique, mega audience. What’s changed is that marketers can now follow up on the mass appeal with a highly customized call to action via social media. According to Yalif, “Now other people are helping to shape our brands by talking about us. So our job [as marketers] isn’t to control this but to participate in the conversation.”





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Traditional media also trumps digital overload. The proliferation of email has most consumers’ inboxes teeming with marketing plays, and they are not very receptive to an email pitch or solicitation. “So direct mail is back,” says Treyger. “The physical mailbox is becoming a sanctuary of sorts.” The lesson: [Sending an old-school postcard or newsletter can be a very effective marketing tool.](#)

Nevertheless, when Treyger was at Travelocity, she canceled what had been a very large print advertising campaign [and devoted resources instead to local and social marketing and saw the company’s business grow as a result.](#) Print was simply not as effective as social media, in this context.

Intelligent website design is also important in ensuring that a company is presenting its brand in the strongest way possible. Hutner points to responsive website design as a useful tool for a company in promoting its online presence consistently across platforms, ensuring that a website automatically adapts from desktop to tablet to smart phone.

IGNORING THE DINOSAUR IN THE ROOM: Avoid Social Media at Your Peril

Companies that neglect to give social media their full attention and best thinking can put their reputation and brand at risk. Yalif notes that a common mistake companies make is failing to speak with a unified voice through their social media presence, which sends mixed and sometimes inauthentic messages to their customer base.

In more extreme and serious cases, news about a service outage, a defective product or an embarrassing gaffe by a corporate executive can spread virally through the Internet and social media to the point that a company has no choice but to respond. Fortunately, social media provides a platform for companies to acknowledge and own up to problems, and to maintain a dialogue with customers and the public at large.

Prior to the advent of the 24/7/365 on-demand news cycle, companies often tried to hide problems, not acknowledging their existence, while trying to fix them in the background. “Now we see people at companies showing that they’re human and occasionally injecting humor,” says Yalif. “When done effectively, you see the response immediately on social media. Being up-front, not running away—most of the time, it pays off.”

Social media is a powerful tool for customer engagement, for better and for worse. Smaller businesses use it as a vehicle for reaching local, regional, national and even international audiences in a way that previously was impossible. “For small businesses, social media is almost like a CRM system,” says Treyger. “You’re unlikely to go out and buy Salesforce, but social media gives you the opportunity to interact with your customers in a meaningful way.”

A company’s social media presence says volumes about its brand.

“Whether information is good or bad, you have to respond to it. Be humble, be real, educate your customers and really stay on top of social media because, like it or not, it’s a huge part of your brand to the world.”

Victoria Treyger, Kabbage, Inc.





“I see companies that believe they can just set up things and be done in terms of branding.”

Sue Hutner, HDSF

The dodo flourished on the island of Mauritius in the Indian Ocean ... until the arrival of humans. In less than a century of hunting and introducing invasive species, the dodo became extinct.



DON'T BECOME EXTINCT: Branding's Natural Selection

Despite all the credence given to social media by our branding experts, there remain skeptics who question the value of social media, especially to companies that market to other businesses. According to Yalif, many people still believe that “Social media is just about what I had for lunch.” He points to all the legitimate business-to-business conversations taking place on platforms like Pinterest, Instagram, Facebook and Twitter and wonders why any brand owner would want to ignore the opportunity to engage with so many prospective customers.

It's easy for brand owners, especially in small businesses, to lose sight of the fact that maintaining a strong brand is an ongoing challenge. According to Hutner, “I see companies that believe they can just set up things and be done in terms of branding.” This “do it once and you're done mentality” was always problematic, but it's even more so in the age of instant online access and social media. Despite the onslaught of competitive demands on time and resources, especially for sole proprietors and small companies, [all brand owners should consider investing time and attention in maintaining their brand.](#)

SOCIAL MEDIA'S MAGIC

One of the extraordinary impacts of social media is the creation of powerful brands almost overnight through customer testimonials and referrals.

Companies like Uber, Dropbox and Lyft have built powerful brands through word of mouth, fueled by social media that serves to amplify and resonate awareness of a product, service or experience.

What do these companies have in common? According to Treyger, "They take something that the customer finds really painful, like finding a taxi or emailing large files, and they revolutionize that experience. [Making the user experience dramatically better is the ultimate power in the creation of a brand.](#)" Dropbox drives 38 percent of new business through referrals. Uber has grown through word of mouth. Our panelists unanimously agreed that no amount of advertising spending can create this kind of impact.

Yalif also maintains that word of mouth is one of the most effective forms of advertising. He, along with Treyger, point to Virgin Atlantic Airways, which created buzz and increased business by changing the experience of air travelers. What Virgin did was less revolutionary than Dropbox or Uber, but it changed how many people felt about air travel, helping Virgin build a loyal following and generate consistently positive buzz on social media. According to Steiner, "Virgin America is an excellent example of using a color (purple) as a trademark or trade dress identifier of its airline services." He added that the public has come to associate the color with Virgin in the field of air travel, and consequently, the airline is garnering valuable trademark rights in it.





What's New? Generic top-level domain names mean new territory for unknown creatures.



In the past two decades, 18 new species of mouse lemurs have been identified in Madagascar.

CHARTING A NEW SPECIES OF DOMAIN NAMES

A new set of top-level domain names (gTLDs) are rolling out this year, and brand owners are wondering what they should be doing to protect their brands in this nascent environment. These new gTLDs include such domains as “.coffee,” “.airline” and the like. The “.com” domain has been the address of choice for businesses since the beginning of the Internet and other top-level domains like “.net” and “.biz” have always been considered less than ideal by marketing consultants and brand strategists. [Will the new gTLDs have a bigger impact?](#)

Steiner consults frequently with his clients about domain names and domain disputes. He is fielding lots of questions from companies struggling to understand the steps required to potentially secure new domains. Believing that the potential for disputes is real, Steiner contends that companies should consider grabbing the new domains that are relevant to their brand—a preemptive, defensive tactic.

“There are sunrise periods for those who registered through the Trademark Clearinghouse that allow companies to get there before the general public, which is something we’ve done for our clients. We are one of the very few law firms that is a registered trademark agent with the Trademark Clearinghouse, which is a centralized global database created by ICANN. Accordingly, we are able to register trademarks with the Clearinghouse for our clients to facilitate the registration of gTLDs for their brands,” says Steiner. “But it’s going to be a free for all—if a company doesn’t obtain the relevant domains, the risk is that someone else will grab them and cybersquat, which is where problems and dramatically increased costs can begin.”

BRANDING EVOLUTION

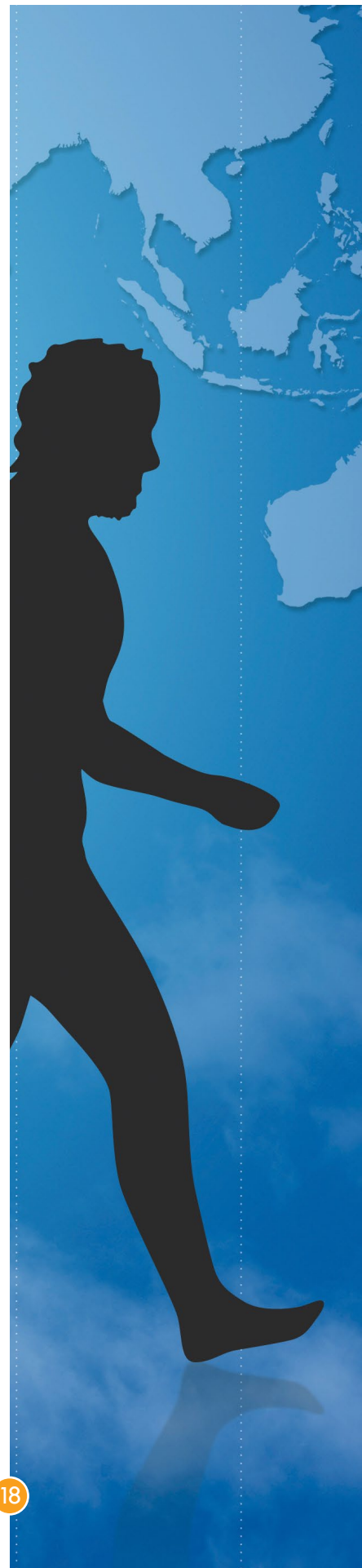
The skyrocketing growth of social media, fueled by the everything/anytime/anywhere capability of smart phones and tablets, is currently dominating the marketing and branding landscape. Are there new technologies or trends on the horizon that could change the way we think about these issues and change how brand owners should respond? Our panelists shared their conclusive thoughts on these and other emerging issues.

For Yalif, the adoption and evolution of social and mobile technologies as the way to connect with consumers is really just getting started. He thinks brand strategists will be focused on these areas for some time to come. It used to be that web search results were king. Now, Yalif says, social media is king.

Treyger thinks that the targeting of customers is getting increasingly granular and, thus, more effective at driving ROI. “The beauty of social media platforms like Facebook is that you can do unbelievably targeted marketing regardless of whether you’re trying to sell to a consumer or to a small or medium-sized business,” she says.

On the targeting front, Yalif points to “context-aware experiences” as one of the next frontiers in using social media as a classic direct response tool. For example, a person who went to a golf course three times last month will be identified as a golfer and targeted with ads accordingly. In this regard, he expects to see a continued move to personalized marketing, although pushback from consumers over privacy concerns is definitely a factor for companies to watch. That said, “we’ve seen a lot of tolerance and acceptance of the personalized marketing tools that are available now.”

The impact of “noise levels” interests Hutner, who notes that the constant drumbeat of online and other media sources demanding consumer attention could lead to a backlash that marketers will need to take into account. “I think simplicity is something people crave in the current environment,” she says. “In order to get someone’s attention, simplicity is the answer—if you can do it right.”





CONCLUSION:

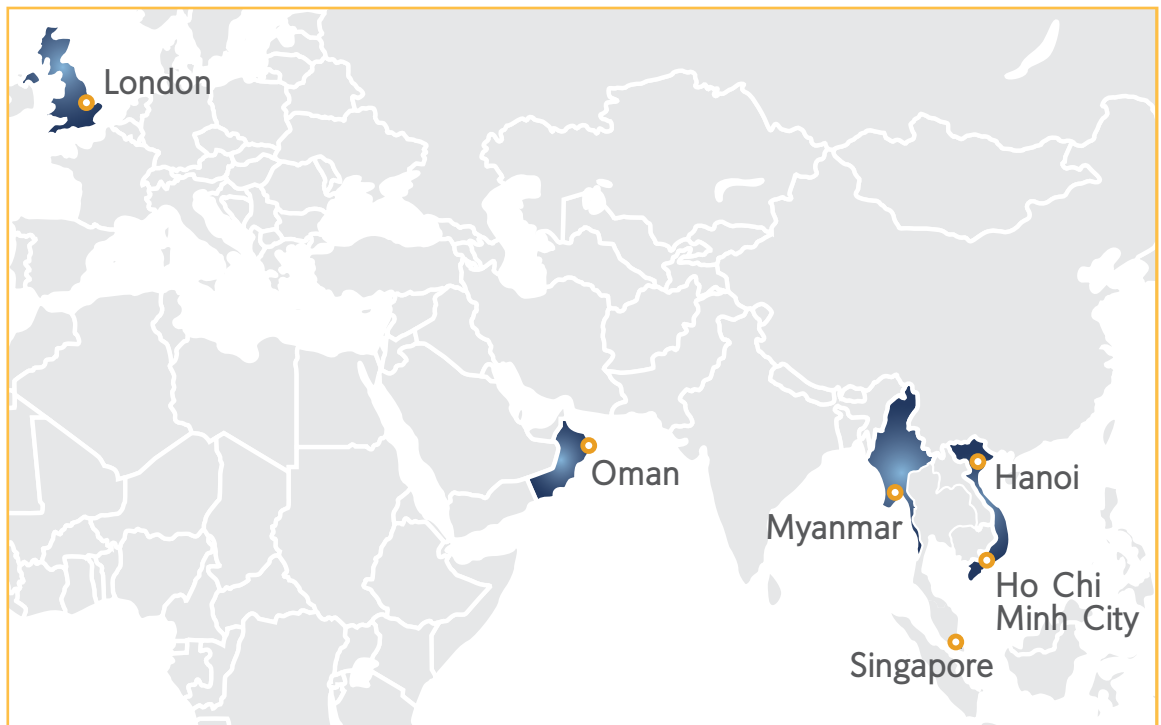
The Next Generation

While the law can sometimes be slow to catch up with new and changing technologies, Steiner views trademark law as working quite well in allowing brand owners to protect and enforce their rights, both domestically and internationally, if the appropriate steps are taken along the path of brand development. Proper selection, protection and enforcement are key.

This is one of the most dynamic branding environments ever.

Those who fail to stay actively involved in the emerging social media channels may not survive the natural selection process.

Adding to the complexity, globalization is no longer “on the horizon,” but constitutes, in real time, both a threat and an opportunity, even for relatively smaller marketers.



ABOUT DUANE MORRIS

Duane Morris' Intellectual Property attorneys assist clients in obtaining trademarks and copyrights, perform searches and render registrability opinions. Duane Morris has been repeatedly ranked among the top trademark filing law firms by *Trademark Insider*, *IP Today* and *IP Law360*. We file and maintain thousands of applications to register trademarks, current trademark registrations and copyrights each year in the U.S. We also coordinate with our international networks of law firms to file and maintain thousands of trademark applications and registrations throughout the world. We offer our clients technology solutions for real-time trademark docket management, giving clients anytime/anywhere access to information on their IP holdings, including status updates on filings and alerts to upcoming deadlines.

The firm's more than 700 lawyers in offices around the world provide representation and counsel on today's business and legal challenges faced by companies in industries ranging from technology to healthcare, construction to insurance, consumer products to luxury goods, and more.

For more information, please visit www.duanemorris.com, or contact **Mark Steiner** at masteiner@duanemorris.com or 415.957.3036.

The April 2014 panel discussion at Duane Morris was sponsored by the Business Leadership Council (BLC) of the Jewish Community Federation, an organization that connects San Francisco Bay Area Jewish leaders with up-and-coming professionals to build meaningful professional relationships while supporting the Jewish community. For more information, visit www.jewishfed.org.



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