

The 2021 trademark ecosystem

Global insights into the optimization
of trademark value, protection and technology

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Executive summary

However well-established, today's brand portfolios must compete on a global scale, adapt to new opportunities and respond fast to threats that arrive with little warning.

Businesses need to be ready to go to market quickly with new brands that align with their product strategy or they risk missing out on revenue opportunities. Niche industry players on the other side of the globe may suddenly gather strength and emerge as genuine competitors. Market regulations may alter unexpectedly, driven by political ideology or economic policy. A period of stability and growth for a business may be upset by the unheralded infringement of its intellectual property (IP) and trademarks, creating internal turmoil.

This is why organizations must remain strategic and alert, making full use of all tools and technologies available to increase competitiveness, boost agility and enhance their market position. Registering and protecting a trademark is now fundamental to building and sustaining brand value in the eyes of customers, partners, prospects and the board.

What makes this such a vital area of corporate activity is the continuing proliferation of trademark filings. Despite the severe hit to the global economy inflicted by the pandemic in 2020, the volume of new trademark filings rose, indicative of the global economy's remarkable resilience.

Trademark applications increased especially in the Asia-Pacific region¹, with Mainland China reported to be 20% ahead of 2019, South Korea 19% ahead, and India up by 13%. In most European countries subject to severe lockdown restrictions in the early parts of 2020, filings were back to 2019 levels by the end of May and by the end of 2020, many European registers had set new records for annual filing volume. The United Kingdom saw filing volume increase by 31% over 2019 levels; the European Union Intellectual Property Office (EUIPO) saw an increase of 14%, with Germany also up 14%.

However, the fastest growing trademark register in the world in 2020 was the United States, where filing volume increased by an unprecedented 35% over 2019 levels. In September applicants based in Mainland China submitted more trademark applications in the United States than domestic American filers. While the surge in filings was likely driven by an accelerated switch from brick and mortar retail to online commerce it also resurfaced longer-standing concerns about submission of inappropriate specimens of use² and the ability of the USPTO to cope with the workload.

This is why organizations must remain strategic and alert, making full use of all tools and technologies available to increase competitiveness, boost agility and enhance their market position.

After a relatively brief hiatus caused by the pandemic, trademark protection rose back up the business agenda, with venerable brands and anti-establishment disruptors involved, driving up litigation activity in many areas. The New York Times for example, has filed a suit against Time Magazine over the latter's use of term "TIME100 Talks"³ which is claimed to be too close to the former's "Times Talks" series. Meanwhile, the high-profile British street artist and political activist Banksy lost his two-year dispute⁴ with a greeting card company over the use of his mural in Bethlehem.

¹ www.worldtrademarkreview.com/anti-counterfeiting/wtr-connect-2020-week-two

² www.youtube.com/watch?v=9qCO_FLo8mY

³ www.intellectualpropertymagazine.com/trademark/the-new-york-times-files-suit-against-time-magazine-144569.htm

⁴ www.theguardian.com/artanddesign/2020/sep/17/banksy-trademark-risk-street-artist-loses-legal-battle-flower-thrower-graffiti

Trademark professionals involved in day-to-day operations experience multiple and competing pressures. In addition to managing tasks across the trademark lifecycle, they receive constant demands to do more with less, to contribute to growth strategies and build effective collaborations internally and externally.

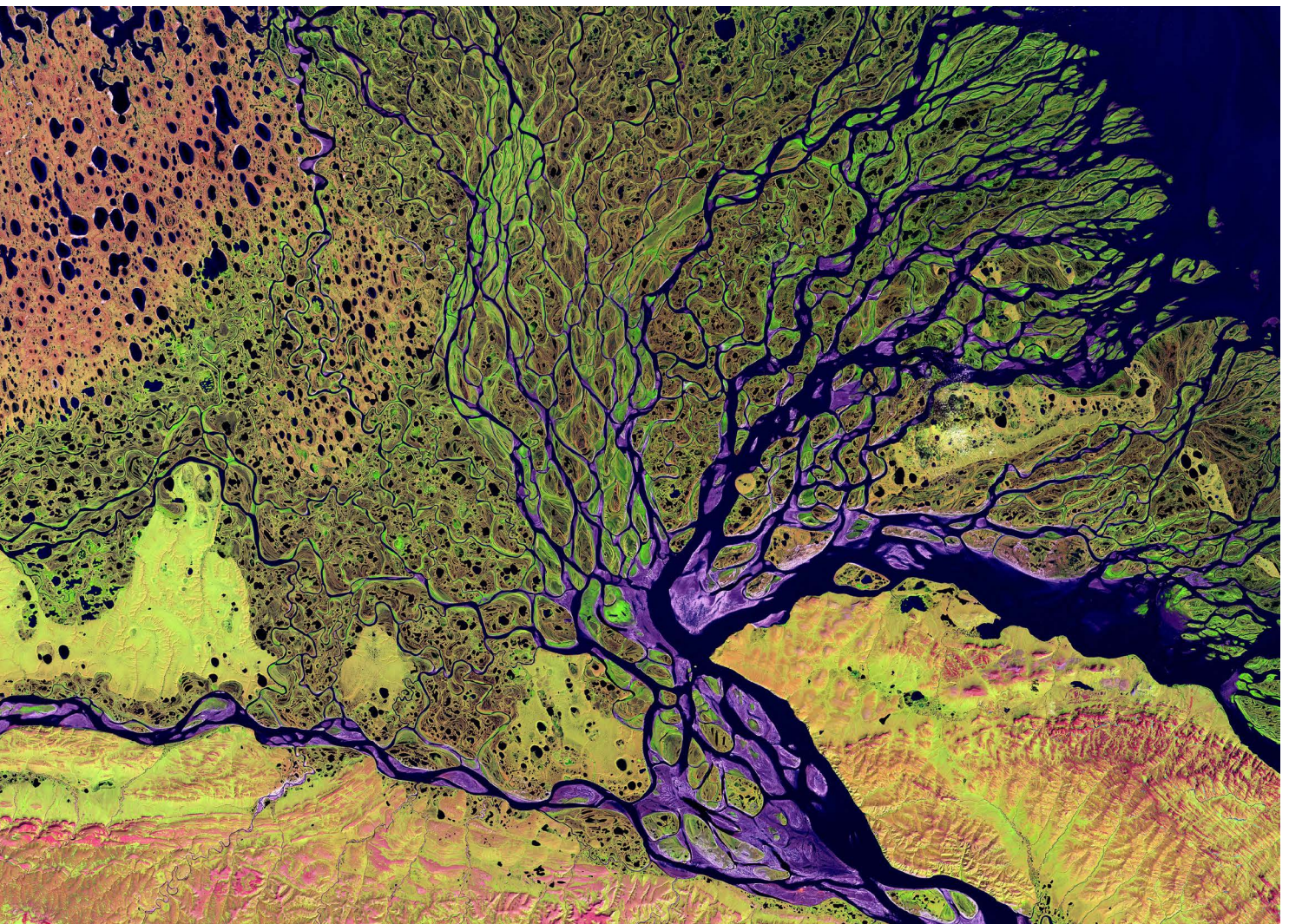
Fortunately, advances in technology mean today's trademark professionals are no longer so isolated. Tools are available for legal and brand professionals to establish and protect hard-won brand reputation and trademark integrity. Third-party providers also bring their own expertise to assist with successful navigation of the trademark ecosystem.

As pressures continue to increase, the way trademark professionals respond remains critical to their success in such a complex environment.

To gain a deeper insights into trademark professionals' practices, experiences and attitudes, Clarivate commissioned research into the trademark ecosystem for its annual

trademark ecosystem report. Carried out by independent survey firm Vitreous World, the research sought the views of 300 trademark professionals, both in-house and external counsel, across seven countries/regions: United States, United Kingdom, Germany, France, Italy, Japan and Mainland China, to reflect the truly global nature of today's trademark ecosystem.

As pressures continue to increase, the way trademark professionals respond remains critical to their success in such a complex environment.



Key findings

Opportunities are missed when the C-suite doesn't pay attention

High numbers of professionals report their organization could not take up trademark-related business opportunities, such as licensing or moving into global markets and partnerships, because top level management was not engaged.

- 89% of respondents report that opportunities missed for this reason led their organizations to miss a revenue opportunity (34%) or rights (30%). Others say they were unable to move into new markets or strike lucrative licensing deals and a third (33%) say the absence of the C-suite adversely affected partnerships.
- 20% say the boardroom is not involved at all in trademark matters.

Trademark infringement has hit a new high

Infringements affected almost nine-in-ten respondents in 2020, with the sheer volume alone presenting major challenges for most trademark professionals.

- 67% of respondents overall say trademark protection became more difficult.
- In Japan, however, a full 87% of trademark professionals take this view.

Social media names take center stage

Significant shifts in areas of infringement are evident, with social media names now taking the limelight just as online marketplaces clean up their act.

- 50% of respondents report that social media names are where many infringements occur, narrowly overtaking web domains (49%)
- 73% of respondents in Mainland China state that web domains are the biggest challenge
- The always-on influencer environment is having a big effect – 88% of all respondents say this has led to changes in brand impact and value

High numbers of professionals report their organization could not take up trademark-related business opportunities, such as licensing or moving into global markets and partnerships, because top level management was not engaged.

Infringement still hits hard

The impact of infringement is felt in many ways, with the costliest consequence being the need to change a brand name. Reputational damage and customer confusion also inflict significant trauma on the bottom line of any organization.

- 56% of all respondents have changed a brand name because they suffered infringement, rising to 88% in Japan
- 62% spent more on dealing with infringement than they did in 2019

Technology is desired, but its impact is under-appreciated

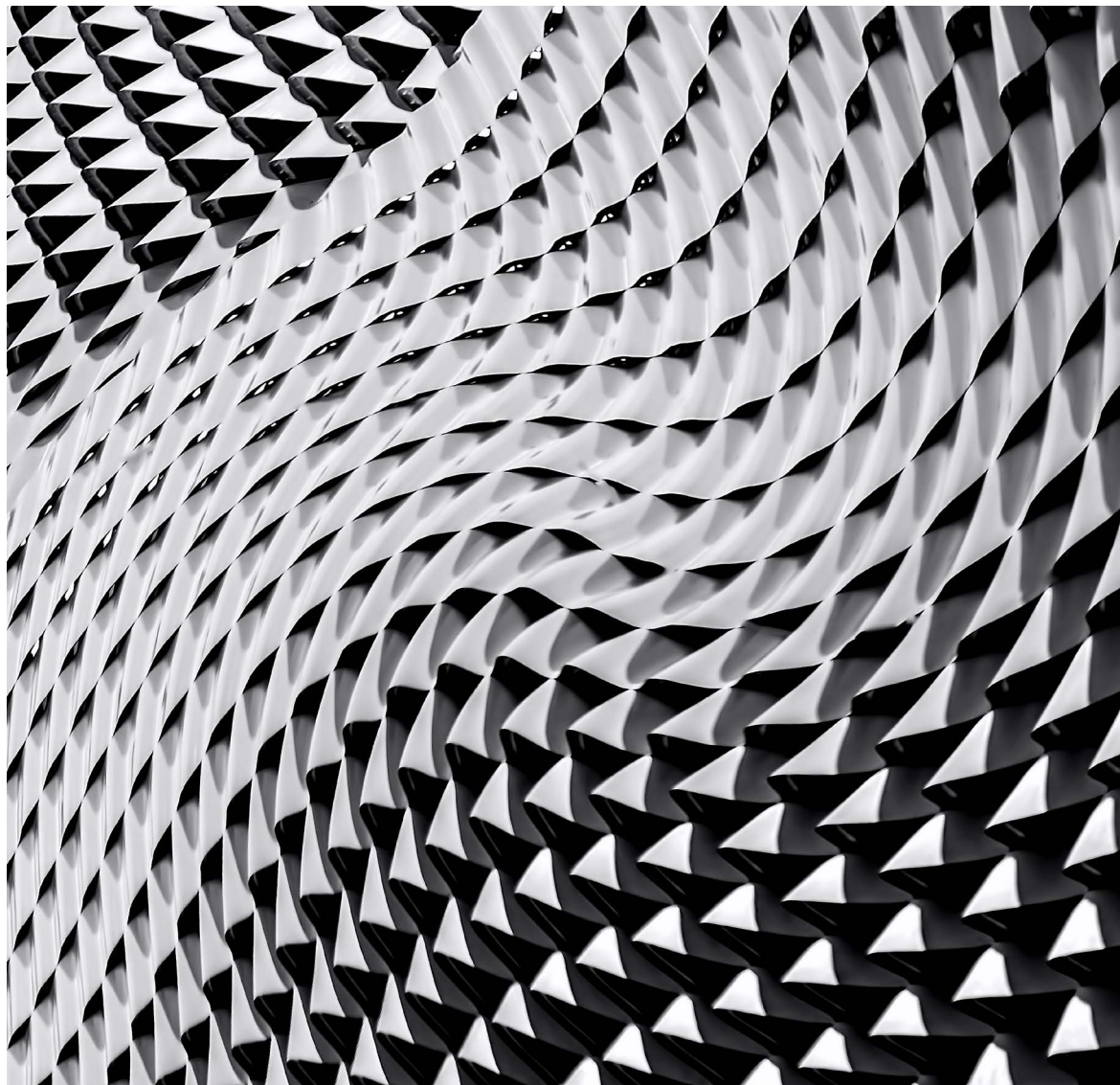
Half of all trademark professionals (50%) do not believe advances in technology will make trademark research and protection more effective.

Many agree that advanced technologies such as predictive analytics and AI have a role to play in trademark processes and workflows, but still do not grasp how far-reaching the efficiency gains could be in research and protection.

Despite this, 58% of all respondents say high quality technology is one of their top three considerations when they choose a trademark research provider.

Professionals are also positive about the role of technology in the following ways:

- 51% believe AI will speed up search and watch functions.
- 51% say predictive analytics will add most value to application or case outcomes.
- 46% believe AI's area of greatest impact will be in gathering evidence for cases or assessing complex shapes or non-traditional marks.



An overview of the ecosystem

Trademarks are essential to commerce in almost every corner of the world today, irrespective of a business's size, how long it has been established, whether it is an unknown start-up or an instantly-recognizable name.

For marks to work, they have to be unique, rooted in solid legal foundations, and thoroughly protected to reduce risk and maximize commercial value. Achieving that protection can be difficult, however, when brands and trademark professionals operate in a globalized system of proliferating trademarks. Alongside this are the challenges of regulations that can change and swift fluctuations in economic conditions.

For marks to work, they have to be unique, rooted in solid legal foundations, and thoroughly protected to reduce risk and maximize commercial value.

Trademark strategy

In an age of digital innovation, IP is central to business value and outcomes. Having a great concept is essential, but it needs to be protected, supported and given appropriate investment.

This is why the involvement of the C-suite is critical. When trademark professionals want to seize a business opportunity that relates to IP, they need backing from the top. All too often, however, they may not receive it. Nearly nine-in-ten respondents (89%) report missing out on trademark-related opportunities because the C-suite was not engaged.

The consequences were serious and felt in a variety of ways:

- 34% say it resulted in loss of revenue
- 33% say it impacted partnerships
- 32% hit licensing roadblocks
- 30% lost rights
- 29% were unable to move into new markets

In Mainland China, however, lack of C-suite involvement contributed more significantly to licensing roadblocks (63%) and difficulties with partnerships (50%)

Each of these adverse consequences is a setback for the organization concerned and could be avoided with clearer "translation" of what is required for the most senior executives.

If companies are to move into new markets they also need to plan ahead more thoroughly. Delayed decision-making undermines the quality of planning and increases the risk of missed opportunities. In "first to file" jurisdictions – such as Mainland China and Japan – it can even lead to being unable to use an established product name if someone else files an application before you do. Michael Jordan spent eight years⁵ fighting to recover the right to use his name in Mainland China as a trademark in a battle that was only successful after going to the country's Supreme People's Court.

⁵ [www.natlawreview.com/article/michael-jordan-prevails-eight-year-trademark-battle-china-s-supreme-people-s-court#:~:text=Michael%20Jordan%20Prevails%20in%20Eight,at%20China's%20Supreme%20People's%20Court&text=In%20a%20long%20drunning%20dispute,transliteration%20of%20Jordan%20into%20Chinese\).](http://www.natlawreview.com/article/michael-jordan-prevails-eight-year-trademark-battle-china-s-supreme-people-s-court#:~:text=Michael%20Jordan%20Prevails%20in%20Eight,at%20China's%20Supreme%20People's%20Court&text=In%20a%20long%20drunning%20dispute,transliteration%20of%20Jordan%20into%20Chinese).)

While it is disappointing that opportunities are being missed, there are positive signs. More than half of trademark professionals (58%) say their C-suite is involved in the trademark and IP process (which is the same percentage as last year). The percentage saying their C-suite is involved "to a large degree" has actually gone up from 21% to 24%.

More than a fifth (22%), however, say the C-suite recognizes the importance of the process but is still not involved. Exactly a fifth (20%), report their boardroom is not involved at all. In Italy and Mainland China, this total disengagement at the top is extremely rare, the figure being just 3% in both countries.

Increasing recognition of the value of IP

Although C-suite engagement is mixed, IP is increasingly recognized as a strategic driver in relation to M&A activity. While slowed by fallout of the pandemic in the first half of 2020, M&A rebounded significantly in the summer, with the Financial Times reporting deals worth \$456 billion in three months⁶.

In this climate of renewed activity and optimism organizations are more likely to recognize the value of their IP, taking steps to develop and protect it. More than six-in-ten respondents (61%) in this research for example, say their organizations have had their IP valued, compared with just 18% that have not.

In Mainland China, the figure is much higher – 83% – as it is Japan and the United States. (both 77%). In Germany, however, only 30% of respondents reported their organization had undertaken a valuation, which could be an indication of lower M&A activity.

Overall, a fifth are considering valuation but have yet to accomplish it. Only 1% are unsure.

Due diligence requirements for M&A activity make valuation of IP a natural move. More than half (54%) say the motivation behind valuation is for the monetization of assets (68% in Mainland China), while for 48% IP valuation is part of their audit process. For 38% valuations were part of M&A activity.

Half of respondents (50%) have their IP valued – or would plan to – at least once a year. Almost a quarter (24%) say it should be between every 12 and 18 months. 15% believe it should take place on an ad hoc basis.

Optimizing strategy

Trademark disputes and court cases can provide important insights across the trademark lifecycle, which makes case law an area of essential knowledge and intelligence.

More than half of all respondents (53%) use case law to optimize their legal strategy and almost half (49%) monitor trademark disputes that have relevance for them, wherever they are in the world. More than four-in-ten (43%) employ case law to keep a close eye on competitors and a similar percentage (42%) use it to see how litigious a brand is when it comes to protecting assets.

Some 42% of respondents use case law when searching and in the middle stages of research, and a similar percentage (41%) use case law in the early and final stages. More than a quarter (26%) employ case law at the point of litigation. In Mainland China, however, 60% of respondents use case law at the search stage.

Given the sophisticated use of case law already underway, is it surprising that 89% of all trademark professionals in this research view the integration of case law data and trademark data as important? Of these, 43% see such integration as very important.

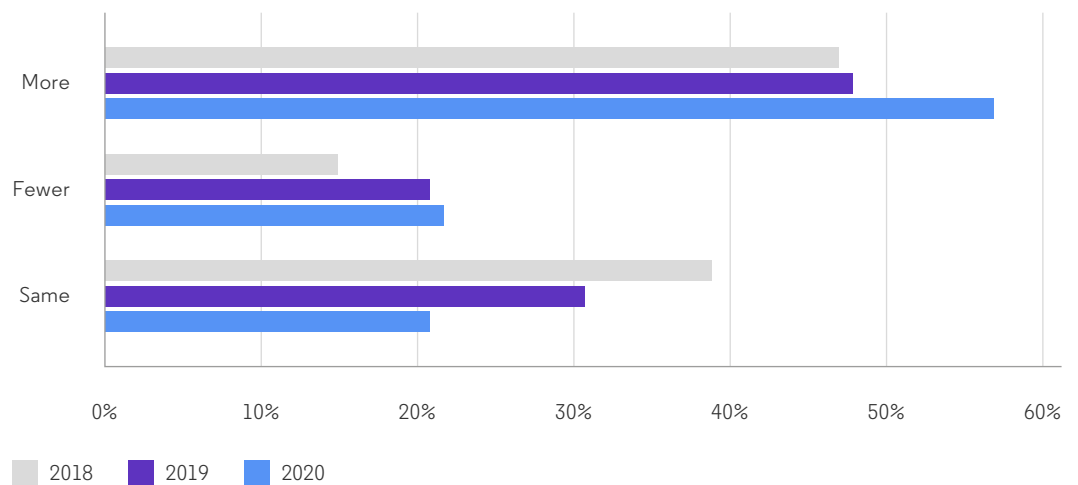
⁶ www.ft.com/content/a022bd8b-0cdf-46d6-a4b9-ba1aad5a2ad2

The proliferation of trademarks

The importance of trademarks is reflected in the continued increase in new applications filed each year. More than half of all respondents (57%) report they filed more marks in the last 12 months than they did in 2019. This was up from 48% who last year reported filing more over the previous 12 months.

These figures, however, disguise significant national variations that reflect the dynamism, innovation and level of new business or brand launches within different economies. In the lower-growth economy of Japan⁷, for example, only 40% of respondents say they filed more marks than 2019, whereas in the figure for the both the United States and Mainland China is far higher: 67%.

Figure 1: Filings reported by respondents



⁷ www2.deloitte.com/us/en/insights/economy/asia-pacific/japan-economic-outlook.html



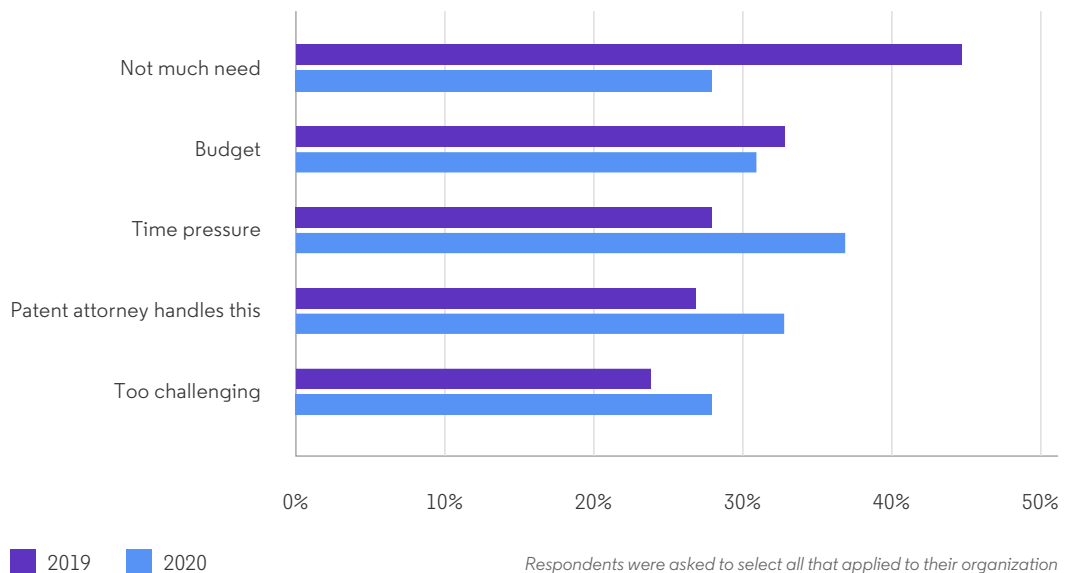
Industrial designs now commonplace in filings

Now built into many filing strategies, industrial designs clearly enjoyed a boost in 2020, stimulated by a registration system that is relatively cheap and fast when compared with trademark registration. 82% of trademark professionals say they included industrial design filings as part of their overall filing strategy in 2020, compared with 78% in 2019.

In Japan, 100% of respondents said they included industrial designs, followed by the United States at 91% and Mainland China at 90% – no doubt demonstrating the importance of design in countries with significant manufacturing and packaging capacity.

The reasons for organizations not to use industrial design filings are varied and show different emphasis from last year's findings (figure 2).

Figure 2: Reasons for not using industrial design filings



82%

of trademark professionals include industrial designs in their filing strategies

The decline in the percentage feeling no need to file industrial designs is likely to be driven by pressures such as time and budget. This may be true even where understanding of

the advantages is high. Many organizations have good intentions which can sometimes be difficult to follow through. Almost all organizations (90%) conduct searches before filing industrial designs (97% in the U.S.) as they know that getting it right from the start removes the risk of costly infringement or design-revision later on.

Searching has become far easier and more accurate through the availability of tools to help trademark professionals conduct their image searches and more easily realize the value of industrial designs.

Marks – searching, researching and clearing

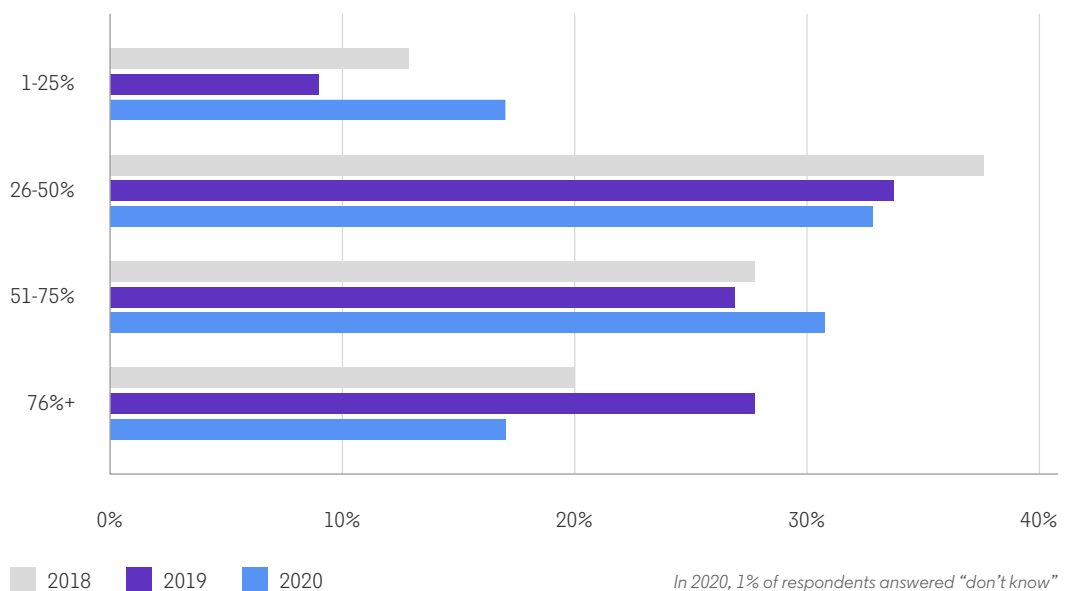
While filings may be steadily rising, the research reveals little evidence that organizations are taking greater care to avoid infringements by searching before they file a new word mark.

Year-on-year there is only a small degree of change in the percentage of marks searched prior to filing. The most noticeable differences were an increase in respondents

who search between 1% and 25% of marks before filing and a decrease in those searching 76% or more.

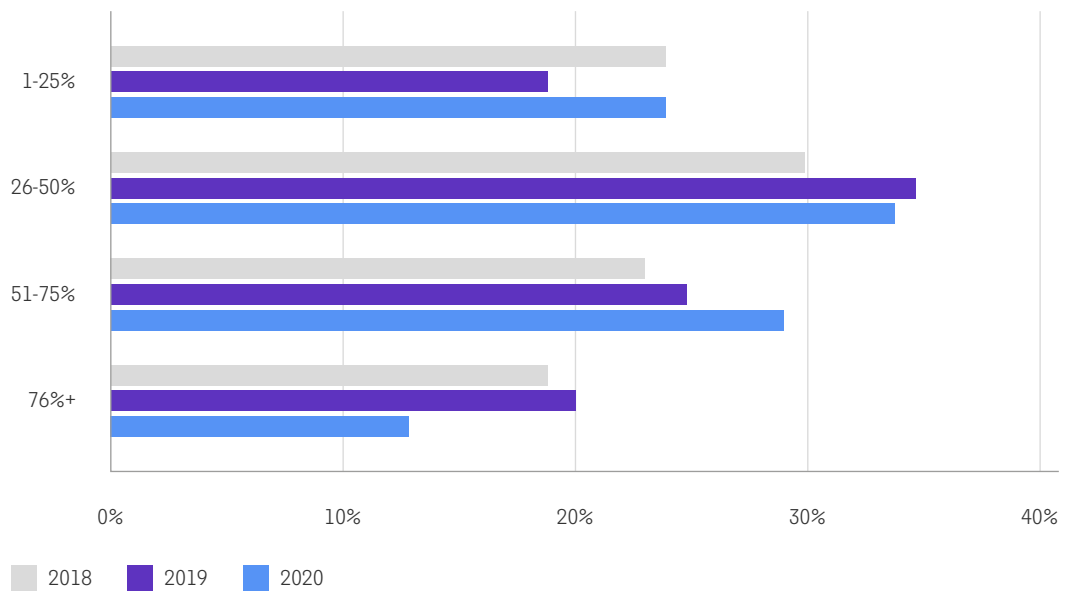
The percentage of image marks searched has not changed dramatically over the past three years. This finding likely reflects how difficult most professionals find the task when conducted "manually", without the assistance of advanced tools employing technologies such as artificial intelligence. The biggest changes shown are the reduction in those researching 76% of image marks or more, and an increase in those searching up to 25%.

Figure 3: Percentage of word marks searched prior to filing



The biggest changes shown are the reduction in those researching 76% of image marks or more, and an increase in those searching up to 25%.

Figure 4: Percentage of image marks researched prior to filing

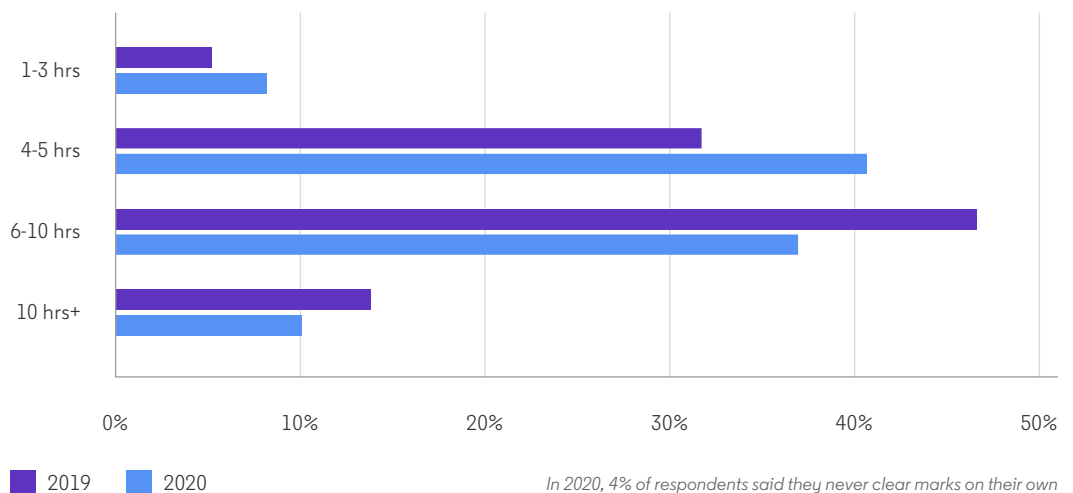


Two-thirds of respondents (66%) experienced an increase in applications for image marks over the last 12 months, up significantly from 56% last year. Mainland China and the United States are once more at the upper end of the range.

Eight-in-ten (80%) Mainland China-based respondents report increases in applications and 83% of those in the United States.

Self-reliance in clearing marks may be a goal for many, driven by budget considerations, but it's clear that professionals are spending less time clearing marks on their own. In 2020, 41% of respondents reported spending between 4-5 hours on this task, which is the largest response for any of the designated bands. In 2019, by contrast, the highest percentage was found in the 6-10-hour band (47%), which this year declined to 37%.

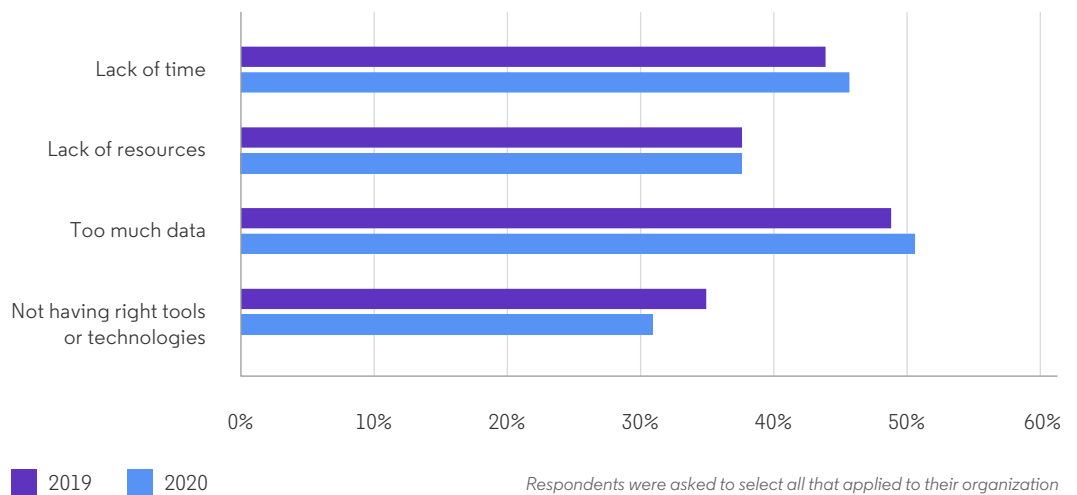
Figure 5: How much time respondents spend clearing marks on their own



In 2020, 4% of respondents said they never clear marks on their own

The challenges when clearing marks alone are, of course, substantial, not just in terms of time but also in expertise and tools needed.

Figure 6: The challenges when clearing marks alone

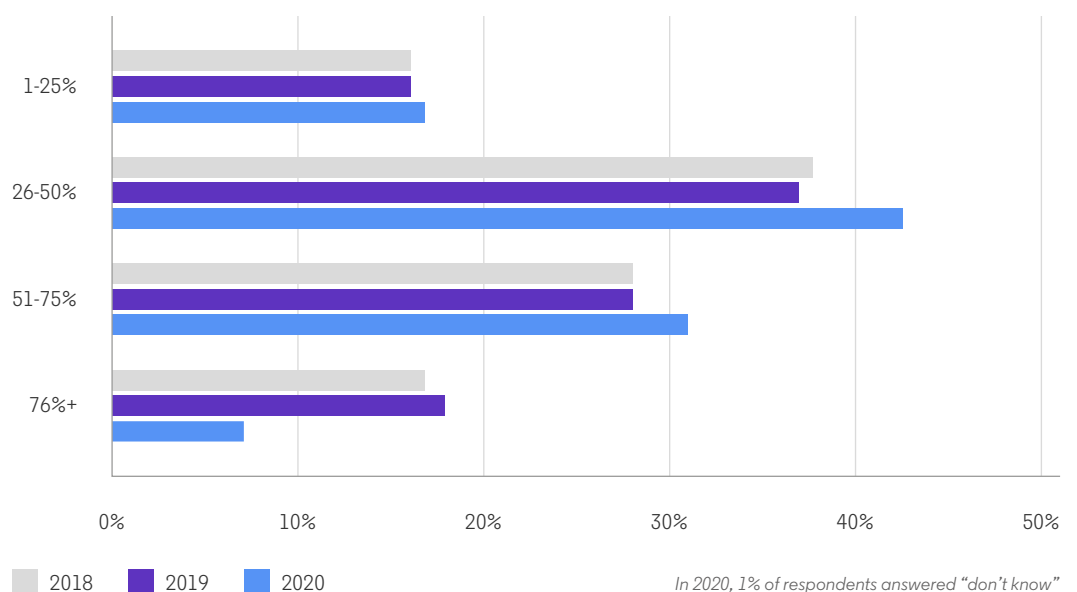


Too much data remains the most significant challenge, now experienced by a majority of professionals (51%). This is followed by lack of time (cited by 46%), lack of resources (38%) and lack of the right tools and technologies (31%), a similar picture to 2019.

When it comes to watching trademarks, the picture is also similar to previous years,

with the majority of respondents watching between 26% - 75% of their portfolios. However, there has been a decrease in the percentage of organizations watching more than three-quarters of their portfolio, down from 18% in 2019 to just 7% in 2020, a move that could be caused by the challenges discussed above including lack of time and resources.

Figure 7: Percentage of portfolio watched



The continued rise of trademark infringements

As more marks are filed and a lower proportion of searches are conducted prior to filing, it is inevitable that instances of trademark infringement increase, leaving few organizations unscathed.

The strong upward trend in infringements is continuing with almost nine-in-ten respondents (89%) now reporting trademark infringement, up from 85% in 2019, 81% in 2018 and 74% in 2017.

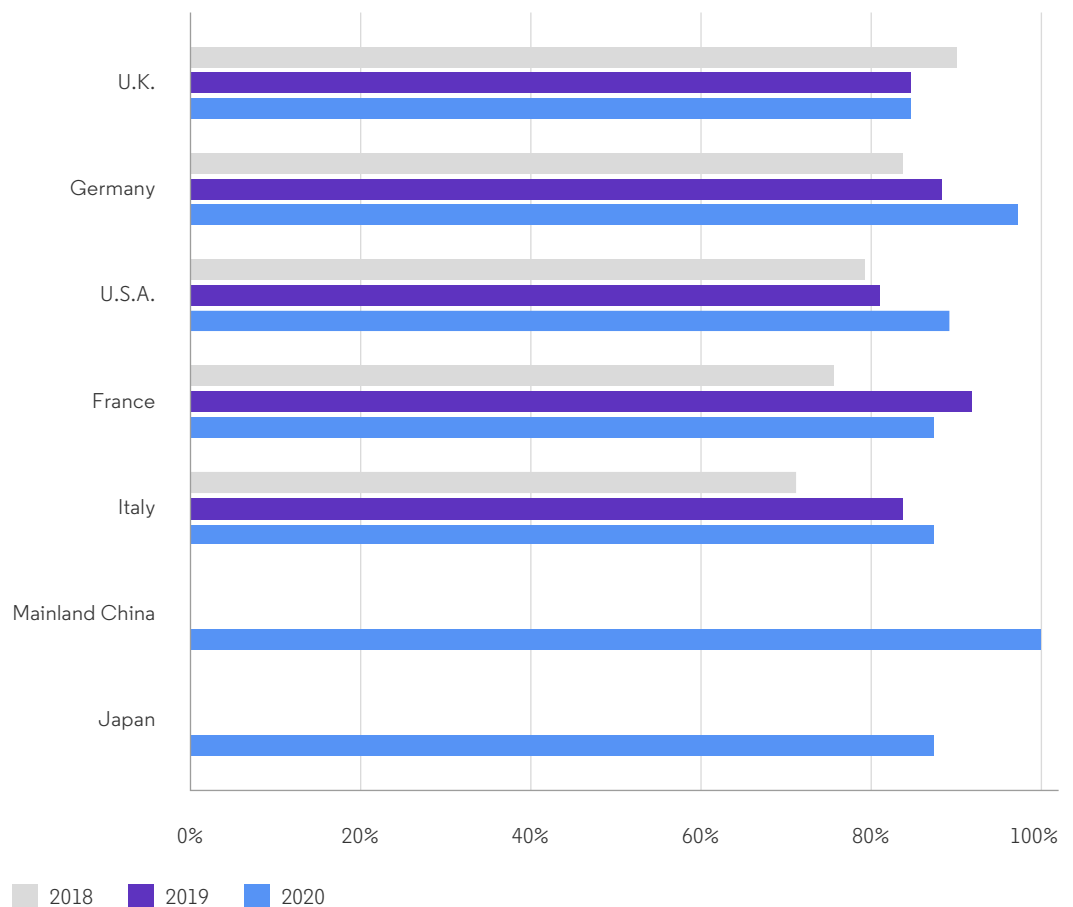
Mainland China stands out as the country/region in which 100% of respondents say their brands suffered from trademark infringement

2020, followed closely by Germany with 97%. Of the countries surveyed over all three years, only the United Kingdom reports fewer infringements in 2020 than in 2018.

89%

of respondents now reporting trademark infringement, up from 85% in 2019

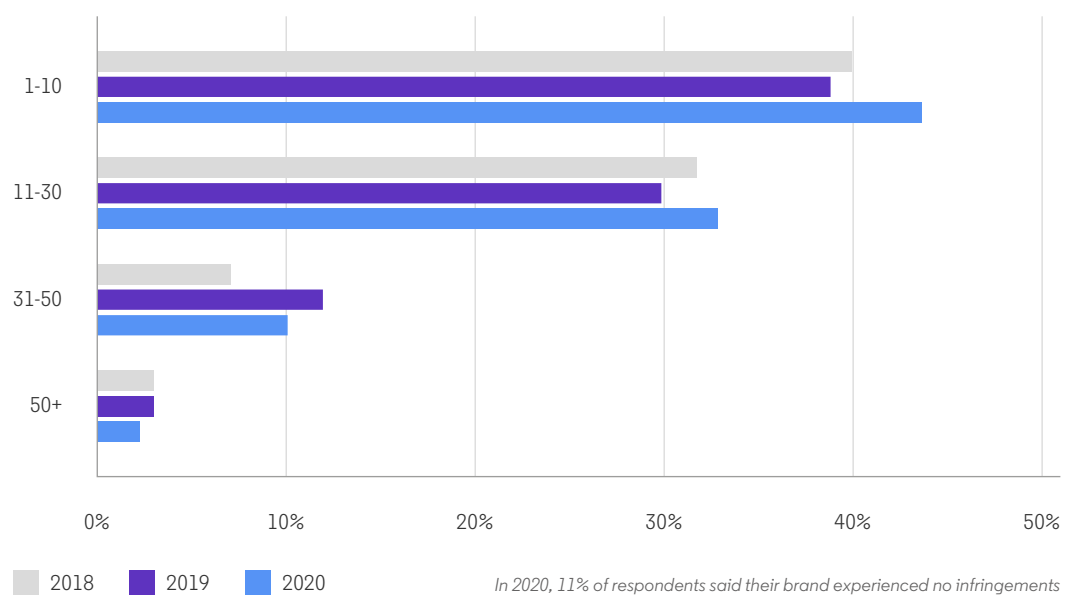
Figure 8: Incidents of infringement by country/region



Most organizations experience multiple infringements, each involving investigation, allocation of resources and the potential for legal action. Asked to select from different ranges, a third of respondents (33%) say their organization was hit by between 11 and 30 infringements over the course of the year, up from 30% in 2019.

As infringement rises, protection is certainly becoming more difficult with two-thirds (67%) of all respondents saying the task has become harder over the last 12 months. In Japan the percentage of those finding trademark protection harder is much higher – 87%, followed by Italy (77%) and Mainland China (73%).

Figure 9: The rising pattern of infringement



The chief problem cited is the sheer volume of infringements, listed by more than half of respondents (53%) and followed closely by the size of the portfolio being too large to manage (cited by 46% of respondents). These issues are compounded by other challenges such as insufficient budget and resources, listed by more than a third of respondents (34%) as the reason protection has become more difficult.

This is not the whole picture, however. Major differences are apparent between countries. In Mainland China, 86% of respondents say the main problem is the size of the portfolio they manage, whereas only 64% blame the volume of infringements.

In France, by contrast, only 26% of respondents say their portfolio is too large, and in Germany, only 28%.

Mainland China is the only nation surveyed where the size of portfolio causes more protection difficulties than the volume of infringements.

Regardless of the reasons, it's clear that protecting against infringement is not becoming easier. Globally, infringement is now a problem for organizations engaged in commerce, with attorneys still working to achieve successful outcomes while lacking optimal resources or technology to protect brands. Larger organizations may have processes in place that deal more effectively and pre-emptively with infringement, reflected in the lower percentages of respondents reporting more than 30 infringements. Smaller companies, however, are left to grapple with the problem in a more ad hoc manner.

Social media infringement rises to the fore

While the scale of infringement remains the greatest overall challenge, the growth of social media is changing where infringement takes place.

Half of respondents (50%) now report social media as where they have seen rising infringement problems in the last 12 months, increasing by 12 percentage points from last year to overtake web domains (49%) as a main arena for infringement. In Asia, social media name infringement is an even greater problem, cited by 60% in Mainland China, and 58% in Japan.

This rapid growth in social media name infringement underscores the need for organizations to abandon the idea that clearing a brand only involves trademark data. Due diligence must include social media.

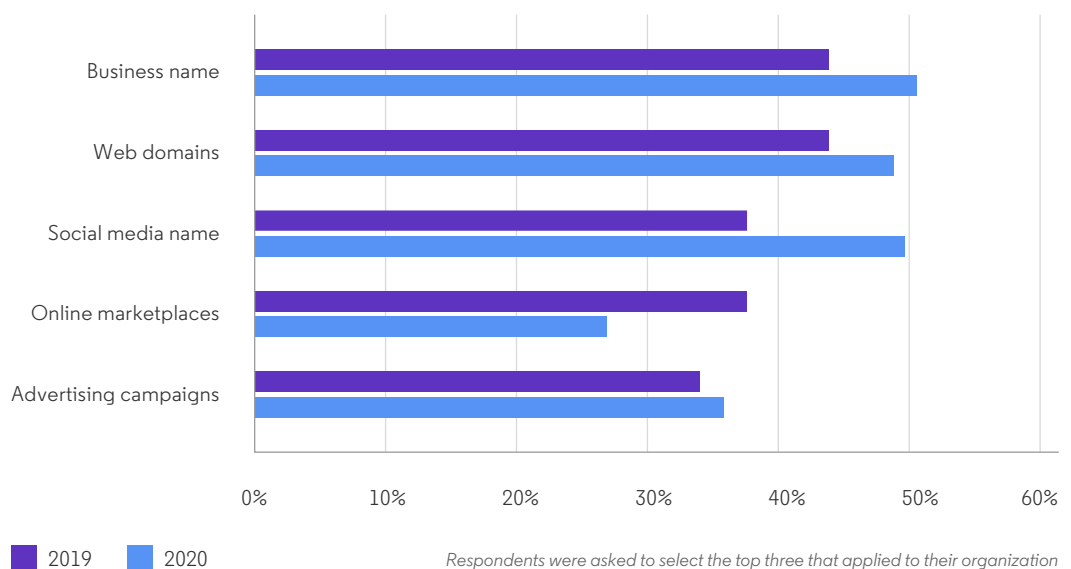
The growing importance of social media in brand protection is apparent when respondents were asked if brand value is changing in the "always-on" environment of social influencers. Almost nine-in-ten (88%) agreed, with responses particularly favorable in Japan (97%).

Overall, 68% of respondents believe these changes in value are taking place because brands themselves are becoming more important, with Japan (80%) and Mainland China (87%) far more convinced of this.

68%

of respondents believe these changes in value are taking place because brands themselves are becoming more important

Figure 10: Where most trademark infringement has been seen in the last year



Business name, web domain and online marketplaces

While business name infringements remain the most prolific source of problems for the majority of respondents (51%), growth in this area was only 7 percentage points over last year, while web domain infringement grew by just 5 percentage points (cited by 49% of respondents as the biggest problem area over the last 12 months).

In Mainland China however, web domains are a significant source of infringement, cited by 73% as their biggest headache for trademark protection.

One of the more significant developments is the relative decline in the number of infringements generated in online marketplaces. Some 11% fewer respondents reported online marketplaces as the chief source of trademark infringement than in last year's research, dropping to 27% this year.

This welcome decline follows increased diligence by marketplaces in weeding out guilty parties, allied to increased enforcement by trademark owners.

Nearly two-thirds of respondents (65%) say they altered their trademark strategy to adapt to changes in rules brought in by the online marketplaces, but the percentages are much higher in Japan (77%) and Mainland China (83%), aided by Alibaba's renewed efforts⁸ to crack down on counterfeits.

The impact of infringement

Infringement has many impacts, but one of the costliest is being compelled to change a brand. This is likely to come at the end of prolonged legal activity and often requires further market testing, branding agency input and launch costs.

In the United Kingdom, a restaurant in Liverpool found itself having to change its name after being contacted by lawyers for the designer and restaurateur Sir Terence Conran⁹. The restaurant's owners had failed to check whether the name Albion (an ancient name for Britain) was trademarked when Sir Terence already owned two restaurants called Albion in London.

Unfortunately, more than half of respondents (56%) have had to change a brand name. This is a growing trend, up from 46% in 2019, in line with the overall growth of infringements.

In Japan however, changing a brand is a far more common experience, with 88% of respondents reporting they had to change a brand name because of infringement – far higher than respondents in any of the other six countries surveyed.

For most, having to withdraw a brand and rename it is a nightmare. Yet the figure is increasing, likely caused in large measure by the intense competitive pressure for brands to go to market faster. As corners are cut, the risks of infringement increase and there is anecdotal evidence that some organizations take infringement risk too lightly.

At a time of intensifying competition, companies serious about brand protection should be investing in the tools, technologies and processes that reduce risk.

Infringement has many impacts, but one of the costliest is being compelled to change a brand.

⁸ www.worldtrademarkreview.com/anti-counterfeiting/alibaba-unveil-new-sme-advisory-committee-focused-ip-protection-and-enforcement

⁹ www.dailymail.co.uk/news/article-2824355/Albion-menu-pub-Merseyside-landlord-following-threat-legal-action-Sir-Terence-Conran.html

Increased expenditure

Since infringement is on the rise around the world, it comes as little surprise to find that respondents are spending more on dealing with the impacts. With more trademark filings comes greater chances of infringement. A company can launch a brand only for another new brand to infringe its rights the following week.

More than six-in-ten (62%) respondents report they had to spend more as a result of infringement than a year ago, with those in Mainland China (77%) and the United States (69%) most likely to say this was the case. Litigation can be an outcome of infringement disputes, and it could be that the increase in expenditure reflects increased legal activity. For a quarter (25%) of all surveyed, however, expenditure on infringements decreased, while for 13% it remained the same as the previous year.

62%

of respondents report they had to spend more as a result of infringement than a year ago

Reputational damage and the broader impact

The impact of infringement extends beyond monetary cost and contributes to a range of ongoing challenges. When a trademark or brand is compromised, rebuilding trust with audiences takes time and makes heavy demands on multiple resources and fields of expertise within an organization, from marketing and PR to legal, sales and service.

However, compared with 2018 and 2019, respondents in 2020 reported smaller impacts. Although reputational damage to the brand was most commonly cited as the biggest impact for 2020, selected by 28% of respondents, it was down from 37% in 2019.

The impact of infringement was:

- resource challenges for marketing and legal teams (20% in 2020 compared with 36% in 2019 and 39% in 2018),
- reduced customer loyalty and trust (18% in 2020 compared with 36% in 2019 and 40% in 2018),
- customer confusion (18% in 2020 compared with 45% in 2019 and 52% in 2018) and
- loss of revenue (16% in 2020 compared with 38% in 2019 and 38% in 2018).



The role of technology

Technology plays a major role in IP and trademark protection, providing advanced platforms and tools that enable searching and watching to achieve levels of accuracy and scale no human team could possibly achieve. Enforcement, clearance and even litigation can now be streamlined through self-teaching automation.

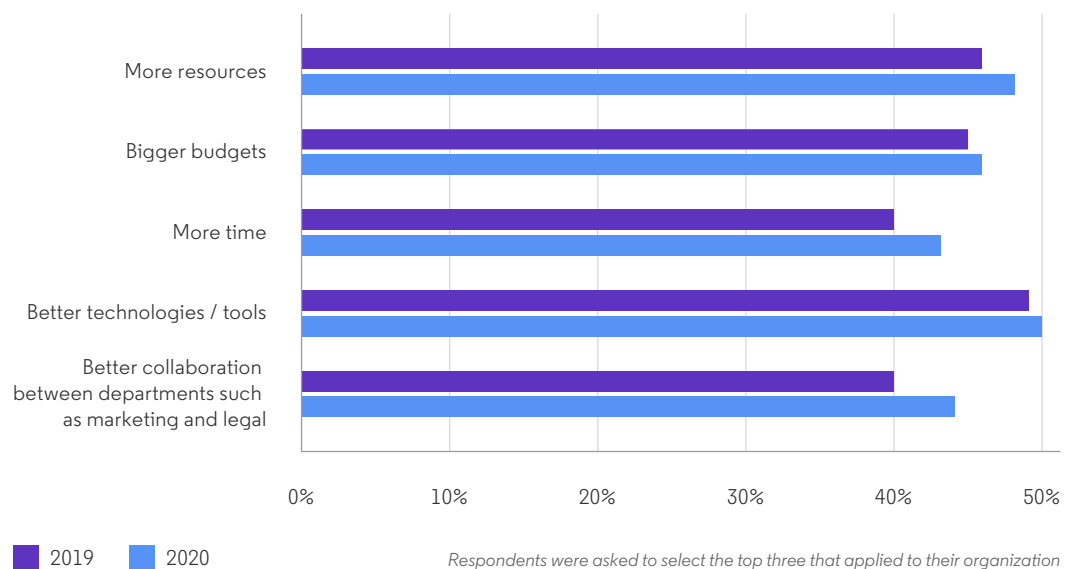
Respondents definitely see a role for technology, even if many have not fully grasped the efficiency gains it is capable of delivering in the trademark sphere. Only 50% of respondents believe technology will make trademark research or protection more effective.

As use of technology broadens, this percentage will likely increase even in the most conservative organizations, particularly

after the prolonged, positive experience of using technology for remote working during lockdown – working arrangements that could very well become permanent in many cases.

Only 50% of respondents believe technology will make trademark research or protection more effective.

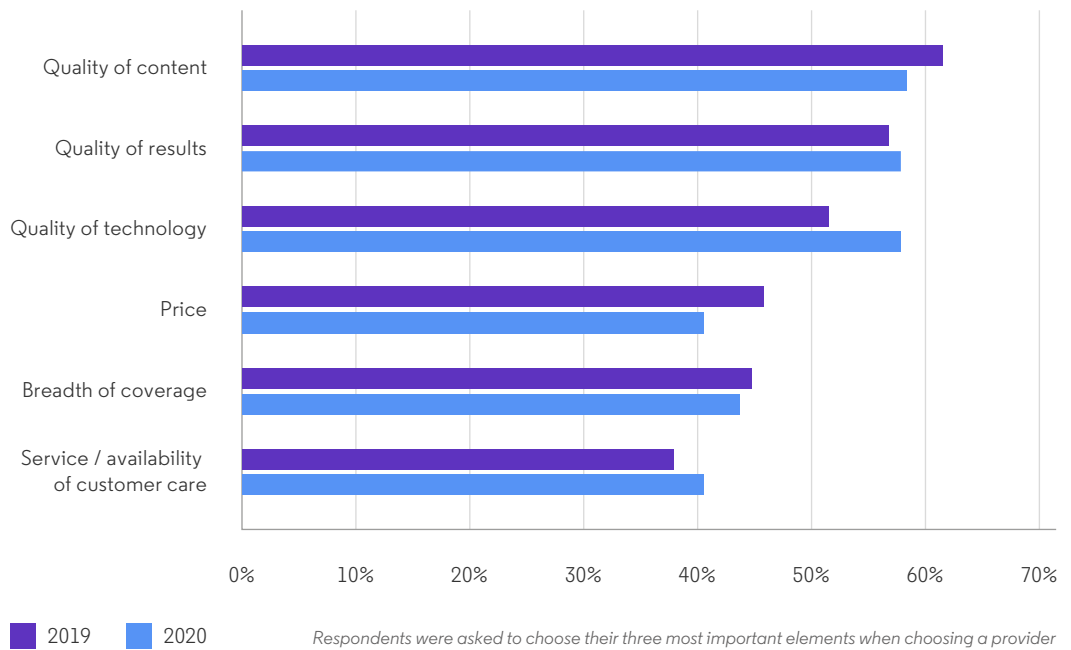
Figure 11: The factors that will make trademark research or protection more effective



Technology was also at the forefront when respondents were asked to select what they most want from a trademark research provider. Some 58% wanted high quality technology, an increase since 2019. The importance of price has slightly decreased,

indicating that quality is a more important factor, especially when it comes to content and results. No amount of trademark protection technology is worthwhile if the results are substandard, placing an entire brand at risk.

Figure 12: What respondents want from a trademark research provider



More than half of respondents (51%) believe the biggest effect of technology will be to improve the efficiency of litigation. While technology will no doubt continue to improve functionality in this space, this view may underestimate the full capabilities of solutions already available.

Respondents were also asked about artificial intelligence (AI) and its burgeoning capabilities. More than half (51%) of respondents believe AI will add most value by speeding up the search and watch functions in the trademark process and in predictive analytics. Predictive analytics is certainly an area of significant investment

which is already yielding significant advances in other fields and is set to do so in trademark protection as well.

- 46% of respondents see AI adding value by assessing complex shapes or non-traditional marks.
- 46% also see AI's value in gathering evidence for cases
- 37% see AI taking care of repetitive admin tasks such as TM applications or opposition drafting.

It was also clear from the research that optimism around AI is higher in Mainland China and Japan-based organizations. Nearly two thirds (63%) of Mainland China-based respondents and over half (53%) of those in Japan see AI adding the most value in trademark applications and opposition drafting. Some 67% of respondents in Mainland China see AI having greatest impact in assessing complex shapes and predictive analytics.

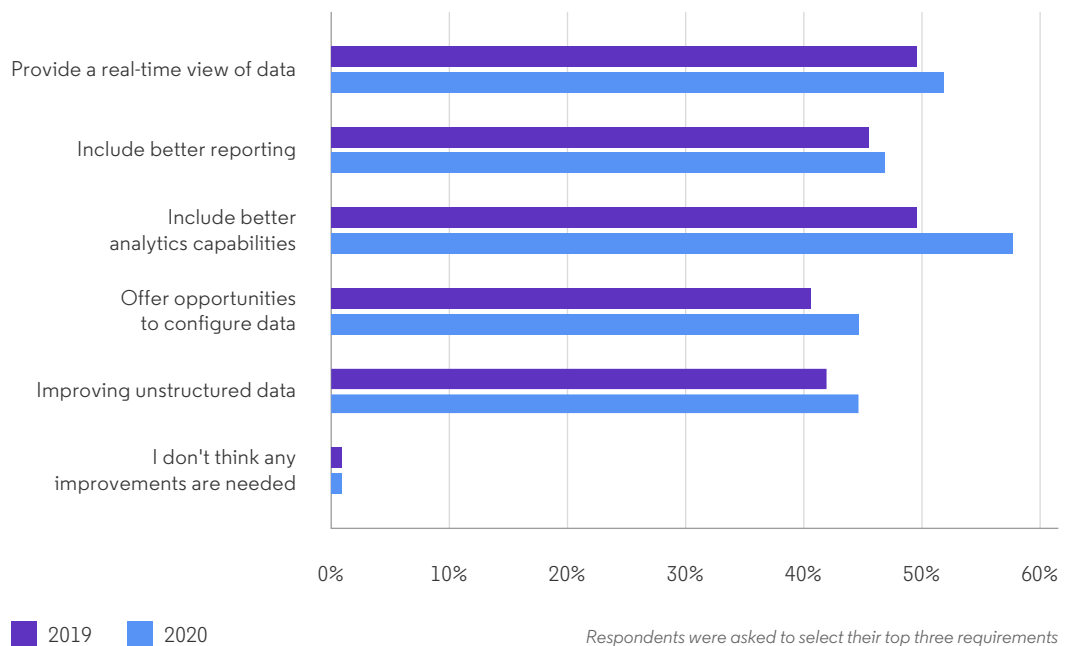
In the trademark clearance process, better analytics are among the biggest improvements foreseen from AI

(58% of all respondents) along with a real-time view of data (52%), which are both higher than last year's results.

67%

of respondents in Mainland China see AI having greatest impact in assessing complex shapes and predictive analytics.

Figure 13: Improvements in trademark clearance expected from AI



Conclusion

The proliferation of trademarks and the corresponding increase in infringements present significant challenges for trademark professionals. Many are under pressure to keep pace with the volume of infringements, which threatens to inflict financial damage if unchecked.

The broad range of impacts companies sustain as a result of this tide of infringement includes the necessity to change a brand name, which can inflict significant costs and drain resources. Changes such as the growth in social media name infringement also emphasize how organizations must be ready to adapt quickly and confidently as threats emerge.

The need for senior executive involvement in trademark matters is another serious issue identified in this research, proving again that boardroom buy-in is a major advantage in trademark matters. This finding goes alongside the need to embrace technology for greater accuracy and efficiency.

As the trademark ecosystem becomes more complicated and continues to evolve, the need for investment in more advanced tools and technologies becomes more pressing. An open mind and readiness to adopt technology are sure to deliver competitive advantages as organizations battle to protect their vital IP and drive commercial growth.

In the face of these mounting challenges, trademark professionals worldwide need the most effective support available to protect

their brands and maximize their personal productivity. They need access to the widest range of reliable, in-depth trademark data, innovative technology to accelerate workflows, and global expertise to back their judgement in critical decisions.

Trusted by nine out of the 10 best global brands¹⁰, CompuMark empowers trademark professionals to create, expand and protect strong brands with confidence. Our deep investments in data, technology and people help businesses manage risk and maximize productivity, allowing professionals to focus more on creating value for their clients and companies.

Contact our experts to optimize your brand protection:
clarivate.com/contact/

Methodology

Independent survey firm Vitreous World was commissioned by Clarivate to conduct research into the state of the trademark industry. The research looked specifically at the experiences of trademark professionals around infringement, practices around the trademark process, and challenges faced. Online interviews were carried out toward the end of 2020 with a sample of 300 in-house trademark counsel and external trademark attorneys across the United Kingdom, United States, Germany, Italy, France, Mainland China and Japan.

¹⁰Interbrand 2019 Best Global Brands

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