

Challenges and opportunities

The impact of
COVID-19 on
IP professionals

For our roundtable this March 2021, we gathered IP professionals from a range of industry sectors to discuss the impact of the COVID-19 pandemic on their IP strategies and operations. We set out the key findings from that discussion.

[Research by NovumiIP](#) has revealed that 88% of IP professionals across the globe have felt the impact of the pandemic on their organisation, but the majority anticipate a strong recovery. That outlook differs by country, however, with French respondents emerging as the worst affected (with 60% saying it has had a severe impact), and US participants the most optimistic about a rebound (77% of IP/law firms and 67% of in-house respondents).

For our March roundtable, we brought together brand owners from across the EU to share their own experiences. Participants represented a range of industry sectors, from consumer technology to fashion, automotives, food and beverages, and the conversation focused on practical steps to take to better navigate the challenges of COVID-19 from an IP perspective, as well as to raise the profile of IP and its value within organisations.

Navigating uncharted territory

The coronavirus pandemic introduced several unique challenges for IP professionals, from the need to switch suddenly to remote working to keep employees safe, to added market and IP management complexity and budget constraints. To begin the roundtable, the panellists shared the impact on their organisations and how they overcame the resulting challenges.

Interestingly, most of the roundtable participants were able to turn the short-term negatives into positives for their businesses, as they moved from crisis through resilience to growth. The managing director of a luxury fashion brand summed this up, when they commented: *“When the pandemic started, our company reacted in two different ways: The first reaction was: protect ourselves and not to move; the second reaction was the completely opposite. We thought the pandemic was actually the time to protect ourselves better, and this is how we actually started to work with Novagraaf. Once we secured all the risks, we looked deeply at the opportunities.”*

While the pandemic resulted in loss of footfall to brick and mortar stores, for retail and consumer brands, there was also a definite uptick in online sales with, in some cases, sales figures actually increasing. As the global IP counsel for a well-known consumer technology brand explained: *“Last year was one of our best years for sales. One of the factors for this is that we launched a new website right before the pandemic started.*

The website is way more attractive and easier-to-use for customers, and we think that probably helped us. Of course, there were also some negative effects, such as logistical problems and delay in deliveries.”

The switch to digital for both businesses and their consumers have also led to a renewed focus on brand protection, as IP owners moved their attention to protecting their brand assets and customers both off and online. This was true for many of the participants, including those from the food and beverages, and retail sectors. *“We’re active in many different industries, with a wide range of end users, so the impact of COVID-19 was very different,”* commented the legal lead at a Fortune 500 company. *“Accelerated implementation of e-commerce initiatives was a big consequence. Regarding our brand portfolio, we see that our well-known brands became targets of counterfeiting because small players in the field started to use our brand names to ‘advertise’ on their own websites, while not being official resellers. It pushed us to modernise the company to be able to react to these developments.”*

“My biggest priority was to create awareness within the company and the different departments of the importance of brand protection,” agreed another head of legal for a FMCG brand.

For other companies, the closure of the high street also provided the opportunity to revisit their corporate and IP strategies, and rethink their previous approaches, as well as adapting to changing circumstances. Indeed, many organisations took the opportunity to revisit their brand purpose and to redefine their companies in terms of corporate strategy and brand portfolios, which in turn brought the attention more to IP. *“The added complexity of the pandemic had to be taken into account for managing IP portfolios, but at the same time, it seems to be these times are also the right moment to reflect on your portfolio and futureproof your portfolio for the ‘next normal’,”* commented [Max Hübner](#), Managing Director at Novagraaf Netherlands, who chaired the discussion.

The IP counsel at a wine and spirits brand agreed: *“For us, the pandemic resulted in a change in our focus. We focused mainly on e-commerce and, for example, improving the consumer experiences of our products enjoyed from home instead of hotels, restaurants and bars. This resulted in an increasing workload for internal teams and made it necessary to work more efficiently.”*

But, of course, it wasn't all plain sailing, with planned marketing activities having to be written off because of the pandemic and resulting lockdowns, and the need to transition quickly in the face of tightening or already committed budgets.

“We had issues with budgets and agreements with marketing agencies for marketing activities that were scheduled one year in advance,” agreed the IP counsel at a global beverages company. *“When we had to change our strategy because of COVID-19, we*

found issues on these agreed budgets. Uncertainty in the calculation of budgets was especially difficult for defining our marketing strategy for 2021."

Establishing return on investment

IP professionals understand well the role and importance of IP to corporate success, but this knowledge isn't always understood by senior management. The need to demonstrate value and ROI were some of the key pillars identified during the roundtable, particularly at this time of pressure on budgets, but where should brand owners begin?

"If you look at corporate value, 80% of the market capital is related to brand value, which makes a brand or brand portfolio the most valuable intangible asset of an organisation," commented one of the attendees, who specialises in brand architecture and organisation. *"What I see in practice is that when branding professionals speak more about the value of IP, it leads to another discussion. It's important to think about where IP is positioned in your organisation."*

Novagraaf's Max Hübner stressed the importance to IP service providers of demonstrating value at this critical time: *"In my experience, IP and legal have always been seen as a cost centre within businesses, yet we know that IP assets add value. It's important to gain recognition for that value, as well as addressing questions about cutting costs and being cost effective. When we look at the key findings from our research, managing budget and costs, as well as technology emerge highest, but at the same time we have more to address from a IP perspective."*

Here, it can also help considerably to centralise IP management the panellists agreed, saving time by streamlining suppliers while also gaining the complete view of IP portfolios that they need to make informed decisions. *"We had, for example, 10 different service providers for IP, and we decided to take the complete portfolio with Novagraaf because it enables us to centralise all the different IP assets like domain names, patents, trademarks and copyright,"* explained the IP counsel of a consumer technology brand.

"As a large, global business with a diverse portfolio, the level of IP complexity is high and that hasn't been easier in terms of COVID-19," added the head of trademarks at a consumer-facing brand. *"At the same time, COVID-19 brought us the opportunity to interact more, with new ways of working and digital tools, which has helped us to become closer to colleagues involved in IP overseas. This helped us to get a clearer overview on our diverse portfolio. Finding the right supplier was always a challenge for us, so we focused a lot on networking and that turned out to be very helpful."*

Harnessing 'Big Data'

More and more IP professionals are looking to data-driven insights and digital tools to help manage trademark/patent portfolios, but is *"this just a lot of buzz"* asked Novagraaf's Max Hübner, or are these solutions being leveraged to bring benefits to brand owners?

From the perspective of online brand protection, the benefits of digital monitoring and enforcement tools are now obvious, according to the panellists, especially at this time of increased digital activity.

"We have more focus on e-commerce, which leads to more online infringements; for us that was a reason to look at an advanced online brand monitoring and protection system," commented one global IP counsel.

"While we'll include more automation and data, our approach still needs to be personal and tailor-made"

"Because of the e-commerce focus, we're facing more online brand infringements," agreed another. *"IP service providers, such as Novagraaf, can play a supporting role in providing efficient and effective IP tools. Data-driven insights and reporting is very important for internal support. For us, it's important that while we'll include more automation and data, our approach still needs to be personal and tailor made because of the complex company structure. We can not fully rely on data-driven insights."*

As complexity grows, it's inevitable that *"others will join the playing field, leading to possible misuse of brands"* said one panellist. *"We also need to create more awareness on the value of IP within our company. Online brand protection will be more relevant. Smart use of digital tools and, at the same time, keeping a strong focus on the human relationship. Human knowledge is key to our IP strategy,"* agreed another IP head.

More generally, however, it's important to ask yourself the question: *"Where does my company currently hold its data: is it with marketing, finance, and on which existing tools? It's about people, process and tools. Set your goals and define your strategy accordingly."*

As the IP lead at the luxury brand explained: *"Last year, I kept hearing the saying 'Go digital or go home'. It's very clear we need to move fast to a new way of selling. Our trademark management tools need to be simple, quick and with strong and short advice, while keeping the human touch in our IP strategy."*

As our research revealed, there is much at stake in the current IP market, with both challenges and opportunities for IP owners in the next 5-10 years. But what can the IP industry and IP professionals expect in the 'next normal', and what are their priorities in the coming years?

Defining the 'next normal'

Online brand protection was raised again by many, especially with the increased risk of cyber attacks, including data breaches, phishing, malware and hijacking, as well as counterfeiting and other more traditional forms of brand infringement. Others discussed using the opportunity to re-evaluatable IP portfolios, including licensing strategies.

The adoption of more flexible ways of working was another popular choice, continuing use of new ways to manage and communicate through technology, as opposed to returning to our previous 9-5 hours in offices. *"In a new normality, as in-house lawyers we would need to be more flexible, for example, in the way we interact with other partners or subsidiary companies,"* said one of the attendees, a senior IP head at a drinks company.

"Our strategy is also changing in terms of the flexibility to define and determine our collection and products. In these times, who is wearing a suit and tie?", said the managing director of a luxury fashion brand.

The need to 'futureproof your IP' was also raised by the attendees, including: *"the role of IP as a strategic tool. How do you futureproof your IP? By taking on a strategic role by connecting and organising the IP through the organisation."*

The head of legal at a food and beverages company agreed: *"As we've a more traditional B2B focus, we need to get organised efficiently and need to create awareness within the companies and different entities to manage our IP rights efficiently and the right way."*

However, it's important to also look forward, including addressing other pressing issues, such as sustainability and care for the environment. *"For us, we will focus a lot on research and development, sustainability and product development to become more sustainable,"* stressed one head of legal affairs.



About Novagraaf

For more than 130 years, Novagraaf has been helping iconic brands and innovative organisations around the world drive competitive advantage. One of Europe's leading IP consulting groups, Novagraaf specialises in the protection and global management of IP rights, including trademarks, patents, designs, domain names and copyright. Headquartered in the Netherlands, Novagraaf has 18 offices worldwide and a powerful network of more than 330 specialists. A Questel company, Novagraaf is unique in our ability to provide tailored legal expertise, efficiency-gaining administrative services and proactive commercial insights across the full life cycle of clients' IP rights.

Find out more at www.novagraaf.com

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For more information or guidance about developing a resilient IP strategy, online brand protection or any of the topics covered in this publication, speak to your Novagraaf attorney or email us at customerservice@novagraaf.com.