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Learning from Microsoft's Hard Trademark Lesson: Your Clients Need a Multi-Faceted IP Strategy

This [New York Times article](#) entitled "[A New Battle is Beginning in Branding of the Web](#)" demonstrates that companies such as Microsoft and Dell are adopting aggressive Intellectual Property (IP) strategies that include forms of legal protection others than patent rights. The basis of this approach might not be obvious to those who consider these companies "technology companies" at their respective cores. That is, the product lines of Microsoft and Dell (and their counterparts) might more logically be considered by some to be the subject matter for patents, as opposed to trademarks. Nonetheless, the referenced Times article confirms that more and more companies are reaching outside of the traditional mode of technology patent protection to develop comprehensive IP strategies directed toward creating IP value in multiple dimensions. It is interesting to find out that Microsoft apparently learned the lesson of the need for an IP strategy by almost making a colossal mistake about its Windows® trademark.

As detailed in the article, although Microsoft first introduced its Windows software in 1985, it did not file a trademark application until 1990. When the mark was eventually examined, the U.S. Trademark Office initially rejected Microsoft's trademark application because it found the "Windows" mark "merely descriptive" in relation to computer software. Significantly, Microsoft's delay in filing for trademark protection worked against it in the Trademark Office: by 1990, many people associated the Windows interface with the way in which the software displayed the user's desktop. Microsoft kept arguing its case, and in 1995 the Trademark Office granted the Windows trademark application. In the meantime, Microsoft continued to gain market share for Windows software, and it would no doubt have been a huge blow to their marketing plans if the trademark had not been granted.

A critical take home from Microsoft's experience is that its delay in filing for trademark protection resulted in its almost destroying the [brand equity](#) developed in the first years of its initial introduction of its Windows products. These were the years that Microsoft was gaining ever increasing brand recognition of its software product. If the Trademark Office had

ultimately refused to issue the Windows trademark, Microsoft would have ended up with virtually no proprietary rights to the "Windows" name.

One cannot predict what might have happened if the Windows trademark had not been granted, but certainly Microsoft would have been in a different competitive position if it had to introduce a new brand name at that time, along with its new software products. That is, would Microsoft be where it is today if it did not brand its game-changing mid-1990's product as "Windows 95?"

Fast forward a few years, and one can see that Microsoft learned from its errors with the Windows trademark. Today, the company is taking an aggressive approach to branding its Internet platform products. For these platform offerings, Microsoft is seeking protection of the "Live" moniker to many of its products, such as : "X-Box Live," "Windows Live" and "Live Mesh." Microsoft's expectation is that not only will the public identify the "Live" designation as being an Internet specific product, but also that mere association of the word "Live" with another tech-type application will cause a person to recognize that combination of words to signify a Microsoft offering.

it is evident that Microsoft now recognizes the power of trademarks in developing and executing on a value creation-directed IP strategy. It should be noted, however, that Microsoft does not value trademark protection over patents. To the contrary, Microsoft aggressively protects its technology innovation through patent filings. In [2007, Microsoft obtained 1637 patents, which put it in the top 10 companies issued patents in the U.S.](#) Microsoft also has aggressively protected its IP through copyright and trade secret rights over the years. In sum, there is no question that Microsoft protects its IP however it can as part of its strategic business plan.

Many technology-oriented companies, especially those in the start-up mode, may not recognize the make or break value that a trademark can have on their ability to make inroads into a crowded market. Rather, these often cash-strapped companies believe that if they are going to spend any money on IP protection, that money should be spent on protecting their technology by way of a patent. Microsoft's near-miss with the Windows trademark, as well as its subsequent aggressive stance toward obtaining a balance of patent, copyright and trade secret protection as part of a comprehensive IP strategy, should serve as a hard lesson for other technology companies.