



BENZON  
NEGRE  
UNTALAN

Intellectual Property Attorneys

# **“BRAND DEVELOPMENT AND THE NEED FOR MADRID PROTOCOL BY SMEs”**

---

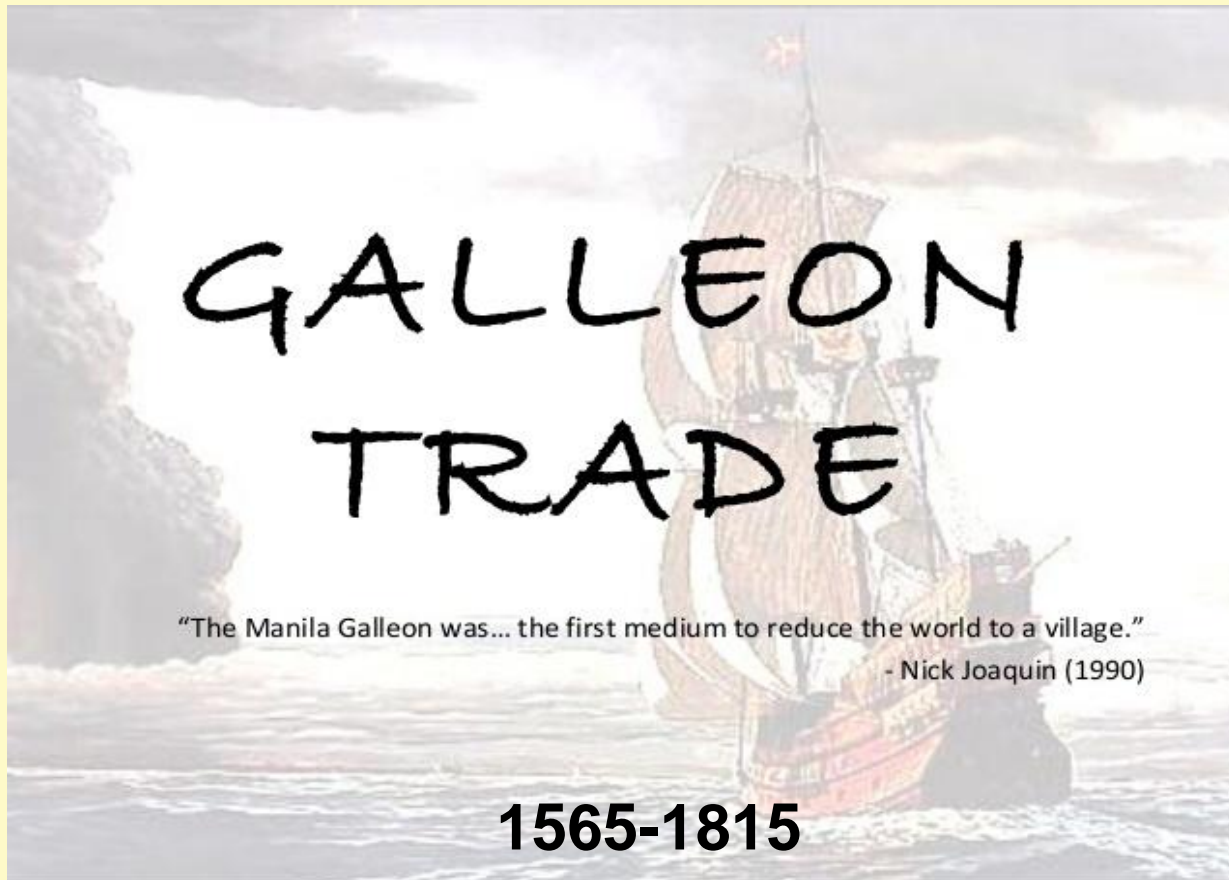
**AN IP ATTORNEY'S PERSPECTIVE**

***Inter-Regional Seminar on the International Trademarks Registration  
System: The Madrid System***

***Puebla, Mexico  
March 23, 2015***

**Ferdinand M. Negre**

# Introduction



# Introduction



**BENZON NEGRE UNTALAN**  
Intellectual Property Attorneys

# Introduction



**BENZON NEGRE UNTALAN**  
Intellectual Property Attorneys

# Outline

## *Part I. Brand Development*

- Conquering global markets
- Brand Strategy
  - ▣ Franchising as business model
  - ▣ Case Study: Yellow Cab Pizza Company
- Exploring other strategies

# Outline

## *Part II. Need for Madrid Protocol by SMEs*

- SMEs and the Madrid Protocol
- SMEs and Intellectual Property
- Case Study: Potato Corner
- Other Curious Cases
- Challenges

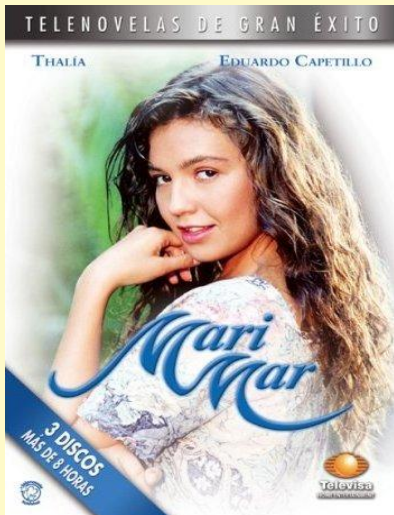
What's in it for me, an IP attorney?

# Part I. Brand Development



# Conquering global markets

## A Touch of Mexico in the Philippines...

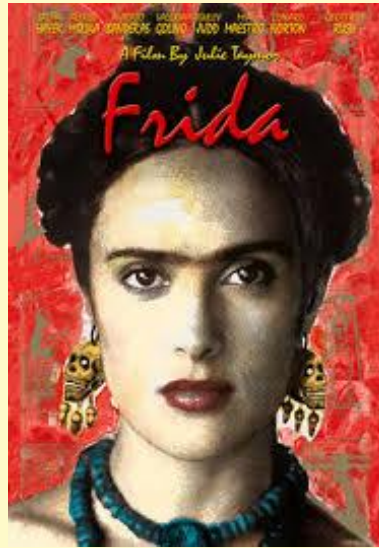


**BENZON NEGRE UNTALAN**  
Intellectual Property Attorneys



# Conquering global markets

...and the rest of Asia



# How can SMEs compete?

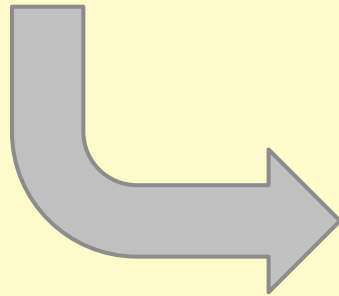
- It's all about leveling the playing field!
  - The ability to compete: information galore
  - Free competition and Open Skies policy
  - Free Trade Agreements
  - Globalization and technology
    - The Internet: the great equalizer
    - Satellite and Cable TV broadcasting

# It's the Technology!

## GALLEON TRADE

"The Manila Galleon was... the first medium to reduce the world to a village."  
- Nick Joaquin (1990)

**1565-1815**



# Conquering global markets



**BENZON NEGRE UNTALAN**  
Intellectual Property Attorneys



# Conquering global markets



# Brand Strategy

## SOME OBJECTIVES:

- ❑ Strengthen brand's identity
- ❑ Consumer recognition
  - ❑ Impact on purchase decision
  - ❑ Sustain competitive advantage
- ❑ Long-term benefit

## HOW?



# Franchising as Brand Strategy: Yellow Cab Pizza Company

**Yellow Cab Pizza – about choosing a good brand!**



**BENZON NEGRE UNTALAN**  
Intellectual Property Attorneys

# The Yellow Cab Story

- ❑ The YELLOW CAB Pizza Company
  - ❑ Started in 2001 with one hole-in-a-wall store
  - ❑ Business model: Franchising in 2003
    - ❑ Went international in 2007
  - ❑ Sold business in 2011 for PhP800,000,000 (US\$20m) – Pancake House which in turn was acquired by the Max's Group in 2014



# Case Study: Yellow Cab Protection



Dear Darla Pizza



TRIBECA MUSHROOM



CHARLIE CHAN CHICKEN PASTA

# Yellow Cab Enforcement



*versus*



**BENZON NEGRE UNTALAN**  
Intellectual Property Attorneys

# Branding Strategies Recap: Yellow Cab Story

- ❑ Registered its mark from the start –
  - ❑ **Choosing the Right Brand (Mark)**
- ❑ Awareness that IP is an important part of business
  - ❑ Registered early on; subsequently, registered each and all distinctive menu name
    - ❑ Aggressive Protection through Registration
  - ❑ Operates active website – using technology  
<[www.yellowcabpizza.com](http://www.yellowcabpizza.com)>
  - ❑ Enforce IP rights
    - ❑ Aggressive Protection through enforcement
      - ❑ Reality: It's a private right!



# SMEs and IP

## Lessons for the SMEntrepreneur

- IP must be integrated in business plan early on
- Must have working knowledge in IP
  - IP is a private right
- Maintenance, Vigilance and Enforcement
- Getting help – IP is multi-disciplinary!



# Leveling the Playing Field

## Some Business Models for SMEs

- The ability to export products.
  - Online sales
  - The overseas workers: a target market.
  - Statistics of Filipino OFWs abroad: 10.5M
    - Top 10 Destinations: Saudi Arabia, UAE, Singapore, Hongkong, Qatar, Kuwait, Italy, Taiwan, Bahrain, Malaysia

(Source: World Bank Migration and Development Brief)

- Filipino OFWs in Mexico: estimated 200,000
- Cross border services: how so?
  - Online sales: software programming; website designs; education; consulting; etc.
  - Business process outsourcing

# Exploring other strategies



- ✓ Influential endorsers
- ✓ Splashy marketing campaigns



- ✓ Niche marketing

# Exploring other strategies



- ✓ Family ambiance
- ✓ Customized menu for Filipinos
- ✓ “Langhap Sarap”



- ✓ Global expansion through franchising
- ✓ Operates other restaurants: Pancake House, Dencio's, Krispy Kreme, Sizzlin' Steak, Yellow Cab, etc...

# Part II. Need for Madrid System by SMEs



# Case Study: Potato Corner

- Micro-enterprise gone global
- First established store in US
- Target is to expand business globally, through franchising.
- Benefitted from the cost and time savings from Madrid distinctiveness issue on the word mark “Potato Corner”



# Case Study: Potato Corner

❑ Sought trademark protection through Madrid and Direct Filing

Registered in:

- ❖ Philippines
- ❖ USA
- ❖ Malaysia
- ❖ Panama
- ❖ Vietnam
- ❖ Indonesia



Pending applications in:

- ❖ UAE
- ❖ Lebanon
- ❖ Singapore
- ❖ Jordan
- ❖ Kuwait
- ❖ Qatar
- ❖ Australia



# The Curious Cases



# Curious Case of Ms. Earth

- ❑ Service mark is owned and registered by Carousel Productions, a Philippine Company
- ❑ TM registrations in US, India, Canada, Singapore and Indonesia



# Curious Case of Ms. Earth



**RAPPLER**

LIVE

**MISS EARTH 2014**  
CORONATION NIGHT  
[rplr.co/misearth2014](http://rplr.co/misearth2014)

Saturday | November 29, 2014

Live blog starts 4pm  
Live stream starts 7pm

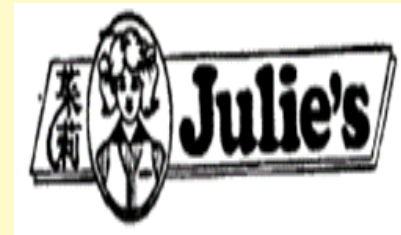
**BENZON NEGRE UNTALAN**  
Intellectual Property Attorneys

# Curious Case of Ms. Earth





# Other Curious Cases



# Some Take-Aways On These Curious Cases

SMEs benefit more on, or would need more, the benefits of the Madrid System [more than the likes of Nestle and other big players]

- As regards levelling the playing field
- As regards easier access to global market
- As regards avoiding other entrepreneurs in adopting and using in bad faith their own mark in markets of their choice
  - avoid expensive litigation, or worse giving up an important market without putting out a fight
  - to be distinguished from protection of internationally well-known marks under Art. 6bis of the Paris Convention; former is subjective and limited whereas the latter is objective and more comprehensive. But together, the 2 will complement each other.



# Some Take-Aways On The Curious Cases

As regards the advent of technology discussed earlier, and one global seamless market,

- perhaps WIPO should start advocating that member States should do away with the now-becoming archaic principle of territoriality in trademark ownership and rights; instead, promote the principle of not allowing bad faith registration which is fast gaining ground in other jurisdictions: legislation or case law.
- One Global Market + One Madrid System = One Perfect Match!

# SMEs and the Madrid System

- Advantages: Simpler; Cheaper; etc.
- Leveling the playing field: accessibility
- Priority Date Privilege
  - “It’s about time!”
  - “Why only now?”
  - “It’s never too late...”

# Finally, Challenges for the SMEs

- ❑ Low level of IP awareness
  - ❑ All sectors
    - ❑ Government: policy-makers, enforcement agencies and judiciary
    - ❑ Business
    - ❑ Schools
- ❑ IP Education is Key
  - ❑ Massive and sustained
  - ❑ Tertiary and Post-Graduate Levels
  - ❑ IP Basics: Start them young...

**Thank you!**

[fnegre@iplaw.ph](mailto:fnegre@iplaw.ph)

[www.iplaw.ph](http://www.iplaw.ph)