
Session III

Trademarks and Branding Strategies of SMEs

Very early “trademarks”



China: Ming bowl
C. 1600 AD



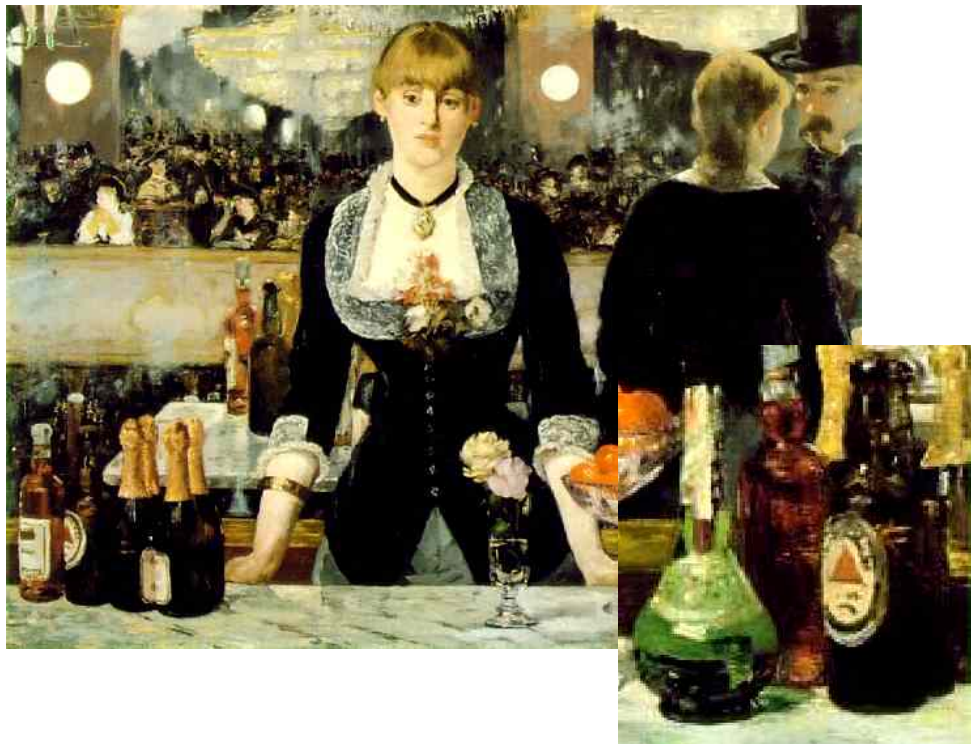
China: Shang dynasty
mark, C1600 BC



Egypt: Ramses II cartouche on a
sun-dried mud and straw brick.
Dynasty 19, 1279 – 1212 BC



Later trademarks



Edouard Manet:
Un Bar au Folies
Bergere, 1882

TRIPS and Trademarks

(Trade Related aspects of Intellectual Property rights)

Article 15

“Any sign capable of distinguishing the goods and services of one undertaking from those of other undertakings must be eligible for registration as a trademark provided that it is visually perceptible”

“Any sign capable of distinguishing...”

Eg: Invented word

“Xerox” for photocopiers

“Kodak” for cameras

but not

“Safemix” for valves to mix hot and cold
and not

“Orlwoola” a misspelling of “all wool”

“Any sign capable of distinguishing...”

Eg: A word taken out of context

“Apple” for computers

“Jaguar” for automotives

“Any sign capable of distinguishing...”

Eg: A symbol or “device”



Or both a word
and a symbol...



“Any sign capable of distinguishing...”

NOT a word used by others

Eg: not “first class” or “wonderful”.

NOT too close to an existing trademark:

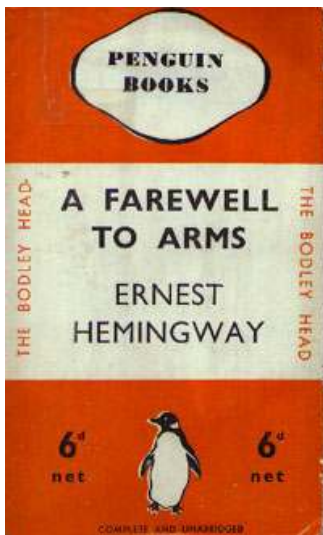
“**Accurist**” was registered for watches,
so “**Accutron**” could not be registered
for similar goods.

“...the goods and services of one undertaking from those of other undertakings...”

Goods are divided into 34 classes.
Services are divided into 8 classes.

“Penguin” is registered for books, class 16, paper goods.

“Penguin” is registered for biscuits, class 30, bakery products



“....must be eligible for registration as a trademark...”

Trademarks are registered at national Trademark Offices,

or internationally via the Madrid system,
or for a region, eg: European Community.

Can use a Trademark Attorney or Trademark Agent
who is expert in the law of trademarks
– optional but advisable.

Indicating a Trademark

Can use “TM” after the Mark

If registered, can use “R” after the Mark

BUT use of “R” for unregistered Mark
can be a criminal offence

Other types of Trademark

Collective Marks

eg:



a mark used by 16
apple-growing
cooperatives in Italy.

Certification Marks

eg:



WOOLMARK by
manufacturers of 100%
pure new wool products,
67 countries.

Geographical Marks

eg: for wines



Common law rights

“Passing off”

The unregistered mark must have a reputation;

There must be confusion in the market place

The owner must suffer loss



Domain names

Trademarks are registered by national
Trademark Offices

Domain names are registered (since 1999)
by **ICANN**
(Internet Corporation for Assigned Names
and Numbers) - eg .com; .org;



AND by national
eg **Nominet** in UK for .uk;
and **Denic** In Germany for .de





Domain name disputes

UDRP (Uniform Domain Name Dispute Resolution Policy) operated by WIPO and by ICANN

Cybersquatters – domain names of Virgin, British Telecom and Marks and Spencer were registered by a pirate and offered for sale. Held to be passing-off.

Cybersquatter can be forced to assign domain name to the “proper” owner.

Well-known Trademarks

TRIPS – rights extend beyond goods or services in the Trademark registration:

Eg: Nina Ricci registered for clothing.

An application for Nina Ricci coffee shops was refused.

Eg: Chanel registered for clothing.

An application for Chanel Love Hotels was refused.

Value of Trademarks (1)

Brand values 2003 – world top three

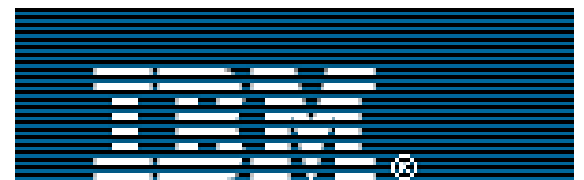


Coca Cola – US\$ 70 billion

Microsoft – US\$ 65 billion



IBM - US\$ 52 billion



source - Interbrand

Value of Trademarks (2)

Brands on the Balance Sheet


1. Nestle purchased UK chocolate company Rowntree,
 - £0.5B for tangibles (factories, stock)
 - £2.0B for intangibles (Trademarks including Aero, Smarties, Rolo, Kitkat)
2. PanAm bankrupt – Trademark sold for US\$1.3M

Licensing of Trademarks (1)

Trademark Licence

- often as part of IP licence

Owner controls quality of product

Eg: NXT plc grants licence for use of patents for flat panel loudspeakers; licensees must put  on product, packaging, handbooks. Licensees must submit sample products before first sale.



Some products made under licence



Pioneer *sound.vision.soul* **X-PR9DV**



Licensing of Trademarks (2)

Franchising – a total business package

RTM used for the registered goods or services

Owner controls quality, “image” of shop, staff training.

Franchisee must use Trademark,

- Eg Benetton - clothing
- McDonalds – fast food
- Hertz – car rental

Licensing of Trademarks (3)

Merchandising – RTM used on different goods.

Eg: Disney licensed several cartoon characters for use on swimwear,

licensee paid 10% of wholesale selling price

Eg: Cadillac cars licensed its name for use on leather goods; different companies in China, Taiwan and Japan paid 5 to 10% of wholesale selling price (US\$5M)

Benefits of Trademarks

Can last for ever

Bass triangle dates from 1870

Can be hugely valuable

Coca Cola Mark worth US\$70B

Others can benefit via

licensing, franchising, merchandising