



National Workshop on Intellectual Property Management in  
Business for Small and Medium-Sized Enterprises (SMEs)

## Case Studies: Effective Use of Trademarks and Service Marks by SMEs in their Business Strategies

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# Effective Use of the Trademark



**PALADIN 100% PURE CHOCOLATE PASSION**



- ▶ **PALADIN**, "L'atelier du chocolat" or "Chocolate Workshop" started in Beirut in 1958
- ▶ Owner is one of the leader in chocolate business on a professional level = quality
- ▶ He knew how to use his know-how (Suisse and Belgium) in producing chocolate along with an original adding which is adapting the taste to the local and regional market
- ▶ How: he added to the traditional chocolate new tastes from the region such as incense taste, amber, dates, cinnamon, etc...

- ▶ He gained loyalty of the clients and he added something better: the beautiful shape and design.
- ▶ He did the presentation of the chocolate in beautiful arrangements such as glass, crystal or silver.
- ▶ Customers became loyal not only to the taste but also to the good design.

- ▶ With his continuous innovation he built the brand Paladin
- ▶ And he was able to open a second shop and a huge factory to produce more chocolate in Beirut in 2005
- ▶ With the time he adapted the tastes of his chocolate to the demand in the market
- ▶ And after many years of experience he developed a technique to wrap the chocolate in new and original ways

- ▶ But the most important thing is that he did not sacrifice the quality for the quantity, thus the loyalty of the customers results from the continuous effort of innovation coupled with the good quality of the goods.
- ▶ And then he started extending his activities to cover not only chocolate production but also the production of cakes, European type with Arabic tastes, pizzas, croissants, ...
- ▶ Commercialized all under the Paladin trademark, and he became a caterer

- CHEESE CAKE - FRAISIER - CAPPUCCINO CUP
- SABLÉ CONFITURE - SABLÉ CHOCOLAT
- CONCERTO - PAVÉ AU CHOCOLAT
- POMME CANNELLE - SUCCÈS AMANDE
- SUCCÈS CHOCOLAT - SWISS ROLL
- CHOCOLAT CARAMEL, POIRE CARAMEL.





French Baguette



Pain



Pain Boule



Cheese Croissant



Zaatar Croissant



Zaatar Manakich



Mini Pain Au lait sandwiches



Quiche



Salted mini pieces



Mini pieces oriental

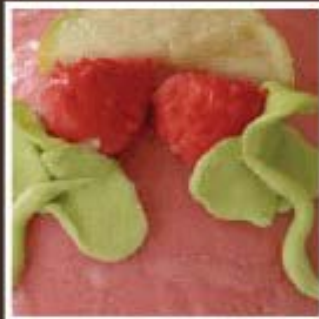


Mini pieces oriental





*Paladin*  
L'ATELIER DU CHOCOLAT



CHOCOLAT, GATEAUX, GLACES, SALAISONS, ARRANGEMENTS

- ▶ Paladin couldn't become famous without the IP right protection, mainly the trademark
- ▶ But other than the right on the trademark, many other rights could benefit Paladin in the market.

Which ones?

# First: the trademark

- ▶ Paladin is a registered trademark in Lebanon, renewable indefinitely every 15 years
- ▶ It is registered under two classes:
  - Class 29: Meat, fish, poultry and game; meat extracts; preserved, frozen, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs; milk and milk products; edible oils and fats.
  - Class 30: Coffee, tea, cocoa and artificial coffee; rice; tapioca and sago; flour and preparations made from cereals; bread, pastry and confectionery; edible ices; sugar, honey, treacle; yeast, baking-powder; salt; mustard; vinegar, sauces (condiments); spices; ice.

Check Nice Classification:

<http://www.wipo.int/classifications/nice/en/>

Paladin could benefit from a 3D trademark if...

For instance the chocolate Toblerone acquired a protection of its shape under the trademark law as a 3D trademark



## Second: Industrial Design

- ▶ Paladin could register the industrial design they create to wrap or to package their goods when such a packaging meets the industrial design criteria



## Third: Patent

- If Paladin develops any machine or invention to produce chocolate in a specific way, it may be registered for patent if it meets the patent criteria:
  - Novelty
  - Inventive step and the
  - Industrial application

## Fourth: Trade Secret

Paladin produces chocolate for diabetic persons, based on his personal know-how, and no one else in Lebanon produces same healthy chocolate. He could keep the process and/or the ingredients as a secret

# How did Paladin benefit from his IPRs?

## 1. Franchising

Paladin as a franchisor gave license to a franchisee to commercialize his products in Kazakhstan in 2011

In this case Paladin had to register his trademark in the franchisee country in view to protect his trademark there.

They did actually register Paladin under same classes in Kazakhstan, before any commercialization activity in the Kazakh market.

## 2. Production / Marketing contracts

If Paladin would like to produce his goods in China he must first register his TM there to get the needed protection (territoriality principle).



- ▶ We discovered in 2014 that Portuguese company have registered the trademark Paladin under same class (30) and for the same goods.
- ▶ In this case, a good solution would be a coined word to use and to register in China

# Some issues to take into consideration

- ▶ What is the strategy of the SME: Export? Import? Franchise agreement?
- ▶ What are the IP assets necessary for the good functioning of the project: literary and artistique or the industrial property.
- ▶ What are the legal and regulatory conditions to respect and determine the IP assets.
- ▶ A third person producing the goods, is legally bind by the protection of the personal data. How far can he go and retrieve the needed information from the company.
- ▶ A confidentiality agreement must be signed by everyone who will get some information about the activity

That's why any SME shall:

1- Know its strengths and weaknesses

2- Be sure that its intangible assets are eligible to IP protection

3- Concentrate on its competitive advantage based on IPRs

4- Share with others the IPRs by giving franchise agreements against lump sum and proportionate fee.

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