“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
Introduction

GALLEON TRADE

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

1565-1815
Introduction
Introduction
Part I. Brand Development

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

BENGZON 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

INTERNET WORLD Business
Conquering global markets
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!
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

Charlie Chan Chicken Pasta

TriBeCa Mushroom

Bengzon Negre Untalan
Intellectual Property Attorneys
Yellow Cab Enforcement

versus

GREEN CAB Pizza Co.
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>
- Enforce IP rights
  - Aggressive Protection through enforcement
    - Reality: It’s a private right!
SMEs and IP

Lessons for the SMEEntrepreneur

- 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

BENGZON NEGRE UNTALAN
Intellectual Property Attorneys
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

MISS EARTH 2014
CORONATION NIGHT
rpr.co/missearth2014

Saturday | November 29, 2014
Live blog starts 4pm
Live stream starts 7pm
Curious Case of Ms. Earth
Other 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.
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

www.iplaw.ph