

PROTECTING MARKS OF OWNERSHIP & BEYOND

Andrew Michael S. Ong
iPROTECT PHILIPPINES

Good morning to all. It is indeed my pleasure to be here today, and I hope my brief sharing with you will give you some useful insights on brand protection and more.

I understand fully well that what is between you and a sumptuous lunch is my presentation so I will do my best to make this a “quick and dirty” presentation and, hopefully, an entertaining one as well.

Let me start with a short video of a famous TV series that everybody is familiar with – CSI (Crime Scene Investigation) Miami. In the video, you will spot a Filipino element in this episode. Look for it!

Hope you were able to see that the furniture in the setting is actually a Philippine product. More specifically, it is a Kenneth Cobonpue lounge chair belonging to the “TILT” Collection. The Kenneth Cobonpue furniture is also used in the movie “Oceans 13” and a personal favorite of Angelina Jolie and Brad Pitt who chose a Kenneth Cobonpue baby crib for their daughter Shiloh.

I am highlighting the Kenneth Cobonpue furniture because unlike most Philippine-designed furniture, this one has a name. It has a brand. Amidst the myriads of Philippine furniture exported out of the country, this one dared to carve a name and be accountable for it. By doing so, it was able to reap the benefits of customer loyalty, goodwill and reputation – all embodied in a trademark.

It is also able to capitalize on branding to define and differentiate its various concepts behind every collection of Kenneth Cobonpue. For example, here we have the C-U-C ME Collection inspired by the see-through nature of the design. There is also the HALO Collection inspired by the halo symbol; the WAVE Collection drawn from the waves of the ocean; the LOLAH Collection which is inspired from the cola(h) aluminum can; the DIMSUM Collection from Chinese dimsum containers and, lastly, the RETASO Collection – which speaks for itself.

So what’s in a name? Why give your product or service a name? Well, the answer is simple. It is what customers use to look for products and services. It is the way by which customers can reward you with repeat purchases.

You can just imagine going through the long supermarket gondola and seeing an array of products. The only way to identify what you want is to remember the name of the product. Thus, it is the tangible link between the customer and the product or service. As such, it is important to choose a name that is easy to recall because people will call you by that name.

Let us say, for example, that you receive several of those text messages that warn you of earthquakes and natural disasters, and you get a message that reads “gravitationally totally collapsed object approaching”. Would you understand what a “gravitationally totally collapsed object” is? It will be hard pressed to find 50 people who would understand the phrase. However,

when the message reads “Black Hole” approaching, I am sure it will immediately catch the attention of many, and we can instantly have a mental picture of the object.

In the same way, when you read “a sublimating solid carbon dioxide,” it would be difficult to picture it in your mind but it will be completely different if we see the phrase “dry ice.” Same is true with Acetylsalicylic acid, which is even a tongue-twister. People would not remember such a difficult name, but they will remember ASPIRIN. All these go to show that choosing a catchy name is an extremely important task in branding.

However, what is the use of using a catchy name if you cannot own it? What is going to happen if the name you have chosen can likewise be used by others with impunity?

Definitely, consumers will be confused but also importantly someone will be able to ride on your goodwill and reputation and profit therefrom to your prejudice. So how do you harness the power of brands and prevent it from being dissipated by other’s unauthorized use? The answer is by availing of the protection of the law – the trademark law.

Your brand can become an exclusive property only if you comply with the law’s requirements and pre-conditions for protection.

First, the mark must be registered as a trademark. Registration gives the owner exclusive rights to use the mark in trade. It is not the business name registration with the Department of Trade and Industry (DTI) or the corporate name registration with the Securities and Exchange Commission (SEC) that can provide the owner exclusive rights to use the mark but, rather, the trademark registration with the Intellectual Property Office.

Many businesses make the mistake of simply securing a DTI or SEC registration and ending there. The former registrations are merely for regulatory purposes and do not confer proprietary rights in favor of the owner of the marks.

Without a trademark registration, brands can hardly obtain equity value because it is doubtful if the owner can effectively exclude others from using similar marks. I doubt also if anyone is willing to pay good money for an unregistered mark. On the other hand, it will be very dangerous to grant franchise or license to another using a mark that does not enjoy the rights of a registered mark.

Registration bestows certain legal rights and presumptions. For example, if the mark passes registration, it is presumed to be a mark that is distinctive and capable of being used as a trademark on an exclusive basis.

Not all marks are equal. There are weak marks and there are strong marks. There are also marks that cannot be appropriated or owned because they fall under public domain. It is free for everyone to use.

Let me share with you some of the potentially strong marks or marks which are distinctive and capable of functioning as a trademark.

The first type of distinctive mark is the arbitrary or fanciful mark. These are marks that are used outside its ordinary meaning. For example, the word “apple”, which is the name of a pomaceous fruit of the apple tree, is used arbitrarily as a mark for computers or other electronic gadgets. By using “apple” as a trademark for computers, the California company is able to build a strong mark which is renowned worldwide today. This is because Apple is generic to fruits but arbitrary to computers.

In the same way, Penshoppe is generic to stores selling pens but is a strong mark for clothing and apparel and other lifestyle goods. This is also true for MEMO which is not used for stationeries but clothes for work; OXYGEN, which is not used for gas but for party clothes and perfumes or BLUEPRINT for denims. Because these marks are not used in their generic way, the law allows its exclusive use as trademarks.

Another type of potential strong marks are specially-coined names. These are words that are not found in the dictionary because they are specially crafted by the trademark owner. Examples of specially-coined names are LEGO, SURFVIVOR, SONY, KODAK, and many others.

Despite its being distinctive and strong, a lot of businesses do not like to use fanciful or specially-coined names because it does not mean anything or convey any message to the consumers at the outset. Thus, you would need a lot of advertisements to build a strong association between the mark and the product, and this will take time and advertising money. The alternative is to use suggestive marks.

Suggestive marks are marks that give consumers an idea of what the products or services are, their special features and qualities or what they seek to achieve, but without directly saying so to make the mark outright descriptive. Although the law does not grant trademark rights to generic and descriptive marks, for marks that merely suggest the description, they are considered as sufficiently distinctive to be entitled to trademark protection.

“Citibank” is one example of a suggestive mark. The mark “Citibank” suggests the bank’s sophistication as an urban bank or bank with services for city establishments. In the same way, “World Bank” is suggestive.

Another example is the shoe-looking sandals brand – “Sanuk”. “Sanuk” is a Thai word that can be roughly translated as “good time” or “fun.” It also describes the aspiration to achieve satisfaction and pleasure in whatever one is doing at work or at play. It is injecting a sense of enjoyment in our everyday lives - “making it sanuk!!” - even while the Thai is working under the sun in the rice fields.

Now, this company has chosen the word Sanuk to be its trademark for its sandals to evoke the feeling and project the mental picture of fun, casual and comfortable living. Clearly, the brand fits the philosophy and image of the products. It is also clear that such a mark is better than using generic and descriptive names.

Another important insight in trademark protection is to prevent using marks that are already used by other entities. Here, a Las Vegas company caused quite a stir in the past years with their new dog chew toy brand, “Chewy Vuiton.” This earned the ire of Louis Vuitton Moet Hennessy (LVMH) and resulted in heated legal battle waged by the French fashion conglomerate to stop the small company from diluting its name. The same company also came out with iPAW (a spoof of iPod), DogDiva (a spoof of Godiva) and Chewnel No.5 (a spoof of Chanel No. 5). Haute Diggity Dog won so far but the legal expenses of up to US\$250,000.00 are proving to be too heavy for the company. There is also the problem of distributors returning the stocks for fear that they too will be sued.

Therefore, it is better to avoid unnecessary litigation risks by not piggy-backing on a registered mark. The trademark law prescribes the FIRST-TO-FILE RULE. Thus, a second and junior user of the same mark will be barred from registration.

Also, using a similar mark, although not identical, is not allowed by the law. The courts call it a “colorable imitation” and using the same amounts to trademark infringement. In the words of the court in a trademark case involving Del Monte catsup, “usually, the guilty party does not normally copy but makes only colorable changes.....the most successful form of copying is to employ enough points of similarity to confuse the public, but with enough points of difference to confuse the courts.”

For famous marks, it also does not matter that the goods or services are not competing or that there is no possibility of confusion. The use of a famous mark by another in a completely different kind of product or service will “dilute” or dissipate the distinctiveness of the famous mark. Thus, it is likewise not allowed.

For example, your mark, which is used for several years and is rather famous, is a trademark for chemical products. Others will not be allowed to use the same or similar marks even for totally unrelated class of goods such as hand tools or musical instruments or paper products. However, if the mark is not famous, protection is limited to related products.

As you have noticed, for purposes of trademark protection, products and services are grouped into classes, and if a mark is used in different goods belonging to different classes, there is a need to file more than one trademark application in order to adequately protect the mark. Thus, it is common for trademark owners to file several trademark applications. For example, the trademark “Jollibee” is registered in more than 20 classes of goods and services. “Penshoppe” is registered in almost ten classes. The marks may also be registered as a simple word mark or a stylized form.

In summary, let me outline herein the steps which any business can follow to protect its marks of ownership:

1. CHOOSE A CATCHY & DISTINCTIVE MARK
2. CONDUCT TRADEMARK SEARCH BEFORE USING THE MARK
3. FORMULATE A STRATEGY FOR PROTECTION
4. FILE APPLICATIONS WITH IP PHILS.
5. PROSECUTE THE APPLICATIONS
6. DEFEND AGAINST OPPOSITIONS (IF ANY)
7. MAINTAIN THE REGISTRATIONS

Now, if the business calls for protection of its intellectual assets beyond trademark protection, one may likewise claim ownership and exclusivity over the other intellectual properties used in the business. As much as the name of your products can be registered, you can also do the same for the products in order to prevent others from making, importing or selling the same products even if the latter uses another name. Businesses may resort to filing patents to protect the technical and functional aspects of the products. On the other hand, the aesthetic appearances may be registered as an industrial design or, in certain instances, as copyright-protected products. For valuable information or know-how used in business, the owner may claim the law’s protection of undisclosed information.

Here is an example of a company that has used a comprehensive intellectual property strategy to compete in business. It has given quality outdoor furniture a name – “DEDON” and its durable P.E. fiber – “HULARO” but it did not stop there. It went to claim ownership over its designs, equipment, technology and know-how through patents, design registrations and the likes throughout the world.

