

MODULE 2.4 - VALUE OF TRADEMARKS



UNIVERSITY OF
TORONTO

This presentation is adapted from the IP foundation series on the Canadian Intellectual Property Office (CIPO) website.



How do trademarks help create brand value?

What are the benefits of having a registered trademark?

In this section, we will explore how trademarks can be used strategically to protect your brand and grow your business.

LEARNING OBJECTIVES FOR VALUE OF TRADEMARKS

By the end of this section, you will be able to:

- Describe how trademarks can be a valuable business asset
- Explain how to use trademarks strategically
- Describe the importance of protecting IP including trademarks internationally



VALUE OF TRADEMARKS

VALUE ADDED BY TRADEMARKS

To succeed in the business world, you need to send the right message and develop the right image.

Everything that sets your business apart produces a brand image that consumers come to know. Your brand tells them what they can expect from your goods and services and sets you apart from competitors.



VALUE OF TRADEMARKS

VALUE ADDED BY TRADEMARKS

Trademarks help build your **reputation** and **goodwill** in the eyes of the public, which will make your brand attractive and maintain **consumer loyalty**.



VALUE OF TRADEMARKS

VALUE ADDED BY TRADEMARKS

A registered trademark could **deter counterfeiters** from copying your brand or causing confusion in the marketplace with a similar trademark to yours.

Without trademark protection for your goods or services, customers may be unable to distinguish your **genuine** product or service from a fake or a competitor with similar branding.



VALUE OF TRADEMARKS

VALUE ADDED BY TRADEMARKS

A registered trademark can **boost investor and stakeholder confidence**.

You could also **establish partnerships** within your investors' network and other companies, which could help build your company's reputation.



VALUE OF TRADEMARKS

VALUE ADDED BY TRADEMARKS

Registered trademarks can also be a **revenue source**.

Secure **licensing** or **franchising** agreements, so that a third party can use your registered trademark in exchange for royalties or a percentage of all sales.

Successful companies in the food industry, such as McDonald's, Subway and Tim Hortons, are great examples of this business model with trademarks registrations valued in the millions and billions.



USING TRADEMARKS STRATEGICALLY

CREATE BRAND VALUE

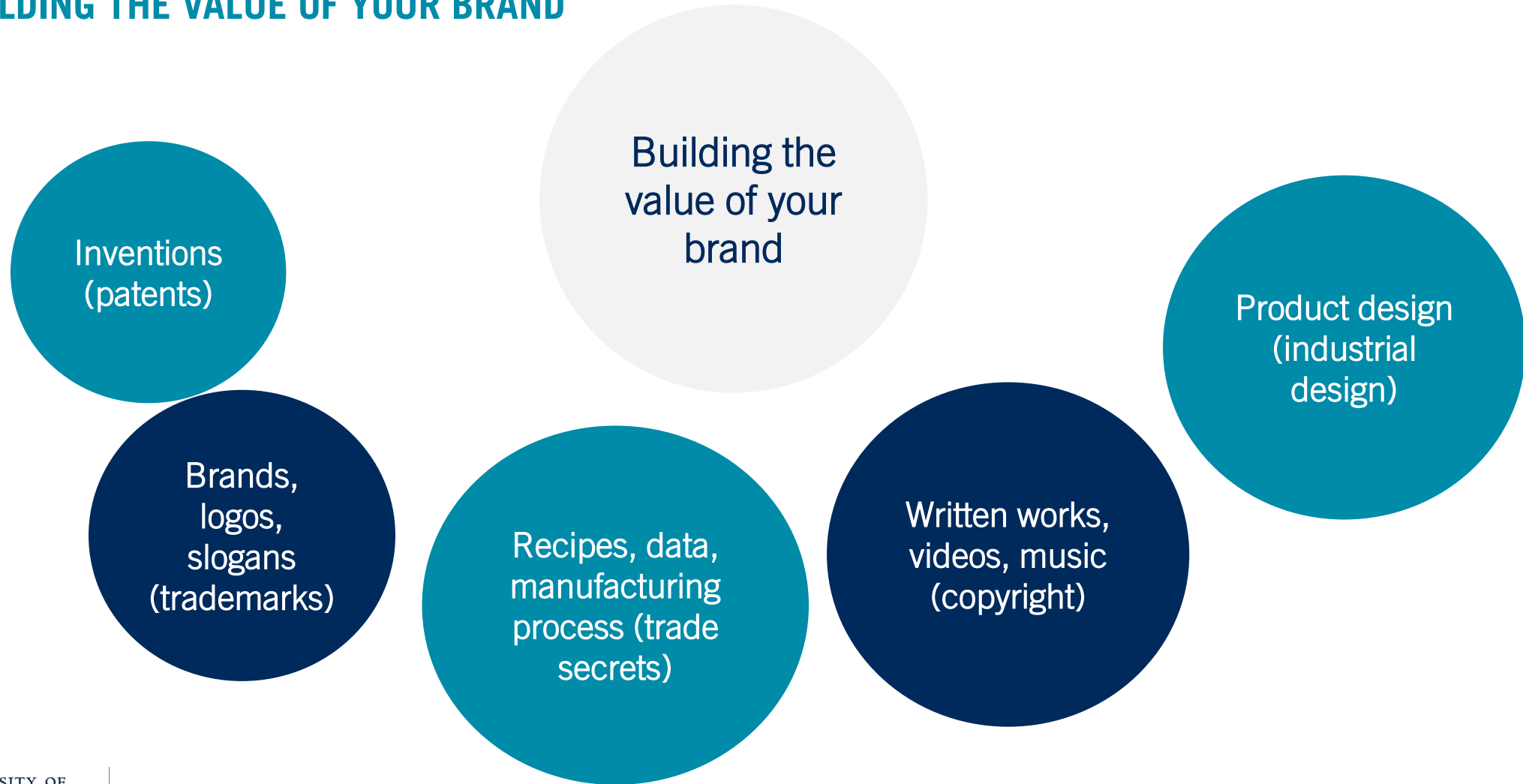
Trademarks help create brand value for your business by distinguishing your goods or services from the competition's.

Build value by integrating your other IP assets with your brand.



USING TRADEMARKS STRATEGICALLY

BUILDING THE VALUE OF YOUR BRAND



COMBINED USE OF IP

Video Description: In this video, Tamara O'Connell (BEng, JD), Registered Patent Agent and Patent Portfolio Manager at the University of Toronto's Innovations & Partnerships Office, breaks down the various ways that IP rights can be combined to provide comprehensive IP protection.



**COMBINED
USE OF
IP RIGHTS**



USING TRADEMARKS STRATEGICALLY

SELL YOUR BRAND

Use your brand to grow your business.

Consider getting exclusive legal rights to your trademark with a **registered trademark** that will serve as evidence of ownership.

Consider commercializing your trademark, which you can do, for example, by setting up licensing agreements. What could you gain from it?

Avoid a competitor's registered trademark from blocking your market expansion

Reaching new markets by expanding through your licensee's marketing and distribution channels

Increasing brand recognition by appearing on new products and in new channels

Establishing strategic partnerships where both parties work together toward common core business goals



USING TRADEMARKS STRATEGICALLY

BRAND PARTNERING

A strategic brand **partnership** can also greatly increase the value of trademarks.

Consider the example of Sidney Crosby, who partnered with Reebok to create his own personal brand, "SC87," which sells hockey equipment and apparel that are "approved" by Crosby.

He also has partnerships with companies such as Gatorade and Tim Hortons. These partnerships are meant to appeal to his fans and attract consumers to the companies' products.



www.gatorade.com



www.timhortons.com

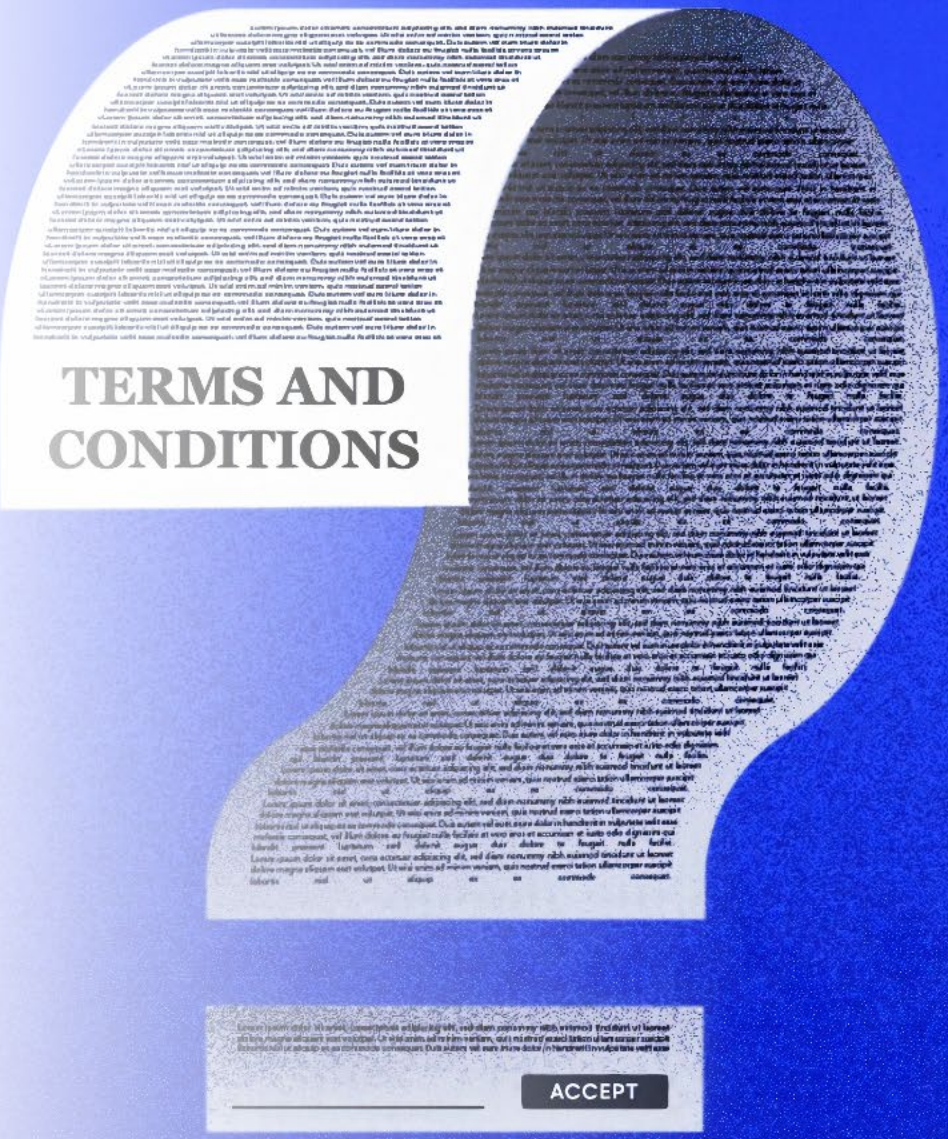
USING TRADEMARKS STRATEGICALLY

EXPORT YOUR BRAND AND COMPETE GLOBALLY

Trademark protection is territorial. Consider strategically filing for trademark rights in countries where you plan to do business and hire a registered Canadian trademark agent to assist with an international filing strategy.

Use online tools and databases to search for trademarks in countries where you plan to do business. Make sure no one else has the legal rights to your trademark, or to one that could be confused with yours.

Consider licensing agreements with overseas entities, as they are one of the quickest ways to **expand** across global markets.

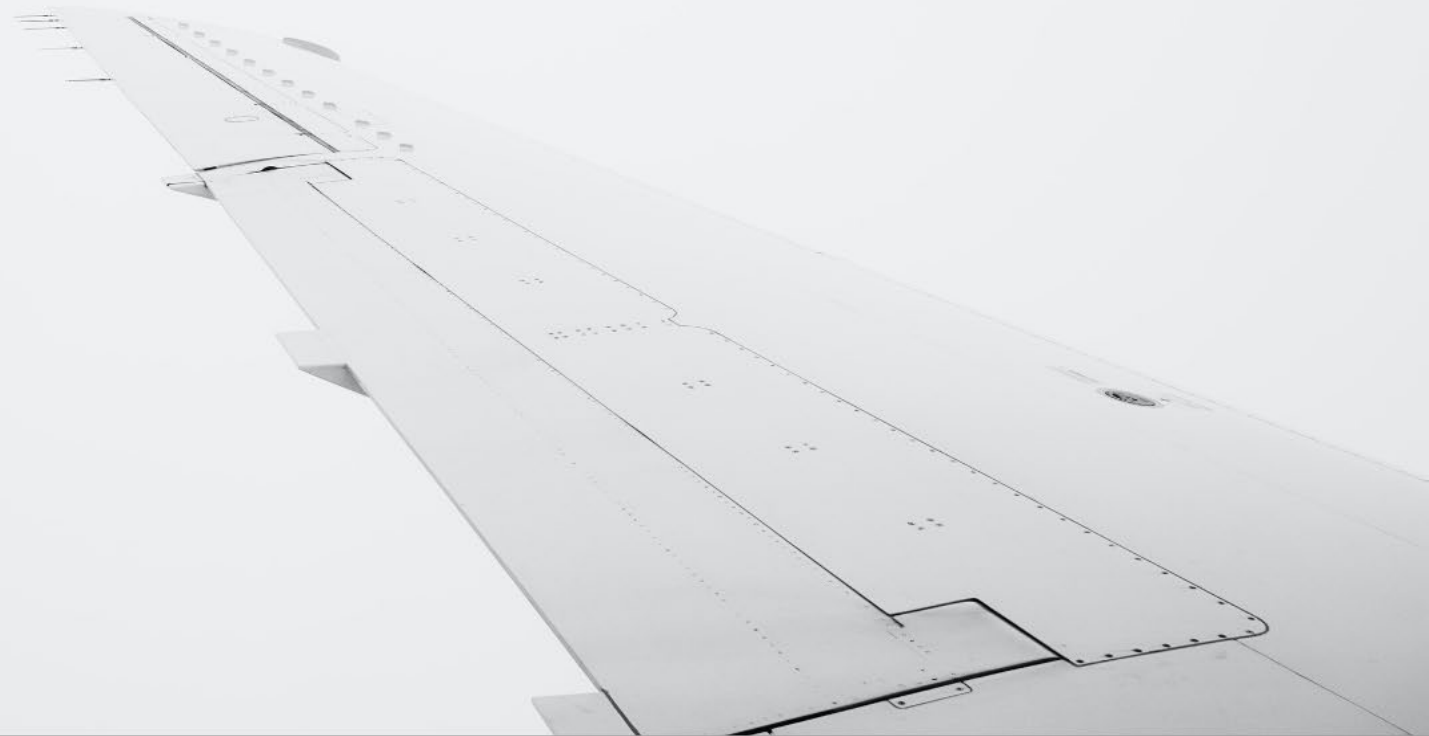


USING TRADEMARKS STRATEGICALLY

INTERNATIONAL TRADEMARK FILING SYSTEM

The **Madrid System** allows you to apply in multiple countries by filing one application and paying one set of fees.

A registered Canadian trademark agent will be able to assist with this process.



USING TRADEMARKS STRATEGICALLY

THE IMPORTANCE OF JURISDICTION

Trademarks and many other IP rights are geographic (i.e., country-by-country). A registered trademark in the US does **not** give you the rights of a registered trademark in Canada.

Note that you **may** be able to use the US mark to give you an advantage when it comes to deadlines



CASE STUDY

TARGET APPAREL VS TARGET CORP

Video Description: The following presentation is a clip from the IP Education Launch Event on November 12, 2020.

The presenter, Natalie Raffoul, is a lawyer & registered patent agent, tells us the story of US-based Target Corp's entry into Canada and highlights how much jurisdiction can matter with trademarks.

CASE STUDY: TARGET APPAREL vs TARGET CORP



TRADEMARKS: THE IMPORTANCE OF JURISDICTION

Trademarks and many other IP rights are geographic (i.e., country-by-country).

A registered trademark in the US does **not** give you the rights of a registered trademark in Canada and vice versa

The story of US-based Target Corp's entry into Canada highlights how much jurisdiction can matter...



CASE STUDY: COMPANY EXPANSION AND TRADEMARKS

TARGET APPAREL VS TARGET CORP

In the early 2000s, Canadian fashion mogul Isaac Benitah registered “Target Apparel” as a Canadian trademark

At that time, an applicant for a Canadian trademark had to show that the trademark was in use

Benitah provided hanger tags to show that he was preparing to use the mark



CASE STUDY: COMPANY EXPANSION AND TRADEMARKS

TARGET APPAREL VS TARGET CORP

A decade later, when Target Corp. tried to expand into Canada, they found their house brand trademark was already in use (i.e., clothing)

Benitah sought to prevent retailer from using "Target" in Canada

By then, the Target Apparel mark had been in use for several years:

- 2 stores were operating under the name of Target Apparel at that time, one in Sudbury and one in Nanaimo
- more than a dozen Target Apparel stores opened before the lawsuit concluded



CASE STUDY: COMPANY EXPANSION AND TRADEMARKS

TARGET APPAREL VS TARGET CORP: SETTLEMENT

Target Corp. was eventually forced to settle with Benitah for an undisclosed amount estimated in the millions

- FAR more than trademark fees would have been

If you are thinking of expanding outside your home jurisdiction, develop a protection strategy early on



CHECK FOR UNDERSTANDING

TRUE OR FALSE: In the Target Apparel vs. Target Corp case study, Benitah was able to enforce their trademark rights in part because they could demonstrate the trademark was being used.

- A. True
- B. False



CHECK FOR UNDERSTANDING

TRUE OR FALSE: In the Target Apparel vs. Target Corp case study, Benitah was able to enforce their trademark rights in part because they could demonstrate the trademark was being used.

- A. True
- B. False

ANSWER: TRUE



SUMMARY OF LEARNING OBJECTIVES FOR VALUE OF TRADEMARKS

You should now be able to:

- Describe how trademarks can be a valuable business asset
- Explain how to use trademarks strategically
- Describe the importance of protecting IP including trademarks internationally

