



Research on Intellectual Property Management for 'Technology Branding'

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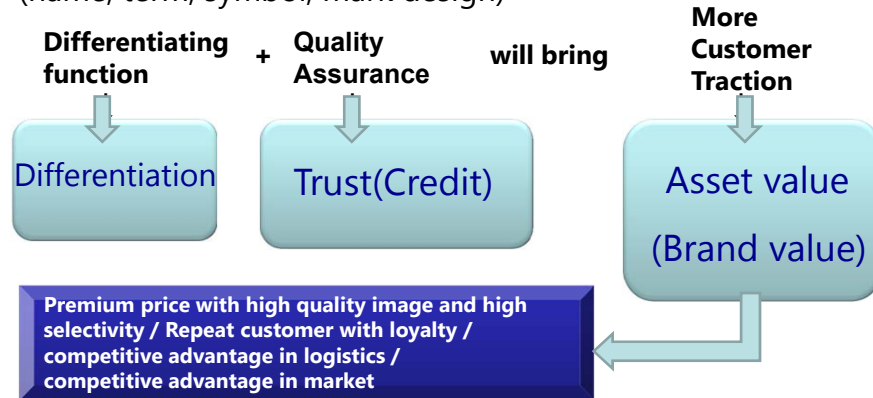
Abstract

- In this study, we investigated some cases how to brand the technology held by manufacturers, and how to maximize the value of their goods and services.
- We also investigated the intellectual property management for "Technology Branding".
- In particular, The method of "Technology Branding" utilizing intellectual property law by global companies will be described.

Brand and Brand Value

What is Brand ?

It is a concept by which good/service of the provider will be differentiated from other goods/services of other providers. (name, term, symbol, mark design)



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Establishment of Brand System and Layered Structure of Brands

- **Corporate brand**
Common brand for goods and services provided by the corporation
- **Business brand**
Common brand of goods and services for specific business of the cooperation
- **Family brand**
Common brand for goods and services belonging to multiple categories
- **Individual brand (product brand , Service brand)**
Brand applied for each goods or services

The above is one of the example cases

"**Corporate group brand**" is sometimes recognized as higher layer recently. Meanwhile, there are many cases where "**technology name**", "**model name**" and "**manufacturing site**" are recognized as brand

- Parent brand in higher layer assures the qualities of the sub-brand as a prove of quality; meanwhile, sub-brand motivates customers to purchase the goods, thus it enhances the value of the parent brand; as such, brands in different layers are enhancing the value

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Background of Technology Branding

- Core technology owned by corporation is very important; it enhances asset value of the corporation
- Have corporations focused on visualization/differentiation of "technological" advantages owned by them?
- Only with superior technology and products with superior functions, can company can survive in the market ?

Environmental shift surrounding Japan
(Japan; known as manufacturing nation)
Globalization of industries
Open innovation
Product modularization
Commoditization of quality product/function
Shortening product life cycle

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What is Technology Branding ?

- With such background, "Technology Branding" is getting more important; it is branding of technology owned by corporation

What is "Technology Branding"?

Branding "technology"; enhancing "perceptual quality" by visualizing "technology" with clearer naming, symbol mark and logo

Technology is one of the elements of good/service. With branding, technology will be recognized as "overarching element" of goods in the company. As a result, it will enhance brand image of the other goods with the technology and the company enhances the overall image.



Effect of Technology Branding

- What are the effects with "Technology Branding"?

- It visualizes technology; it enhances perceptual quality
- It effectively appeals innovation
- It effectively assures the quality of goods/service
- It effectively indicates technical advantages; it will be utilized for technology license opportunities or alliance with other companies
 - It effectively enables the company to conduct brand expansion when they convert the technology elements into the different categories from the original good
- It effectively build up defect standard
- It effectively extend the life span of the technology

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Effect of Technology Branding

- What are the effects with "Technology Branding"?

For consumers... (B to C)

It highlights intrinsic value of the product with technical perspective; it will convey competitive edge/differentiating element to the product and the company. It effectively enhances corporate brand value.

For enterprises... (B to B)

Technology will be clearly recognized as corporate asset; it enhances marketing effectiveness with "perceptual quality" It also strengthens supplier alliance, thus it promotes development of new use

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Case Study of Technology Branding ①

▪ Dolby laboratories



Logo mark utilized for licensing of each technology → "Technology Brand"

- Sound format technology for playing
- Sound environmental adjustment technology
- Technology for movie
- Sound format technology for recording
- Matrix decode technology
- Virtual technology
- Dolby PC entertainment experience
- Voice technology
- Sound technology for mobile phone



Dolby Laboratories, Inc.
San Francisco, CA



Case Study of Technology branding ②

▪ Intel

Logo for the PCs with Intel microchip of Intel Inc.

→ "Technology Brand"

- Promotion strategy of Intel
Intel inside campaign
Jingle sound with CM



Case Study of Technology branding ②

Intel

Year Company Founded: 1968

Year Logo Introduced: 1969

Logo Designer: Rober Noyce and Gordon Moore (1969),

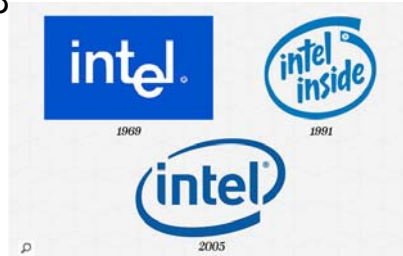
Future Brand (2005)

Company Founders:

Gordon Moore, Robert Noyce

The first logo for Intel was created by founders Robert Noyce and Gordon Moore in 1968. The Intel logo shifted from the company name with a dropped "e" to the current logo comprised of a swoosh surrounding the company's name with a "Leap Ahead" slogan.

Evolution of Brand Logo



Case Study of Technology Branding ③

Sharp

Plasma Cluster Technology
→ "Technology Brand"

SHARP



Plasma Cluster Technology

「プラズマクラスター」技術

「プラズマクラスター」技術は、アレル物質、ウイルス、カビ菌などの表面のたんぱく質を分解・除去するシャープ独自の画期的な技術です。

1 イオン放出

お手本は自然の浄化力

森林の空気にはオゾンとマイナスイオンがいっぱい

マイナスイオンの効果

「プラズマクラスターイオン」発生しくみ

2 浮遊菌攻撃

ウイルス表面のスパイク状の突起タンパク質を分解して除去、作用を阻害します

浮遊細菌の活動抑制メカニズム

3 水になって空気中に戻る

OHラジカルと水素(H)が結合し、水(H₂O)になって空気中に戻る。



Brand Management in Corporation

- "Intellectually property rights" gives valid legal backing for protecting "Brand", valuable asset for the company. Also, "contract" will protect "Brand"
- In order to protect/manage "Brand", the department in charge of brand management should corporate with other departments (IP , legal, design, marketing, PR and HR)
- Also, it is very important to corporate with external professionals (Brand consulting company, designer, lawyer and patent lawyer)
- In each phase of brand management (analysis stage, creation stage, execution stage), it is necessary to work with related department in the company and external institutions

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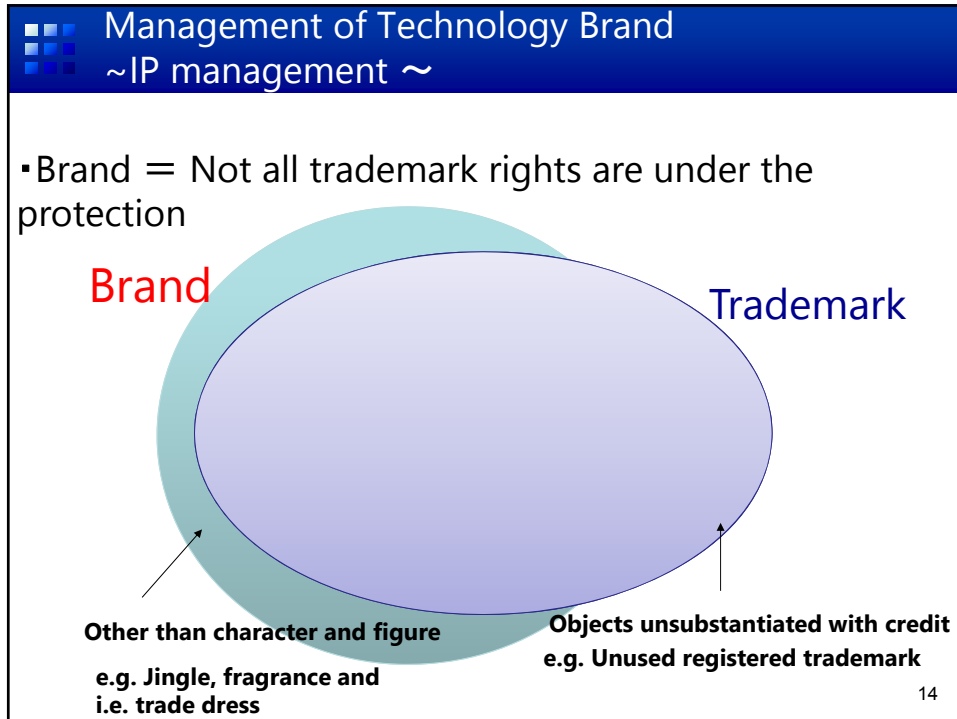
Management of Technology Brand ~IP management~

- "Intellectually property rights" gives valid legal backing for protecting "Brand", valuable asset for the company

Protection Target of IP Law


- Patent law/Utility model law → "technical ideas utilizing the laws of nature"
- Design law → "the shape, patterns or colors, or any combination of an article, which creates an aesthetic impression through the eye"
- Trademark law → "a trademark consisting of a three-dimensional shape (including those combined with character(s), figure(s), sign(s) or color(s) or any combination "
- Copyright → "items which creatively express ideas or emotions and expressions. It includes art, music or other creative work"

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Management of Technology Brand
~IP management ~

- With IP rights, how "Technology Brand" would be protected ?
- Protection Territory with Patent Law
Patent law protects creation of technical ideas. Therefore, it does not protect "name" (name of invention)
- Protection Territory with Trademark Law
Trademark law protects credibility substantiated to trademark (mark) by protecting of trademark of good or service. Therefore, it does not protect name indicates "technology idea" There fore, in order to protect technology brand, it is necessary to protect in various aspects; not only with patent law or trademark law but with design law or copyright law, or even with unfair competition prevention law

Management of Technology Brand
~IP management ~

Case study~TEFLON~①

DuPont Inc. invented in 1938
Chemical name: polytetrafluoroethylene (PTFE) resin
⇒ Spin-off technology from military industry in 1946
⇒ It was applied to frying-pan as Tefal




DuPont obtained trademark with **Teflon®**

- DuPont : Teflon® PTFE, PFA, FEP

Other Company's TM


- Daikin Industries, Ltd : Polifron® PTFE
- Asahi Glass Co. Ltd : Fluon® PTFE

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Management of Technology Brand
~IP management ~


Case study~TEFLON~②

- **Protection with Patent right**
Patent → "polytetrafluoroethylene"
In 1946, commercialized.
Patent rights have expired.
- **Protection with Trademark right**
Trademark → Owing 20 trademarks
Fluorine resin (registration number: 1644721)
Pan product (registration number: 1768544)

 Management of Technology Brand
~IP management ~

Protection based on Technology Brand type

(1)Technology= Independent product e.g. Aspirin (acetylsalicylic acid)	→ It is OK to obtain trademark rights on each item <u>proprietary with patent</u> (Suite for closed strategy)
(2)Technology=elemental technology of product e.g. Teflon coating , Heat tech, Plasma Cluster	→ Need to obtain trademark right for <u>each</u> <u>product</u> Licensing is valid (Suite for open strategy)

 Management of Technology Brand
~IP management ~

Legal protection of Technology Brand①

- Laws related to legal protection of Technology Brand; **patent law, utility model law, design law, trademark law and unfair competition prevention law**
- Patent law and utility model law in Japan **does not directly protect "technology brand"**; they protect **"invention"** or **"idea"**, which are creation of technical ideas utilizing the laws of nature.
- Design law protects **"design"** of product i.e. **"design"** with technical functions; it does not directly protect credential of technology.

Management of Technology Brand ~IP management ~

Legal protection of Technology Brand ②

- Meanwhile, **trademark law** protects “**Goodwill**” substantiated as trademark; it protects trademark by which service or good would be perceptually differentiated.
- There fore, **trademark law possibly protect “Technology Brand”**. Technology brand represents name, terminology, mark or design to differentiate from good or service provided by others ; it associates specified technology
- However, in **trademark law**, trademark right takes effect on **specific good or service**; it is not assumed to include to protect symbols which associates name or mark. There fore, it is necessary to obtain a right for each good/service **by specifying service or good which would be utilized actually or would be possibly utilized with intention**. (This is problematic part)

Management of Technology Brand ~IP management ~

Legal protection of Technology Brand ③

- **Legal protection of Technology Brand with unfair competition prevention law**

Trademark law holds the most important position when we verify legal protection of “**Technology Brand**”. However, **unfair competition prevention law** legally protects technology brand in the cases where “technology brand” corresponds to “indication of goods” of unfair competition prevention law and corresponds to article 2 paragraph (1) (i) or (ii), i.e. unfair completion prevention law prohibits confusion-evoking displaying action in article 2 paragraph (1) (i) and commercializing action with displaying prominent goods in article 2 paragraph (1) (ii)



Management of Technology Brand

~IP management ~

Legal protection of Technology Brand ④

- Legal protection with license contract with usage responsibility article

- In principal the provision of **anti-trust law** does not apply to acts recognizable as "the exercise of rights" under Patent law or trademark law (article 23) However, **anti-trust law** would possibly apply to the exercise of rights which are deviated from or against to the purpose technology protection system such as encouragement of invention.

- There are three application criteria of **antitrust law**;

- ① private monopolization(article 3)
- ② unfair restraint of trade (article 3)
- ③ unfair business practices(article 19)

They are referred in "guideline under antitrust act regarding patent/know-how licensing contract" (published 30th of July in 1999)

It is important to note that patent licensing contract should not violate **anti-trust law** as it indicates cases trademark usage violates law with the perspective of unfair trade methods



Management of Technology Brand

~IP management ~

Issues on Copy right Protection for Technology Brand ①

- According to interpretation of the conventional copyright law, when the trade mark of the "**elements**" (Parts, technology element, raw material, contained element) was applied for the "**Product (complete product)**", it is not falling under the case the trade mark of "**the product (complete product)**" was utilized
 - Although parts or raw material manufacturer obtained trademark of product (complete product) displaying "**element (parts, raw material or element technology)**", it might be withdrawn with trial for cancellation of a registered trademark not in use
 - When the third party without title uses the trademark to "**product(complete product)**", it may not be cleared off as invasion of trademark rights
- Currently, technology brand is not fully protected

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Management of Technology Brand ~IP management~

Issues on Copy right protection for Technology Brand ②

- Trademark for element technology, raw material, material or parts can readily "**genericized**" with types of usage, although proprietor of a trademark uses it, e.g. Aspirin or celroid
- As preventive measures, **describe registration in advertisement, manufacturing and distribution**. Also describe generic name. It is important to note that one **should not use as descriptive generic name** but use as specific manner
- also, it is essential to **publicize /communicate** to licensees or agencies on appropriate manner of usage and monitor them. It is also important **monitor inappropriate usage** in the dictionary or website.

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Conclusion

- In this study, we discussed about the effect of "Technology Brand" and investigated some cases how to brand the technology held by manufacturers.
- In order to protect/manage "Brand", the department in charge of brand management should cooperate with other departments and also, it is very important to cooperate with external professionals.
- In order to manage "Technology Brand", intellectual property management is very important. Many-sided protection by patent law, Utility models law, Trademark law, design law, copyright law and unfair competition prevention Law are required. In addition, management by contract is also important.
- Additionally, by managing IP and Technology Brand, it is possible to strengthen the effect of Marketing for enterprises₂₅



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