

Jollibee's recipe for growth: creating and protecting your brand in South-East Asia

Jollibee Food Corporation (JFC), widely known as Jollibee, is the largest fast food chain in the Philippines. From its modest inception in the late 1970s, it has grown into a multinational corporation, hailed by the Economist as South-East Asia's answer to McDonalds.¹

Jollibee's brand, with its reputation for high quality and friendly service, is now so eminent that it has become the target of counterfeiters and infringers. The company's founder, Mr Tony Tan Caktiong, is aware that protecting his intellectual property rights – through domestic and international trademark registration – has been instrumental in Jollibee's success: "We have to enforce [our trademarks] properly. If you do not enforce it properly, your brand image will get diluted over time."²

Thinking big – Jollibee's market domination

Mr Caktiong's family migrated from southeastern China to the Philippines when he was a child. His father owned a restaurant, which exposed Caktiong to the food and beverage industry at a young age. After completing a degree in chemical engineering, Caktiong and his siblings opened two ice cream parlours in Quezon City in 1975, which expanded to offer several hot meal and sandwich options. Just a few years later, Magnolia Ice Cream parlour rebranded itself as Jollibee. Jollibee has grown from a small operation with five local branches in 1978, to a huge international firm with a total of 801 Philippine outlets and 81 international branches today, in countries as disparate as Hong Kong and Saudi Arabia. Since 2008, it has launched a TV show ("Jollitown"), established a line of toys and published several children's books.³

Making a name for itself – Jollibee's branding and franchising

Jollibee's branding was strategic. Caktiong chose a symbolic image of a smiling bee – an emblem of hard work and happiness – as its logo. He invested a significant amount of money in registering this image as a trade mark in the Philippines and other South-East Asian states. According to the World Intellectual Property Organization (WIPO), this trade mark is now worth several billion pesos.⁴ Jollibee has also registered its propriety brands and several other trade marks, such as "Bee Happy". This trade mark has its own hand gesture (taken from sign language), which is widely used by Filipino school children.⁵

JFC acts quickly to counter trade mark infringement, strictly enforcing its Intellectual Property Rights (IPR) to prevent brand dilution. Jollibee's also employs a rigid franchising model in order to protect its IPR. Franchising applicants undergo a three month training programme and must conform to specific franchising guidelines in order to be able to operate a Jollibee restaurant.

¹ http://www.economist.com/node/1011021/print?Story_ID=1011021

² <http://www.wipo.int/ipadvantage/en/details.jsp?id=2531>

³ <http://www.jollibee.com.ph/about-us/#milestones-history>

⁴ <http://www.wipo.int/ipadvantage/en/details.jsp?id=2531>

⁵ http://www.economist.com/node/1011021/print?Story_ID=1011021

Jollibee also provides recommendations on restaurant layout, equipment and furniture design and advises on a staff training scheme.⁶ In an interview with WIPO, Caktiong highlights: “Intellectual property is becoming very important because you need to distinguish yourself from the others...to create something unique.”⁷

How to protect your brand in South-East Asia

- **Swat-up on local IP:** Taking time to inform yourself on IP regulations in your destination country can help you exploit business opportunities and avoid pitfalls of local laws and regulations. If handled correctly, IP assets, like Jollibee’s trade mark, can offer increased commercialisation, income generation and value-adding opportunities.
- **Understand your company’s IP needs:** It is crucial that companies, particularly SMEs, clearly understand the aspects of their business that constitute IP and identify their IP assets accordingly before entering a new market. Remember – IP includes more than just technology related inventions. Jollibee’s branding, down to the colour and style of its restaurant furniture, constitutes an integral part of its external image. This is part of what sets it apart from its competitors.
- **Be prepared to enforce your rights:** Entering a new market and protecting IPRs sometimes means being ready to enforce or defend rights in order to ensure that business objectives are met. Defending your IP rights can prevent brand dilution further down the line. Before enforcement action, several steps are recommended. These are listed in the following South-East Asia IPR SME Helpdesk guide: [Using Contracts to Protect Your Intellectual Property](#).
- **Franchising:** Franchising is a business system for expanding sound businesses, based on a business model that is replicated through the creation of a network under the same brand name. The franchise business model is widespread in Southeast Asia, particularly in Singapore, Thailand, Malaysia and Indonesia. Franchise agreements should contain clauses that license the use of a company’s IP (usually trade marks, trade secrets and certain copyright work) to the franchisee. The clauses must be carefully drafted to cover all anticipated use by the franchisee, but also to ensure good quality control within the franchise.

See our [IP Country Factsheets](#) and our [Guide to Trade Mark Protection in South-East Asia](#) for more information about brand protection and franchising in South-East Asia.

⁶ <http://www.wipo.int/ipadvantage/en/details.jsp?id=2531>

⁷ <http://www.wipo.int/ipadvantage/en/details.jsp?id=2531>