



Media Release
9 April 2008

What's in a name?

New Zealanders know and love Red Band Gumboots. So what's that brand loyalty worth?

"It's an interesting question," says John Hackett, partner at Intellectual Property (IP) specialists, AJ Park. "It's also one more and more companies in New Zealand are starting to realise is important to have answered."

Red Band Gumboots are just one of 18 footwear patents Skellerup holds and is an example, says Hackett, of how registering a product is protecting more than just a name.

"Trade marks or brand names are actually valuable company assets and in some cases are stated as such on a company's balance sheets," he says.

But how do you actually identify your IP assets, and once you've done that, how do you value them?

"If you've spent money developing a product and then built an identity around that product, it holds intellectual property. After that it's a simple formula to value it," says Hackett.

"You look at the product's exclusivity, the market, the number of years the brand's been used and turn-over figures. Brand valuers come up with a figure which is reflected as equity."

Skellerup Divisional Manager Footwear, Paul Randall, says registering the footwear brands has been a matter of strategy for the company.

"As a company we spend considerable amounts of money developing products and equipping them with a certain value. For a relatively minimal cost we can register a trade mark which stops people putting similar marks on similar goods. Registering gives us exclusivity in the market."

As IP protection is jurisdictional, companies have to register in every country where they want to be protected.

"Penetration of trade mark protection is pretty wide," says Hackett. "Skellerup, for example, are busy getting customs notices put up in China to protect its footwear brands."

“For Skellerup,” says Randall, “protection is an important guarantee that Red Band Gumboots will continue to deliver what New Zealanders have come to expect from the iconic gumboot.

“Over the last 50 years valuable brand loyalty has been built through Kiwis’ emotional connection combined with their tangible experiences of a quality product. This means people are prepared to pay more for Red Band Gumboots even when faced with a large number of choices in the market. It’s important for us to protect that recognition of our brand signature.”

Hackett agrees that for companies, the key to protecting intellectual property is to realise that reputation and uniqueness have a powerful influence on a consumer’s purchasing decision far beyond just price.

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