

A Question of Consistency

Dutch multinational Philips knows its brand name is among its most valuable assets. A centralized domain name management strategy helps to ensure it stays that way

European businesses do not get much bigger than Royal Philips Electronics. Although it has its headquarters – and roots – in the Netherlands, at the end of 2005, the company had 160,000 employees in 60 countries around the world. It is a global leader in sectors as diverse as healthcare lifestyle and technology.

As technology leader and multinational company, Philips inevitably has a large collection of intellectual property rights. It owns, for example, 80,000 patent registrations, as well as over 25,000 trademarks and over 1,600 domain names. And it is from the Trademarks, Designs and Domain Names department at Philips Intellectual Property and Standards (IP&S) that Sandra Vrolijk has been looking after the company's domain names for the last three years. Sandra manages this portfolio on a global basis which means she is responsible for all domain name registrations and she handles and coordinates all legal matters relating to domain names, as well as other kinds of trademark infringement in the Internet context. To help her in this task she can ask support of IP experts working in local offices of IP&S in different parts of the world. "Although I am the only person who

deals exclusively with domain names, I can call on the experience and knowledge of colleagues who will help me understand issues and the cultural context within which certain things happen and who will contact domain name owners in their own language where preferable,” Sandra says.

Philips’ core message is sense and simplicity, a point that is made clear on the company’s website: “Technology exists to help make people’s lives easier and more productive. So why is it so often such a hassle, full of complexity and frustration? At Philips, we believe that simplicity should be the goal of technology.” This message of simplicity also carries through to the way in which domain name matters are viewed. “Our domain name strategy is part of our brand strategy,” says Sandra. “The Philips trademark is our most valuable asset. Strong brands are built through consistency.”

What this means in practical terms, she explains, is that the company places a strong emphasis on promoting its master brand – Philips. “It is our policy that the domain names and URLs we use are identical to the master brand,” Sandra says. As a result, the company focuses on registering the Philips name only for gTLDs and ccTLDs as is deemed necessary. “Since 2000 IP&S has managed to register and use domain names with the Philips name under most interesting top-level domains worldwide. How we use our domain names is decided by our Corporate Internet Team of Global Marketing Management; enabling customers to find us easily and to obtain information about the company and its products easily. Entering our global homepage (philips.com) we invite our customers to select a country or area/language and then to continue their visit on either the global site or a selected country

site,” she explains. For these country or language sites, the domain would be Philips plus the relevant ccTLD. As things stand, the company provides a selection of 58 country sites in 31 languages. “We have registered the Philips domain names in all generic top level domains and most of the interesting country codes as well – also pro-actively,” Sandra adds. Logical and easy-to-remember domain names support our company’s continuous efforts to increase our visibility on the Internet. That said, it is not unknown for specific businesses or products to be assigned their own domains. If this were to be happen, it would usually be done in the form of a Philips.com/product name URL, although this is not set in stone. It is ultimately, says Sandra, a business decision that is taken by the company’s marketing department.

The consistent use of trademarks, including those which are found in domain names, is a core part of Philips’ business strategy. It is in this way, the company believes, that strong brands are maintained and, therefore, brand value enhanced (the Philips name is currently valued at close to \$6.75 billion in the Interbrand/Business Week annual Best Brands Survey). “The Philips name brings tremendous value to the company and is also the simplest way for us to communicate with our customers via the Internet. By aligning domain names with the brand we create consistency and increase the leverage our brand has,” says Sandra. Consistent use is also necessary to maintain our legal protection of our trademark rights. To ensure this consistent approach and to enable us to enforce the Domain Name Policy in the URL creation process, specific contact persons are designated from all involved Philips’ businesses, IT, , Legal and Marketing departments, who communicate through an internal automated system. First of all a business or group inside the company needs

to make the business case for a new domain; once this is approved, the focus moves on to the legal function, where checks are made that the name will not cause any problems; then, finally, the technical implementation takes place. “All names have to go through this approval process, if they do not, they cannot be registered,” Sandra explains.

This is a far cry from the situation back in 1999, when the company first began to focus on the importance of domain names in the branding process. Back then there was no central database of registered Philips domains, no rules on how domains should be structured and dispersed ownership of names, with the resultant risk that renewals would be missed and rights lost. None of this would be possible now, although in some cases local rules mean that Philips in the Netherlands cannot own a ccTLD registration. In addition, centralization means that the company is far less vulnerable to activities such as domain name slamming because all registration issues are handled by IP&S.

For a company such as Philips, protecting the integrity of the domain name portfolio is also of primary importance. For this reason, Sandra explains, the company monitors all new domain names and the Policy helps it to prioritise and decide when to take legal action, especially if it finds registrations based on the company’s brands which are offensive to its trademarks or reputation, which could have a negative impact on business activities, or which may cause confusion among customers. “We try to settle problems amicably and quietly and in most situations an email will do the job, but where this is not possible we will take things further,” says Sandra. Few if any problems were encountered where one uses the Philips name as their own

personal name. And, it is Philips policy, she adds, that monetary compensation is never part of any settlement.

Keywords have also proved to be a challenge over recent years. In China, for example, there have been several cases of the Philips name being appropriated in Chinese character keywords. When discreet approaches to the original owner of these words proved fruitless, it was decided to move quickly to formal dispute resolution and after Philips prevailed the keywords were transferred. In fact, the whole issue of non-Latin characters and the importance of IDNs is one that the company has been “with. “We recognize the increasing demand for use of multiple languages of consumers around the world. It is important that customers are able to find us as easily as possible and so we register IDNs at the request of business groups inside the company and also proactively,” says Sandra. Here, the support of those local Philips IP&S offices proves invaluable. “They help us to overcome language barriers, to recognize cultural differences and to align with local procedures,” she explains. And for example our offices in China and Hong Kong help us select our most valuable IDNs.

The emergence of IDNs, new TLDs and the constant threat of cyber-squatting and other forms of domain name appropriation, mean that Sandra has to keep on top of a lot of information. The relationship Philips has with CSC Corporate Domains has proved to be very helpful in this area, and Sandra has also had reason to call on the 24-hour operational support provided by the company, as well as the strategic advice it can offer. “We are aware that we need to learn continuously to benefit from new trends and we will continue to review our policy,” she says. It is only by doing this

that the company can be sure of maintaining and building upon the value of the Philips name. And at a company where the brand is king nothing could be more important than that.

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