

When luxury companies play the name game

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What is in a name? Everything. Yet today it has become increasingly difficult to find a name for a company, a product, even a new shade of lipstick that has not been taken already.

"Finding names today is a total headache," said Bernard Fornas, the president and chief executive officer of Cartier. "Once you come up with a name that's interesting, you'll also discover that it's already registered."

"In the end, it's all a legal game," said Joe Gubernick, chief marketing officer for Estée Lauder, who has been with the company for more than 30 years and recalls when the naming process was not so hard.

What has changed, according to industry experts, is that companies and their distribution of goods have become more global than, say, 20 years ago.

Now names have to be registered with the proper authorities in a company's home country and secured in a range of other nations. And the Internet, with its global reach, has greatly complicated the entire process.

In addition, many products, particularly in the luxury and fashion categories, need a name that can convey a feeling or a sense of emotion — and do that across the world's many cultures and languages.

"The word 'Viagra' is really meaningless," noted Jasmine Montgomery, the London-based deputy managing director of FutureBrand, a branding and marketing business in New York. Viagra and other made-up brand names get meaning only when they are backed with a lot of advertising and marketing.

"But if I am launching a new fashion label, the task gets really hard because I have to find a name that communicates the creative style, or lifestyle, that the brand is supposed to embody," Montgomery said. "There's this high degree of emotion," which beauty businesses also require, that is not an issue for other industries, she said.

For a global brand like Estée Lauder, the company trademarks the names of as many as 40 new products every year — and has been doing that around the world for the last 35 years. And that annual number does not include the hundreds of new products or colors that are the result of Lauder's line extensions or expansions, like a second kind of mascara within an existing group of cosmetics, a company spokeswoman explained.

As for the Internet, the growth of trademarked domains — Web addresses or Web sites — is exponential, said Delphine Parlier, a co-founder and partner in Quensis, a Paris-based company with its own technology that integrates the creative process of choosing a name at the same time as it does the legal, cultural and linguistic screening that is necessary now.

"Today, there are over 64 million domain names," Parlier said. "This compares to 45 million in August 2005." She added that her company's database of such names is updated daily to reflect new registrations as well as names whose registrations have expired and may be available.

"Naming is not a problem for a small company with local distribution, but it's a big problem for global brands," Parlier said. "Before, it used to be like climbing a hill. Now, it's like crossing the Himalayas."

Companies want a Web search to go directly to the proper name of their site or their product's site.

But for years entrepreneurs around the globe have been registering any and all dotcom names, dreaming that one day some company will need a name they have registered and be willing to pay vast sums for it.

In mid-January the luxury goods giant Louis Vuitton came upon such a legal snag in China, a country whose population of luxury consumers is on the rise while counterfeiting runs rampant.

According to The Changjiang Times, a Wuhan businessman named Wang Jun had trademarked the phonetic translation of Louis Vuitton in Roman letters and Chinese characters. There were even reports that he was preparing to offer the trademarks to Vuitton for 120 million yuan, or roughly \$15 million.

Louis Vuitton last month denied it was trying to buy the trademarks and said it would appeal a 2002 decision by the Chinese Patent Re-examination Board that upheld Jun's rights to produce a handbag with various Vuitton motifs and logo.

Naming is a costly endeavor, but there is no average price as each project can differ greatly.

Fees for simply coming up with an unregistered name can range from a few thousand dollars for a one-market venture to more than \$70,000 for a global name and dot-com domain, according to industry estimates.

In addition, there are the legal fees for the registration process, which can cost hundreds of thousands of dollars, and there may be costs related to the design of a logo or other elements.

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