

Entrepreneurship and IP Strategy
Professor. Gouri Gargate
Rajiv Gandhi School of Intellectual Property Law
Indian Institute of Technology, Kharagpur
Lecture No. 15
Case Study III - Textile Industry

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A very warm welcome in the fifth module of the week 3 of the course: Entrepreneurship and IP Strategy titled Case Study III- Textile Industry. And today we are seeing the case study Arvind Mills. But this is a third case study in this course. Earlier we have seen Google case study to understand effective use of one of the types of IP that is a patent. Second case study we focus was Biocon to get the feel how entrepreneurship activity grows and innovation helps to grow this entrepreneurial activity.

We have seen how enzyme production activity initiated by an entrepreneur and in its entrepreneurial journey in the latter phase, how Unilever appreciated the potential of IP in it and eventually bought equity. And then how the expansion of this venture which started with enzyme production happened into biopharma giant, a very inspirational story. Today, we are concentrating on a case study of Arvind Mills.

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So, when we say our windmills, immediately we think of very popular brands, Ruf & Tuf, Newport, Excalibur. These all are trademarks owned by our Arvind Mills. Now, the company has one of the strongest distribution networks in Indian apparel sector with over 1.3 million square feet of retail space available PAN India across 1100 retail stores spread over 192 towns in the country. Additionally, also it has an international presence.

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Now what includes in IP portfolio of Arvind Mills? First, it includes patents which are related to fashion and textile industry. Second range of trademarks owned by a company and a third range of trademarks for which company has received licenses. So, here are a few examples.

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So, Arvind that Mills owns trademarks like Flying Machine, Newport, Quads, Ruf & Tuf, Excalibur, Arvind ready to wear(RTW). So, all this what we can say the trademarks are owned by Arvind. When we are looking into this case study; now this week we have dedicated completely to trademark.

Now, when textile industry comes, the trademark is the most important IP in that industry. And therefore, we are concentrating on that trademark aspect of this textile industry with the example of Arvind Mills and we are also concentrating on patents also which help Arvind Mills to develop new technologies to develop that particular textile.

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So, the brands, we are talking about trademarks. We have seen the owned trademarks that are Arvind Mills own trademarks. Now these are the examples of licensed trademark. Licensed trademarks are Arrow, Gap, then Tommy Hilfiger, EdHardy, and so on. You can just see the list like U.S. Polo Assn. Then Nautica, Aeropostale all these like other brands which are licensed, and in India, Arvind Mill is taking what we can say the sale of this is through Arvind Mill. Now, company also includes a khaki products developed by Arvind Mills and khaki will get the global presence through this organization because Arvind Mill have worldwide presence.

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Now, if we move further in a list of a trademark owned, MegaMart Retail, this is another what we can say it is a trademark owned by Arvind Mill. There are 6 larger stores; 250 smaller what we can say format across country. And this brand sold exclusively means there are a few brands which are exclusively sold in a MegaMart. These are like the list is here that DONUTS, KARIGARI, MEA CASA. Then, BAY ISLAND all these things which are there, these are sold only in a MegaMart. The MegaMart itself also is a trademark.

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Now, we will go a little bit details about the trademark and under which class these trademarks are registered. Now when we have gone through the details about a trademark that types and then the filing of trademark, infringement of a trademark we have also seen Nice classification is there. So, we will just take a look that how or which classes Arvind Mills is what we can say they are owning a trademark in which classes.

So, it is example of LEISHA. Now, this is registered in a class 25. If you see the date of that whenever you will see the details of trademark registration on a website, you will get all this details. And we know that in the gazette this will be published and it will be obviously available for a public examination also and to get the what we can say information also. So, the application date of this trademark is like twenty third June, 2008. It is registered and it is registered under 25. And when we say 25 class, it is related to clothing, footwear and headgear.

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Now, next example is like a YOUNG. Now, this is also a registered a YOUNG is also registered under the same class that is a 25 and so clothing, footwear and headgear. Now, you can just imagine textile some 25 classes more related when we are talking about a trademark.

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Another example is a DONUTS. It is also registered under class 25. The date if you see that it is the same, twenty third June 2008. Moving further if you see the next trademark that is a KARIGARI.

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It is also registered under class 25 and yes, it is related to the clothing. Now, moving further if you see now the example this KARIGARI is under class 25.

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And now the next if you see the example, it is again a KARIGARI but you can see the different way by which that KARIGARI is presented. So, this is registered and this is not registered under class 25 but you can see that it is a class 18. So, by the way, how many classes are there in nice classification? Do you remember that thing? Just find out how many classes are there? And how many are goods classes and how many are a service classes? So, this is a class 18.

Now, this 18 class is related we will see the description of that 18. It is a leather and imitations of leather and goods made of these materials and not included in other classes. And then other things include are included in this class are animal skins hides, trunks and traveling bags, umbrellas. But if you see the Arvind Mills products which are related a little bit about jewellery and some imitation jewellery kind of thing under this what we can say class 18 with a at with a trademark KARIGARI.

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Now moving further if you see the next class. Also, this is also means KARIGARI we have seen it is in class 25 and class 18. Now, this is MEA CASA. Now, if you see this trademark it is now registered under class 20. Now, if you see the description of class 20 it is related to furniture, mirrors, picture frames, and goods which are not included in other class of wood, cork, reed, cane, wicker and so on. You can just go through that particular thing. Now, this is like a class 20.

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Now, same trademark if you see it is also registered in class 24. Now, class 24 is for what? It is for textile and textile goods not included in other classes and also bed and table covers are included in this class. So, same trademark it is included in a or it is registered in both classes or sometimes it is registered. So, the thing is that the point we can note here is that many times what happened that one word or one trademark, we can register in many classes.

And we strive to seek protection in that what we can say the various classes so that nobody or a competitor especially; we are always doing this for competitors to what we can say to avoid competition we are doing. So, to avoid competition, we will register it in different classes. So, that we can have a protection in all these classes and our trademark will be what we can say that dilution of trademark or other things may not happen with our trademark.

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Ok. Now, again, same MEA CASA is also registered in 27. So, KARIGARI we have seen in 2 different classes. Now, this in 3 different classes. And this 27 is related to carpets, rugs, mats, mattings, and all other things, whatever. You can just go through that particular thing. Now, just if you see this like 20, 24 and 27 that one what we can say trademark registered in all these 3 classes.

So, just these examples will help you that if you as an entrepreneur develop some specific product, then along with your company name that is obviously we are assuming that you will do the registration for trademark. But, along with that whatever this different what we can say product portfolio will be there, that product portfolio offering will be with a particular trademark.

And that trademark; there are various types like associated trademark, series trademark; it is not necessary now to go into details of that. But these are the different what we can say further elaborative types are there. And here the strategy or now the process which is followed generally by the organization is that many times they will do registration of a one trademark in many classes.

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Ok. Now, moving further so these are all registered classes and the one example I can give here of a refused trademark like a Brand Bazaar that was there. And that Brand Bazaar was they tried it in class 35 but it is like refused. So, this is an example of the refused trademark. Now moving further if you see if you if we go through that all the trademarks like own trademarks, licensed trademarks, and these examples.

What exactly further this Arvind Mill tried when they are thinking of an expansion of a business? And they have online what we can say services. We are well aware about Amazon and Snapdeal or Flipkart kind of what we can say website, websites and we are doing a purchase online purchase and all.

So, Arvind Mill have their own what we can say a portal. And the advantage of that what company is thinking is that as they have a presence across India, they are assuring that the delivery of a product may be less than 3 hours also because the what we can say the outlets are maybe in your neighbours' only and that makes them easy to do the delivery in less than 3 hours also. So, here you can watch this video and you can get idea about that online services which are provided by this organization.

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Kulin Lalbhai On Arvind's Branding Strategy

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ET NOW

A very special guest Kulin Lalbhai, Executive Director at Arvind. He joins us on the show right now. Kulin Hi, good morning. Let us firstly start by discussing the strategy for the branded apparel business. What is the plan within this space because you seem to be scaling this up the maximum?

So, Arvind has launched now.com. It is today India's first and largest omni-channel platform. And by this this strategy is that we are connecting all our offline retail, all of our stores and our warehouse inventory to the online market through now.com. So, we are today the largest player in this segment. We have more than 300.ok.

So, I hope you enjoyed this video and you can see the visionary what we can step which is taken by this company and online services are already available since 2016. Now, moving further, we have seen now trademarks. Now we will see the few examples of patents which are filed by Arvind Mills.

So, examples are like this. A title of that one of the patents is a stretchable fabric and a method; a wrinkle-free fabric and a garment thereof. So, you can just imagine that what kind of a portfolio, a patent portfolio the organization will have considering them what we can say their product profile. So, textile, garment something related to that and then the machinery which is doing all this what we can say the processing related to that.

So, their domain will be limited to that machinery. So, maybe some mechanical related patents will be there. Some textile related patents will be there and then some chemical related patents will be there. So, that kind of activities will be done when R&D of this company will think of having very what we can say innovative fabric or textile.

And we we know that in the wake of this pandemic now every organization means every what we can say textile organization, they are trying to develop a fabric which is anti-microbial. So, that kind of research is also going on. Now, so this is one of the examples like a stretchable fabric and a method and wrinkle-free fabric and a antimicrobial; this is one example.

Now, the second example we will just see. Now, this is like the number is like a China that CN is for China and that is like a lightweight protective apparel. Now, many times we think of having that lightweight protective apparel and so, we can just think of that lightweight protective apparel. It is like, inventors are like Satyapriya and then Varun Bhatt. These are the inventors from the organization.

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Now, moving further if you see the few more examples are like this: wearable lightweight, protective we have seen and the next examples if you see here, method and apparatus for dyeing fabrics. So, when we are talking about a dye and how you can improve the process of dyeing then this method and apparatus for dyeing fibres is there. Now, next example if you if we see it is like a method for manufacturing hand spun denim fabric and fabric thereof.

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Now when we say that denim, we know that Arvind Mill is a number one or largest producer of denim and actually that one time the when you see the company history, it happened like that it was like such a large production that demand was not there, production was there and company faced issue because of that.

So, this denim fabric and fabric thereof that is a manufacturer is that related patent is there. Then the process for manufacturing linen denim, fabric and product obtained thereof. Then knitted workwear fabric and a process for preparation preparation thereof. Moving further a few more examples we can see.

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That is a process for dyeing fabrics having a thermoplastic fibre using oxidative dyes. So, you can imagine the innovations which are happening in that industry and how organizations are what we can say innovating or giving what we can say fabrics of a having different kinds of properties. Then warp knit denim fabric with spun yarn and a method for manufacturing.

Then if you see means these examples of a patent, you can just get the idea that textile or this garment industry when we are talking or apparel industry when we are talking, they are not only thinking of because these are the these are involved in like a preparation of fabric from a cotton. Like from that basic thing their activity starts to the what we can say the fashion, what we can say the apparels which are available in the market.

And in between whatever that different processes are there, that all are followed within the organization. Now, if we; I guess by this you get the idea about trademarks, patent and how exactly textile industry is using effectively; trademark especially. Patent is also there but trademark especially. Now, along with this trademark and patent for textile and garment, we will just see a little bit about a fabric production.

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Now, that IP part we have seen; fabric production is a very what we can say key a production of this organization. And as I have already mentioned, denim that denim is like now what we can say when Arvind Mill, when we say Arvind Mill, denim will be immediately you will remember about a denim because they are the largest producers of denim.

Then, shirting are there. Then khakis are there. Knitwear is there. Voile is there; their own production that voile is a very specific fibre is there and fabric is there and that is the

production of the Arvind Mill only. Now obviously companies also doing export of this fabric and then the garments, shirts and jeans. And Ruf & Tuf, Excalibur we are very well aware about this.

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Now, let us see a little more information about a company history that we come to know that this is a company having this kind of IP portfolio, very active from that textile or a fabric level production up to the garments and that fashion what we can say apparels. How exactly means to get the just to get the what we can say idea about how company grows and what is the history and how what we can say old this organization?

Now if you see the history you can see that these Arvind Mills is a started it is a very long back like 1931. And then they were producing a cotton, that is a cotton textile and when it is started it is in the Ahmedabad. It is a Ahmedabad based company. Now, it operates in textiles, then brand retail, then real estates. Now, these are the expansions means main if we see Arvind Mill, it started with that cotton. That is a textile industry. But the expansion is like real estate and then engineering division. All these things are there.

So, as mentioned earlier, textile segment include fabric, yarn, then manufactured cotton shirtings, denims, knits, then bottom wears, khaki fabric, jeans, shirts and so on. Under brand and retail, it operates Arvind Retail Lifestyle Brands Limited. It markets this branded apparel and licenses international brands in India. And we have seen the list of international brands earlier that Arrow or U.S. Polo Association already we have seen the examples of that.

Now, it also owns a what we can say it is very interesting that it owns a value chain unlimited. And is in a franchise partner of a beauty retailer also that is a Sephora. So, you can just see the how expansion is done right from that textile to real estate to engineering to that association with a beauty retailer. Now, one more example, we have already seen that MegaMart is a unique what we can say trademark of Arvind Mill. And this may come at apparel value retail stores are there and very specific only Arvind Mill products will be made available into this MegaMart.

Now, we will not go in details of real estate or engineering division because we have just decided because they have already that the engineering, electronics or technical, textile and construction, ecommerce, all these activities are there. We are just concentrating on a textile and trademark. So, as we have seen it has started in 1931. But if you see a little bit, go back, actually in 1897 Arvind Mill started with saree production means businesses for a saree it started and then it is extended to dhotis and then dorias and then the shirtings, coatings, printed lawns and voiles twills. So, all this expansion is them.

And then in 1931 technology is brought that they have purchased it from England and that what we have seen that it is like a what we can say foundation of that company we can say that 3 brothers have done that particular foundation of that organization.

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Now, if you see the current board of directors of organization, you can see that Mister. Sanjay Lalbhai is a Chairman. Mister. Puneet Lalbhai and Mister. Kulin Lalbhai are the Executive

Directors. And almost 26,000 plus employees are there in the organization. That number is also increasing actually.

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If we move further 1987, if you see the modernization program, whatever they have thought about modernization and to triple the production of a denim cloth and to produce a double yarn fabric for the exports. In 1995, garment division launched and ready to stitch jeans pack under the brand like Ruf & Tuf which we are very well aware of that was what we can say introduced by the organization.

The very important to note here means it is related to when we are thinking about IP, we just imagine at that time Arvind Mills setup an anti-piracy cell for first time in India to curb large scale counterfeiting of their brands, Ruf & Tuf. So, you can just imagine that at that time, they require the need of anti-piracy cell because, because of this brand what we can say that Newport jeans, that Ruf & Tuf jean, there is a what we can say counterfeit production problem was there and company has taken that decision.

Now, as already we have seen that licenses are there and that license products are also what we can say manufactured in various what we can see locations across India.

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Now moving further if you see in 2003, just imagine, just I am giving you the what we can see glimpses that in the fourth quarter of 2003, Arvind Mills saw 280, 280 percent growth in net profit. This is a what we can say in tremendous what we can say the achievement at 280 percent growth a company is getting in 2003 and in that fourth quarter. And in 2005, they have reported it like 80 percent of profit growth, excess of 80 percent they have reported that particular thing.

And at that time what they have done that they have brought all the entire stake in Arvind Brands from ICICI Ventures. We can just remember ICICI was also there when we have seen the Biocon that the the what we can say Mister Vagul from ICICI realize and they have done that what we can say investment in Biocon. Here also you can see that here the stakes were with that ICICI. Now, a company have completely abroad that stakes.

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Then, if we see further that in 2007 Arvind expanded its presence and brands and retail segment establishing a MegaMart that we have seen. And latter many joint ventures are there. And that is we can just imagine the the strategy which organization is following that they are very keen for joint ventures and their licensed trademarks are there. And they are doing that activity very successfully and they have a joint venture with a PD group, Germany or manufacturer of glass fabrics.

We can just imagine if they are thinking of manufacturing of glass fabric in which different sectors industry sector that can be utilized and that can be used. Then joint venture with PVH Corporation, joint venture with a Goodwill Corporation Japan, then OG Corp, Japan. So, all these like joint ventures are there.

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In 2016, this company completed entered as we have seen the video that online retailing and that also what we can say very what we can say the important step company has taken to enter into the online what we can say marketing or retailing. And also, at that time Gap joins hand with Arvind for that online apparel sale. So that was what we can say very good move company has done in 2016.

Now, when we see this, what we can say journey of our Arvind Mill which is started somewhere in eighteenth century and now in 2020, 2020, the company is performing like having presence across world actually. So, the textile industry having major what we can say. Now, this is something very what we can say the innovative and the adaptive mode to move further in the what we can say in that particular industry.

Now, just we have seen already the examples. We have seen the brands. We have seen the what we can say the associations, the joint ventures, and the MegaMart retails and all these things. You can just imagine now that when you go through this what we can say case study, you can just imagine that how company which is started with simple textile focus or fabric focus, now it is entered into the different what we can say textile related or that garment textile and apparel industry; they have expanded their presence.

And then also they have what we can say entered into the very different industry sector. So, now it is like a conglomerate. So, you can just, we can appreciate that this journey and how exactly they are doing and how they are adaptive to what we can say whatever the requirements of current generation are there.

So, probably I feel that you get some inspiration and some learning from this case study and that may help you in your entrepreneurial journey and how they have used the trademark as a focus. Probably if you are in such kind of entrepreneur activity, you can think of developing that trademark portfolio along with some patent portfolio also. So, I hope you have enjoyed this. See you in the next session. Thank you.

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