

Entrepreneurship and IP strategy
Professor. Gauri Gargate
Rajiv Gandhi School of Intellectual Property Law
Indian Institute of Technology, Kharagpur
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Case Study VI - Agriculture

A very warm welcome in the fifth module of week 7 of the course Entrepreneurship IP strategy titled "Case Study 6 Agriculture". Now, we have seen the case study which whatever we are talking about I will just give you the glimpses of the product of that particular company and then you can guess easily that what company or which company we are kind of talking about. So, you know about Bisleri, Parle-G, 20-20, Melody, Mango Bite, Kismi Toffee bar, Monaco, Krack Jack, Hide and Seek, Borbone then the Kaccha Mango Bite, Frooti, Appy, Appy fizz, Baily, Baily soda, Dhishoom and yes I guess, now, you can guess which is that organization.

Let us watch one video regarding this organization, its inception and how exactly this organization is like grown like a giant, just watch this video. So, now you know now which organization we are like talking about, it is a Parle-Group. So, in within Parle-Group, there are now 3 kind of groups that is a subgroup. So, you can say and we are talking about a Parle Agro, so that that Parle Agro group, we will go little more details about that particular organization.

But before going into the details of that organization, I would like to share a story of a Thums Up it is a very interesting story. And you will you will definitely enjoy the story of Thums Up how exactly Thums Up came into the market. So, what happened in 1977, it is a long back kind of 1977 when Coca Cola withdrew from India. Now, the reason for withdrew by the Coca Cola it is like India, they have the FDA approval and all that thing, their government has made mandatory disclosure of the formula.

Now, when they have made the like a disclosure of a formula compulsory what happened Coca Cola like decided to withdrew from the market and you know Coca Cola, it is a very popular kind of example of a trade secret. So, the trade wherever anybody is talking about a trade secret generally the name of Coca Cola will come. So, yes this Coca Cola withdrew from the market. And then at that time Chauhan brothers, so, Chauhan brothers are the owner of Parle Group.

Now, they themselves like started working on that particular product like similar to that cola. So, already they have the 2 brands in the market that is Limca and Goldspot very popular in the

market. Now they have like invested that time money energy, whatever you want to say, but they have taken a lot of efforts and a lot of experiments they have done and they have introduced this Thums up into the market and you just kind of imagine in 1980 within that 3 years, this Thums Up become a very popular kind of that soft drink into the market.

Now they achieved monopoly within 3 years kind of a thing. Ramesh Chauhan, he has developed this formula from scratch you can say and the ingredients whatever used were like a cinnamon, cardamom, nutmeg, and all that kind of a thing. So, the company also wanted to kind of have a drink which is a fizzy and even when it was like an ice cold, so it should be like a 2 condition should be followed. It should be ice cold also, and a fizzy also.

So, considering that in the mind and to replace kind of or to give a product which is near to the Coca Cola, they have done the research and they have yes kind of came with a more spicier kind of a product and that product is added like a Thums Up. Now, they originally named it like a Thumbs Up that B was there, but later they have removed that B and they have kept it as like a Thums Up.

Now, Thums Up as it kind of achieved monopoly in the market eventually means it was the case in 1977 and in 1980 as I have told you that it is like a monopoly in the market. In 1991, what exactly happened at that time? At that time liberalization happened and kind of that trade open and all that thing that kind of activity happen, a major kind of form kind of a decision happened internationally and yes India have accepted that thing.

And at that time, Pepsi was the first company that came into the kind of which is like related to this soft drinks, they came into the Indian market. Now Thums Up and Pepsi subsequently engaged in a heavy competition obviously already Thums Up you can just imagine 1977, 1980 monopolies achieved and now already in the market that Thums Up is very popular and no in 1991 Pepsi came. So, it was very difficult for Pepsi to kind of compete with Thums Up.

Now, if you see the advertisement, which we have already seen the trademark and then what is a brand and we have already know about that, how exactly brand building is done and yes in the advertisement, in the promotional kind of various kind of promotional activities, Pepsi advertisements, they have included kind of majorly Indian movie stars like Juhi Chavla and if you see the Thums Up and mostly cricket sponsorship is there.

Now, that kind of a kind of a promotional activities you can see in the market that Pepsi and kind of cola now means Pepsi and this Thums Up that is a cola product kind of. So, that kind of activities you have seen the market. Now, eventually, means that is a very characteristic of Parle-Group that they are like keeping innovations. So, in that continuous innovating is kind of a characteristic you will see in the their product portfolio also and what they have done, they have started offering Maha Cola, that is a like a like a larger 300 ml bottle and it become very kind of popular in the small towns in India.

And people were like kind of like asking in the kind of shops for Maha Cola that was the scenario. So, that kind of offering they have done and yes, definitely it was like a very kind of cutthroat competition was there in between Pepsi and Thums Up that is a Parle-Group. And in 1993, Coca Cola reentered in the market. So, now 3 companies there was an intense competition among them like Pepsi, this Coca Cola and the Parle.

And you can cannot imagine that at that time, if you see 85 percent of the market share was with a Parle-Group. So, you can imagine the what kind of a monopoly kind of built by this Parle group. Now later what the thing happened later, Coca Cola bought this Parle own drinks Goldspot and Limca. Yes, both were very popular. And along with that, yes, Thums Up and can you imagine the amount which is offered by Coca Cola to Parle-Group, it is around 60 million dollar.

So, you can just imagine that branding and that brand value whatever received by Parle for that Thums Up, Goldspot and Limca it was like a \$ 60 million. So, that is the what we can say the value of yes trademark is part of that and that is a value that is intangible asset, you can see that that is received by the Parle-Group. Now, but now, when that particular thing happened, yes, as I have already told that it is like 85 percent share was of these kind of that Thums Up or Limca or that Goldspot they were having 85 percent share in India. Now moving further, we can take another example that is a example of Parle biscuits.

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Now, this Parle biscuits if you see that Parle biscuits you know that these are like manufacturing that was old manufacturing it was started somewhere in 1939. Now, previously, that name was like a Parle glucose, but that was not accepted because glucose that term came, it is like a descriptive kind of a term and therefore it is not kind of accepted, and therefore only that Parle-G. That terminology was actually tempted by them kind of when they have registered the trademark that was accepted and yes, they have later promoted this G as a genius.

But it was actually previously kind of a glucose from that glucose and G came. So, that way that Parle-G or what we can say the name or that particular brand entered into the market, and you know that this is a biggest selling biscuits in the world, you can just imagine by volume, if you see that this is a biggest kind of selling. Now if you see the presence of manufacturing facilities of a Parle it is like across India, it is in Neemrana Rajasthan, Bangalore Karnataka.

It is in Hyderabad, Telangana, it is in Kutch, Gujarat, it is in Khopoli, Maharashtra, it is in Pant Nagar, Uttarakhand, it is in kind of a Bahadurgarh in Haryana, then it was in the Mujjaffarpur in Bihar and Pantnagar Uttarakhand. So, you can just imagine that the presence of this organization and their manufacturing units whatever the that they are present in kind of a various states it is like a manufacturing units are established.

Now, if you see the market establishment, the global presence is there. So, the big market is in kind of Asia, Africa, and then yes, there is a market in Canada, Australia. So, that can you can

say that there is a global presence. And yes, this Parle-G that is our kind of largest biscuits, largest by volume kind of sold in the market means internationally. Now, now, we will come to the Parle agro.

Now, this Parle agro it is a kind of offshoot of Parle products, which was founded in 1929. And it was owned by a Chauhan family and it was in that family was based in Vileparle Mumbai. So, Vileparle it is a suburb in Mumbai. And it is like a like that from that word that Parle kind of Parle-G or that Parle products or Parle group came into existence. Now, it is like a split into 3 separate non competing businesses.

Now, that is very important the arrangement or whatever they have made, it is like a non competing business now, it is owned by all the different kind of factions when some of our original Chauhan family now all these 3 companies continue to use a family trade name that is a Parle. Parle it is a kind of established tread name and they have like decided that is everybody that 3 groups whatever it may be. But everybody is allowed to use that tread name that is Parle and then though if you see that 3 verticals or 3 sub groups you can say these are like a Parle products.

Now this Parle products is owned by Mister Vijay Sharad and Raj Chauhan and they are owning the brands like Parle-G, Melody, Mango Bite, Poppins, Kismi toffee bar, then Monaco, Krack jack, yes. Then the if you see the Parle agro for which kind of we will go into the details of that it is owned by Prakash Chauhan and his daughters. And you probably know a few few brands of Parle agro like a Frooti, Appy. Now Parle Bisleri a very popular brand it is owned by Ramesh Chauhan. So, these are the 3 groups of the Parle.

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And then what we can say the Parle Agro when we are talking about that Parle Agro, it is like a group which is like having some kind of beverages you can say the main kind of offering of Parle Agro along with the drinking water and you can see in few minutes, how they have expanded their business.

Now, this company a beverage company, they started somewhere in 1985. Now, this company if you see the vision of Parle Agro, they have a vision of becoming a number 1 in a beverage company in India and therefore, they have focused you can say that their focus if you see their advertisement, promotion, the products they are like establishing new categories. Yes, definitely their offerings are like the various offerings they are giving, then building a brand that is a you can say that Parle-Group that is following from when they have started in 1939 and from that time only, they are like very good in building brands and capturing market. So, this is their focus.

Now yes, obviously it is headquarter is in Mumbai. And if you see kind of employs, 4000 plus employees are there. Now they have started, Parle Agro commenced its operation with the beverages and then later diversified into the bottle water in 1993. Then plastic packaging that is in 1996. And then they entered into confectionery little bit, kind of legal kind of dispute came arise because of this kind of entry that is a confectionary business that they have started in 2007. What was that legal dispute we will just see in a few minutes.

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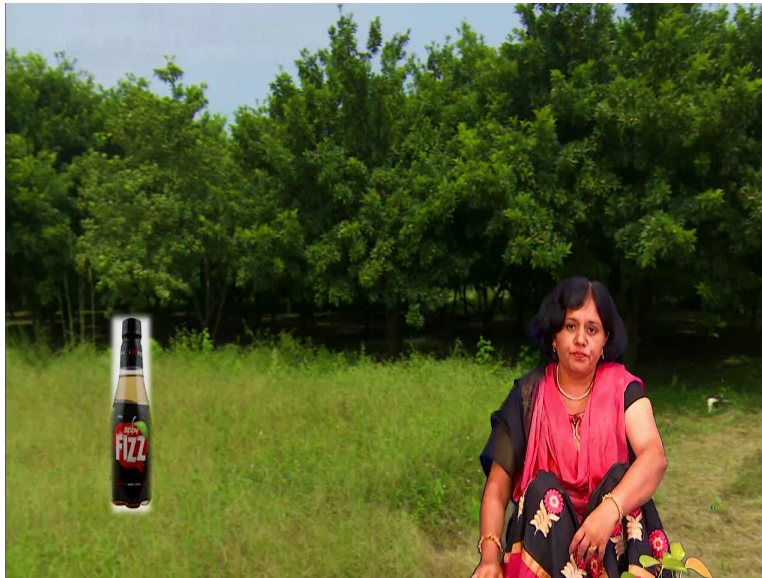
Now, Frooti that is a first product, whatever is there they have offered and that rolled out Parle means Parle Agro in 1985. Now, it becomes the largest selling kind of mango drink in India probably everybody have like tested have a they know what is a taste of that particular Parle and this Frooti. Now, this Parle Private Limited if you see it operates under 3 major business verticals. If you want to see the verticals means what are the different verticals of this Parle Agro that is a beverages, then the next is a water and next is like a confectionery.

Now if you see the beverages, this fruit drinks or nectars or juice or sparkling rays these are the offerings in the beverage kind of that that kind of vertical. If you take example kind of packaged drinking it is a water and then confectionery and in the confectionery Hippo and all that kind of snack items they have been offered by this Parle Agro.

Now, they have B2C and yes B2B kind of offering also, now B2B kind of offering is like a semi finished bottle sale 1996 that is, they have started at that time and their customers are companies in beverages, edible oil, confectionery, pharmaceutical segments. So, these are the customers for that semi finished product that is a B2B business B2B business. Now, if you see me vintages Frooti is like a you know that it is a India's only beverage sold in a tetra pack at that time, when it was introduced.

It was the first kind of beverage which was introduced into tetra pack now, it is our largest selling you know that it is a mango drink and you have many times I watched the advertisements, so Frooti. So, let us watch the one of the latest kind of advertisement of Frooti.

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So, now, we will move on to the next kind of offering of this organization that is Appy. Now, Appy it is Appy classic they have introduced it in 1986 and it was a first Apple nectar and it was available in a white tetra pack. And then they said this was like with Apple and leaf graphic that was kind of a packaging kind of a design whatever they have used. As of 2011, if you see, it started coming into the like a black tetra pack and we are very well aware about that Appy in a black tetra pack.

Now, that is a kind of another related product to Appy that is Appy Fizz. They introduced it in 2005 and it is kind of a first sparkling Apple drink which is available in the Indian market. So, kind of that kind of like and it is in a champagne bottle kind of offering is that so that was like a very interesting offering of that organization. Let us watch a video about this Appy Fizz. So, the another kind of offering is Saint Juice it is launched in 2008.

Now this Saint Juice , it is available in 3 variants it is orange, then mixed fruit like and then the grape and apple kind of a thing. Now you can test the USP if you want to see of this offering, it is like 100 percent juice and there is no kind of color addition or kind of a sugar or any

preservation or preservatives are added into this product. Then the next product I would like you to share with you is like a lemonade.

Now, this was launched in 2009 and it was like a non carbonated lemon drink like nimbu pani kind of a thing. So, that was the offering then there was a Grappo Fizz, then this Grappo Fizz was offered in 2008. It is like sparkling grape juice drink, and it is kind of a sparkling fruit drink category you can say. And very interesting another product of a Parle-Group is this Parle Agro is a Dhishoom.

It is introduced in 2012, you can just if you watch the kind of promotion of Dhishoom, they have like targeted those specific kind of college going kind of a people means students they have targeted during this advertisement. 2012 it is like India's first Jeera Masala soda, and it packs a flavor full kind of punch with every sip that is what the Dhishoom is. Then the Frio is another product it is kind of available in 2, 3 flavors again, kind of a lemon and sweet lime that the orange with a zingy kind of sweet burst and a cola kind of a thing.

So, you can you know that various variants of this kind of offering. Now, the Café Cuba is one of the kind of a very interesting kind of offering go for Parle group that is this Parle Agro that is a carbonated Cuban coffee is that and it is more or kind of espresso kind of offering is there Now, why I have listed all these kind of products here and whatever they are offering. So, so, if you see the kind of offering of this organization, then you see the packaging and you see the trade name.

So, that is a kind of a trademark that product portfolio whenever they are developing, they are like thinking about a very innovative kind of offering. So, formula and all that thing that is one thing, then they are thinking about a very unique name and you can see that Appy then kind of a Frio, Frooti kind of that kind of coin, that terminal terms that are point and yes, there is a protection that is a trademark protection is there for this kind of offerings.

And then if you see the packaging, that is the industrial design protection will come into the picture and there they are changing the packaging also. So, first it was like a design like kind of apple and then the graphic leaf and all that thing that, then have offered it in kind of a little bit modifications and all that thing. So, they are continuously innovating. And his they are definitely

making a good use of IP along with a kind of a very good promotion under brand building activity you can see.

Now, the next kind of thing is a Baily soda that probably it is like introduced in 2010 and it was if you see again the kind of offering of this product, it is kind of a military colors they have used on the bottle and probably they want to kind of target that kind of customer probably, but they have given or they want to give that kind of a feeling and all that thing. So, this kind of kind of design they have they have kind of chosen for this kind of offering.

Then the Frooti Fizz is there that came into a market in 2017 it is kind of a sparkling mango juice drink it is. So, you can imagine that Frooti and Frooti Fizz now, so, you can just imagine 1985 they have introduced Frooti, a plain kind of a mango drink, then they came with a Frooti Fizz that Fizz kind of a thing or sparkling kind of a mango drink. So, you can just imagine and you probably have watched a video that that that their promotion and they are using again the Bollywood stars for this particular promotion.

So, this is about their beverage range, if you have seen this is the beverage range whatever Parle Agro is offering, then you then we have just seen that he has there another vertical is of water and that vertical type is a Baily packaged drinking water. Yes, it is a kind of a very popular kind of a drinking water in that sector. Yes, it is a popular brand. Then the if you see the kind of IP in that particular vertical, you just see the bottle of that particular drinking water value and that bottle has kind of they have protected it without patent and Mr. Prashant Sonhi is the inventor of this bottle and they have received kind of a patent and that patent is granted and they have received that right on that particular thing.

Now, the next vertical is a confectionary and I have told you that yes there was some dispute in that particular confectionery related product. What was the dispute? If you see the Parle-Group that when they have then done the division in that group that 3 brothers or 3 were families, they have like taken the charge of that 3 groups, they have decided there should not be any competition among the that group.

So, that agreement non competing agreement everybody have signed and if you see the confectionery kind of offerings of Parle Agro, probably they are like maybe competing with Parle produce and therefore, there was a dispute within the family and case was indefinitely as

jurisdiction was a Mumbai High Court and the case was in the Mumbai High Court and then they like the court has given her decision like yes, if that kind of agreement is there, but you are allowed to use a word Parle. So, clarify that it is a Parle confectionery. So, you just indicate it by using that whole kind of term that is a part of a confection, so that it can be understood that it is like a parlor products and this is a part of a confection of the Parle Agro.

So, that kind of clarity that kind of a decision or decree or kind of a judgment is given by the Mumbai High Court. Now, if you see the few offerings like under this confectionary, like a vertical it is like a Buttercup soft softies kind of thing, then toffee, then that is in a 4 kind of flavors, then Kaccha aam that kind of offerings are then and then though, in the snacks, they have given like a Hippo in 6 flavors they have given that Hippo came and all that.

Now, that trademark dispute you have kind of understood, but yes, it was in the, if you see the trademark registration, it was like they have used classes kind of 29, 30 and 32. So, when I am saying classes, which is that class I am referring? It is a NICE classification. So, next is like a so, now, you know the what are the offerings of Parle agro and that 3 verticals of Parle agro B2B business and B2C business.

And I have referred in kind of when we were going I have referred to that yes, there was industrial design, there was a trade name, there was a patent kind of a thing. So, if you see the offerings that are popular beverages, Frooti, Appy, Appy Fizz, Frooti Fizz, that kind of offerings, offerings are there, and then the bottle kind of that that they have like design or develop a particular bottle for which they received patent and then the industrial design that is a packaging. Whenever they are doing packaging, a very innovative packaging they are following and they as they are taking go, that can be that is a prediction that industrial design will come into the picture, when we are talking about packaging.

So, you can just see that definitely like they are taking the help of IP to keep that competitive edge into the market. And if you see that, the first kind of a Thums Up, Limca and then the that Goldspot, if you see that kind of sale that is to the Coca Cola with a 60 million dollar. So, you can just imagine how they have used if they had they have done the brand building and yes, they have created a built from that also by business or that sale, whatever they have done in the kind of to the Coca Cola when they have so they have sold that particular Thums Up and these other 2 kind of drinks to the Coca Cola.

So, I guess the you it means you can just appreciate that yes, in the agriculture industry, this group definitely whatever the offerings are there, they are using IP effectively. And yes, they are getting benefit out of that particular thing. I guess this information is good enough for you to appreciate the value of IP in agriculture. And I guess you can if you are working in that particular sector, you also may think about effective use of IP in your offerings to. So, see you in the next session. Thank you.