



Petter Rindforth

IKEA – a trademark you love or hate (with a smile)

Petter Rindforth, Managing Partner at Fenix Legal, examines IKEA's continuing success as a trademark.

Yougov Brandindex recently presented 2018's list of the world's strongest trademarks. In seventh place is IKEA, the Swedish trademark for ready-to-assemble furniture.

In Sweden, IKEA is ranked as No 1 in several trademark searches, such as Evimetrix Swedish Brand Awards – ranking IKEA as the most popular trademark for Swedish consumers, “Progress with Purpose Summit – PRPS”, ranking IKEA as the most meaningful trademark 2018, and the online newspaper *Marken*'s consumer research – identifying IKEA as No 1 in the “Trade's hottest chains and shops”.

So what is so good with IKEA?

The history started in 1943 by the then 17-year-old Mr Feodor Ingvar Kamprad, from Elmtaryd, Agunneryd, in Sweden. Using the initials of his name and address, IKEA was born as a simple mail-order company, selling everything from pens and purses to simple jewellery and nylon stockings. In 1947, IKEA began selling furniture manufactured locally from the forests close to Mr Kamrad's home. Swedish consumers responded positively to the furniture, and in 1951 IKEA published its first furniture catalogue. In 1953, IKEA opened its first showroom in Älmhult, Sweden, which is now the IKEA Museum. The showroom was important to IKEA's success and growth, as it was the first time customers could touch IKEA's furnishings before ordering them. Another important detail was a supplier boycott, resulting in that IKEA decided to design and manufacture its own furniture.

When Mr Kamprad died in January 2018, IKEA had 403 stores in 49 markets, with 194 000 co-workers serving

936 million visitors. The UK based independent branded business valuation and strategy consultancy firm Brand Finance noted in its Brand Finance Sweden 50 2018 ranking that IKEA is the most valuable Swedish trademark with a SEK 197.1 billion value.

The fans of IKEA around the world points to the Scandinavian design at affordable prices, the bold modernist patterns, and blond wood aesthetics. The fact that you can eat “Swedish meatballs” in the restaurants, and buy Swedish hard cheese, crisp bread (“knäckebröd”), and pickled herring for Christmas is of course also marked as a positive detail for customers around the world – not only Scandinavians living abroad.

The famous IKEA logo, created in 1967, has changed little throughout the years. The only significant amendment was the introduction of the blue and yellow colour in 1977, indicating the Swedish origin (the Swedish flag is blue and yellow). Since 1983, the coloured logo is the main IKEA trademark. It is protected by over 1,300 trademark registrations around the world.

Although known as a Swedish company, the trademark is in fact registered in the name of Inter IKEA Systems B.V. established in 1983 in the Netherlands. The company is the owner of the IKEA Concept and the worldwide IKEA franchisor.

IKEA may have a marketing budget, as all companies, however the best marketing is in fact made by the physical consumers.

Many Swedish movies and humour programs includes a scene with a person – normally a “handy” man – having difficulties to unpack a furniture from IKEA from the flat package and screw the parts together into a functional furniture. IKEA is also the goal for a robbery in the Swedish criminal satire movie “Jönssonligan dyker upp igen” (The Jönsson League appears again) from 1986, and an important part of the Swedish television drama series “Vår tid är nu” latest season – showing a lady that has moved in to her new flat and starts with unpacking a table from IKEA.

In social media around the world, the labyrinthine lay-out at the IKEA shops, the “flat-pack misery” to deal with once home, Allen keys, metal bolts, and baffling instructions are discussed, however in the majority of them with a humorous touch. Examples are guidebooks

Résumé

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on how to best follow the lines in the store to quickly go from entrance to exit (guidelines that of course are even more confusing than the real ones), jokes on the very local Swedish trademarks/names on each product, to numerous jokes on how to try to put together your furniture from IKEA.

Even bad articles are good marketing: In an article published April 2015 in the online UK based *Independent* online news, the American psychologist Ramani Durvasola noted that a significant number of the couples who come to him for help said they always fight in IKEA, concluding that IKEA is bad for your relationship. However, the article ends with: "Everyone likes to think their relationship will stand the test of time. But if you really want to be sure, take a shopping trip to IKEA". A piece of advise that is followed by many couples around the world.

And once at IKEA, you should of course show the rest of the world that you have been there. At the www.ikeahackers.net ("an-ihstory-oh-ikea-how-we-love-and-hate-thee") people are invited to share their "IKEA trip" photos with a hashtag.

The fact that once someone has visited an IKEA store, they normally quickly become regular customers that even use a visit to IKEA as part of their weekend family entertainment, and have full knowledge of the classical IKEA goods, is also duly noted by IKEA:

“*The trademark IKEA is well-known to customers around the world, not just because of the word as a trademark, but more as the business concept is a trademark in itself.*”

The Inter-Ikea web site ask for customers assistance, stating that "There have been cases of others using the IKEA trademarks or IKEA domain names for activities such as fake IKEA websites, fraudulent schemes and similar", followed by: "In the best of consumers interest, we therefore ask for your help to report wrongful use of the IKEA trademarks or similar marks. We cannot give you any reward or compensation other than a big thank you for helping us to protect the IKEA trademarks and to prevent fraud and misrepresentation". Customers can send reports, preferably including images or links to the infringing sites, to: infringementreport@inter-ikea.com.

As long as any infringer is clearly using the IKEA trademark in a country where there are IKEA stores, there seems to be a clear case.

One example is the Tokyo District Court decision of January 29, 2015 (Case No. 2012 (wa) 21067), where the defendant ruled an online retail shop for furniture, using meta-tags and title-tags with reference to IKEA, such as "IKEA online shopping". The court ruled that since meta-tags can be displayed in search results, and thereby indicates the source of service, such use is infringing the trademark rights – independently if the trademark is also visible at the connected website or not.

Another more recent example is IKEA vs. IKAH in India. The Defendant claimed that there was no risk for confusion, as the IKAH trademark logo was in black/white – compared to IKEA's blue/yellow – and that IKAH is an acronym for "International Kitchen and Hardware", registered for goods in classes 7 and 11. The court, however, ruled in favour of IKEA, noting that the IKEA trademark is distinctive and thereby entitled to the highest protection, and that the Defendants trademark was figurative and therefore did not give any specific protection for the word IKAH as such. The decision was perfectly timed, as the first IKEA store in India recently opened in Hyderabad.

On the other hand, use requirements stand for all trademark owners, including IKEA. An example of that is the Indonesian Supreme Court ruling from 2015. IKEA Systems B.V. registered the IKEA trademark in Indonesia in 2010, but the first local store opened four years later



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in 2014. In December 2013, the Indonesian furniture company PT Ratania Khatulistiwa filed a trademark application for IKEA, referring to this as an acronym of Intan Khatulistiwa Esa Abadi that refers to the rattan industry. The local company initiated a legal action against IKEA in the mid of 2014, referring to classes 20 and 21, and already in September 2014 the local court ordered IKEA to stop using the trademark. The reason was that the trademark had not actively been used for three consecutive years and could therefore be deleted under Indonesian law. IKEA appealed, but the appeal was rejected by the Supreme Court in May 2015.

A number of newspapers around the world reported this decision as the end of IKEA in Indonesia. However, this is definitely not the case. IKEA has in fact still Indonesian trademark registrations and applications, covering in total 25 classes. Three of them are registered on September 19, 2014, in respect of goods in classes 20 and 21, namely IKEA figurative trademarks No IDM000424086 IKEA (fig colour) in class 20, IDM000424079 IKEA (fig black/white) in class 20, and IDM000424087 IKEA (fig colour) in class 21.

Lesson learned: IKEA has now a local shop, located in the Alam Sutera area of Tangerang, greater Jakarta. There are over 55 smart room-set solutions and three complete homes, all in a two-level stand-alone store, covering 35,000 sqm, including a 700-seat restaurant and over 1,000 parking spaces. No one can claim again that the IKEA trademark is not in use in Jakarta.

The size of the IKEA shops is also part of the humorous marketing. Both in IKEA's own commercials, as well as more private jokes on the internet, show families entering an IKEA store in order to buy one specific item, like a bulb, and leave the store several hours later, fully loaded with bags and goods, except for the forgotten bulb.

Customers may make jokes on their visits at IKEA in social media, but it is made with a friendly smile.

As shown at highlights.ikea.com, the main web site ikea.com had 2.3 billion visits globally in 2017, and 936 million visitors at their physical stores. The trademark IKEA is well-known to customers around the world, not just because of the word as a trademark, but more as the business concept is a trademark in itself.

As the founder Ingvar Kamprad once summarized: *"Maintaining a strong IKEA culture is one of the most crucial factors behind the continued success of the IKEA Concept"*.

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