



AID-FOR-TRADE: CASE STORY

WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO)



INTERNATIONAL SUCCESS OF LAOTIAN BEER



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Country: Lao People's Democratic Republic
Name: Lao Brewery Co., Ltd. (L.B.C)
Type: Commercial Enterprise
Industry: Beverages
Object of protection: Distinctive Signs/Commercial Names
Instrument of protection: Trademarks
Focus: Branding, Research and Development
Global Issues: Environment
Author: WIPO/IP Advantage Database

1. Background

The Lao Brewery Co. Ltd (L.B.C.) was established in 1973 as a joint-venture between French investors and Lao businessmen with an annual production capacity of 3 million litres of beer. After the foundation of Lao PDR in December 1975, the company was nationalized and became a state-owned enterprise. In 1993, L.B.C. was turned into a joint-venture between the Lao government and foreign investments, namely Loxley Public Co., Ltd. and Italian Thai Public Co., Ltd., which gave impetus to its production and marketing potential. In 1997, the company started exporting to 8 countries (Australia, Cambodia, France, Japan, New Zealand, Vietnam, the UK and the US). In 2002, there was a change in the foreign joint venture partners to Carlsberg Asia Co., Ltd. and the TCC International Co., Ltd. In 2005, there was another change in the partnership and ownership: the Lao government's holding 50% of stake and Carlsberg Breweries' (a Danish brewing company founded in 1847) holding the other 50%.

L.B.C. focuses on the development of human resources as well as the brewing technology to increase its production capacity. The company also places importance on the production process and takes full responsibility at each stage. It has set its own quality standard for water and all raw materials (e.g. malt, hops and yeast) to be used in the production. Its product "Beerlao" is brewed from the finest Laotian rice and high quality malt from overseas giving it a very unique taste.



L.B.C has registered trademarks in Lao PDR since 1994 (WIPO Publication WIPO-ASEAN/IP/BKK/06/DRAFT)

2. Trademarks and Branding

L.B.C. has registered trademarks in Lao PDR since 1994. It currently produces and markets three types of beer under the “Beerlao” brand (“Beerlao Lager”, “Beerlao Light” and “Beerlao Dark”), one specially-brewed beer under the “LaneXang” brand, locally-brewed “Carlsberg” and a premium quality drinking water under the “Tigerhead” brand. The marketing director asserts that the trademark plays an important role in its marketing and sales processes. The trademarks reaffirm the company's commitment, quality and service for its consumers as it proclaims “drink Beerlao, absorb Lao culture”. Moreover, the director says that brand and quality must be linked together. The mark has strengthened the company’s sales and consolidated its market. The company plans to file international applications where its products are sold to promote the quality and image of the L.B.C. as well as to protect its products.

L.B.C. sponsors national sports events and provides donations to perform activities such as the ceremonial rites, targeted at increasing people's recognition of the company as a beer and beverage provider and establishing the brand both in domestic and overseas markets.

3. Research and Development

The R&D section, set up within the marketing division, has been working hard to establish the reputation of “Beerlao” in Lao PDR and overseas. The company will seek greater understanding on Intellectual Property Rights (not only on trademarks) and will conduct further studies on other aspects of intellectual property that can contribute to promoting the company's image, sales, quality, productivity and profits.

4. Environment

The company is concerned about environmental issues including global warming and is making its utmost efforts to protect the environment and quality of life. Thus, the company has installed a Carbon Monoxide Detector (CMD) system into its factory aiming at conserving the energy and reducing the carbon dioxide emissions by as much as 40%. It became the first company in Lao PDR to implement such an environmental project.

5. Business Results

L.B.C. now has an annual production capacity of 210 million liters of beer and 21 million liters of drinking water. According to the company, its market share accounts for nearly 99% of the national beer market in Lao PDR. “Beerlao” has become one of the most successful export products from the country and is currently sold through the distributors in more than 10 countries including China, Germany and Thailand. “Beerlao” has received many awards from international beer/beverage contests held in New Zealand

(2002), Belgium (2003 and 2005), France (2004), Russia (2005) and the US (2005). It was also selected as Asia's Best Beer of 2004 by Time Magazine. L.B.C. has become the innovative leader in the beer and beverage industry in Lao PDR as well as one of the top contributors to the nation's economy, with an annual tax payment of at least 500 billion LAK (or USD 61.6 million).

6. International Reputation by Firm Brand Establishment and Quality Management

After nearly 30 years from its foundation, L.B.C. has achieved international reputation, firmly establishing its “Beerlao” brand worldwide through its quality management as well as participation in social activities, not only for publicity but also for environmental conservation.