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WORLD INTELLECTUAL PROPERTY ORGANIZATION

All for the Love of Chocolate

Patchi, Lebanon

Patchi is a chocolate manufacturer founded in Beirut, Lebanon, in 1974, by Nizar Choucair, an entrepreneur who discovered his love for chocolate at age eleven. Mr. Choucair's small family business expanded and opened its first international boutique in Amman, Jordan, the following year. By 1993, Patchi had expanded its divisions beyond chocolate to include silverware, porcelain and printing. As of 2011, the company was one of the most innovative businesses in the Middle East – a region with annual chocolate sales in general exceeding US \$4.2 billion – and is expanding into Africa, Asia, the European Union (EU), and the United States of America (USA).



Elegantly presented Patchi chocolates
(Photo: Flickr/Jess Cheng)

Research and development

In order to meet global competition and the high expectations of its customers and clients, Patchi has instituted some of the most rigorous research and development (R&D) processes and standards in the industry. Patchi chocolate is made of the cocoa beans from pods growing on the trunk and lower branches of the *theobroma cacao* tree. These organically grown beans are imported via England, France, the Ivory Coast and the Netherlands. Patchi eschews inferior quality “confectionary chocolates” that have much less cocoa - as low as 7% in many cases. Instead, the company uses chocolates classified as *couverture* – very high quality chocolate with extra cocoa butter (32-39 % extra). The company's chocolates, which are manufactured with Swiss technology, are eggless and gelatin-free. They are close in style to Swiss or Belgium chocolate. Patchi chocolates do not contain preservatives or artificial flavors. The company focuses on producing hand-made, quality products based on the most refined raw materials and recipes.

Patchi has operated factories in five different countries in the Middle East: Egypt, Lebanon, Saudi Arabia, Syria, and the United Arab Emirates (UAE). The company's factories have reached the industry standard for quality due to certifications of the International Organization for Standardization (ISO 9001 - 2000) and Hazard Analysis and Critical Control Points (HACCP), a preventative system for food safety. In addition, the company has four manufacturing divisions in Lebanon with an area of more than 10, 000 sq meters. In order to maintain high production standards, Patchi factories operate under tight supervision by technicians and Maitre Chocolatiers (distinguished chocolate-making masters) from Europe and Lebanon.

Branding and trade dress

In order to remain competitive in a fast-changing global market place, Patchi maintains a close vigil of market trends and has developed a branding strategy based on elegant and innovative packaging and product customization. The company has modernized its logo with a monogram that embodies all its

Patchi

Patchi's figurative mark in Roman letters and Arabic script
(Image: from OHIM trademark application)

qualities and strengths and complements its elegant brands. To meet varying and insatiable demands for its products, the company's menu has over 40 varieties of chocolate with recipes mixing almonds, pistachios and hazelnuts with milk or dark chocolate.

Patchi focuses on its product designs, presentation and quality. Each individual chocolate is innovatively hand-wrapped and decorated with a selection of beads, bows, pearls, hand-made silk roses, and, sometimes, gold and Swarovski crystal flowers. The chocolates are wrapped in packages similar to small hatboxes or miniature jewels. Because every individually ordered and customized box of chocolate has a personalized message inscribed on the lid, there is a strong sense of individuality to each item. The company markets these elegantly hand-wrapped and creatively accessorized boxes as the perfect gift for any

occasion or season through a range of imaginative brands. Apart from its core stock of chocolates, Patchi brands include Baby Patchi (for newborns), Patchi Weddings, Patchi Corporate (for business events), and Patchi Gift Items. Other Patchi brands are intended as custom-made gifts for religious ceremonies (including Ramadan, Easter, and Poila Baishakh – the Bengali New Year Day), and seasonal greetings. The company's product- range also includes Royal Silver, Glassware and Porcelain.

Commercialization

Patchi promotes itself not only as a brand but also as a lifestyle, a concept based on the finest quality with custom-fitted interior decors based on particular themes. In order to give its customers the full Patchi experience, the company sells its goods in exclusive, elegant, Patchi boutiques in free zones of international airports and in international hotels around the world. Launched in 2002, the Patchino brand, for instance, uses the imaginative shop-in-shop concept with Hamleys – one of the world's largest toys shop – as a means of commercialization. The brand comprises of stationery, confectionery, stickers and playful and colorful character-merchandizing designed for younger customers including animal characters such as Bonny the Rabbit, Dolmy the Reindeer, and Leony the Lion.

The Patchi Boutique's Unique Concept – buildings exclusively constructed by international architects for Patchi products - can be experienced, for example, in the company's flagship store in the trendy Down Town area of Beirut. On the ground floor of the Down Town boutique, there is a breath-taking glass room housing Patchi chocolate jewels as well as sweet confections in a variety of colors. The first floor holds the latest trends in fashionable and refined tableware, gifts, silverware and more interior wares for the home. The second floor is devoted to newborns and weddings with a variety of souvenirs, gifts and wedding list ideas. While the third floor has dazzling displays of premium silverware, as well as French, ethnic and oriental furniture and gifts from around the world. The fourth floor, moreover, has antiques for sophisticated interiors.

In 1997, Patchi opened its new head quarters in Beirut, and a chocolate factory in Syria. The company also operates a chain of Patchi boutiques in several countries. As of 2011, all items produced at Patchi factories were sold exclusively at Patchi boutiques around the world. With 1500 employees and 500 families working for the company but from their homes, Patchi has placed itself in a firm position in the global market, ready to meet growing demand and international chocolate trends.

Franchising

The company grants franchising licenses to operate its unique boutiques selling chocolates, dragees (sugar-coated almonds), delicacies, and glassware for various occasions. With over thirty years experience in offering franchises, Patchi has a dedicated team of design experts that assists potential franchisees with strategic planning for launching and developing the company's many brands in new regions and countries.

Syedex Marketing Sdn Bhd (Syedex), for instance, is a franchisee of Patchi Malaysia licensed to distribute the company's products throughout the country. Although lifestyle gifts are a relatively new concept in Malaysia, Sydex hopes to promote the concept in the country, seeing sales increase by 3 to 5 percent year on year. In order to promote brand awareness in Malaysia, moreover, Patchi was the official sponsor for Malaysia's CEO of the Year 2009 award. Because Malaysia has a significant Chinese population (23 percent in 2011), furthermore, the company promotes chocolates brands in the country to coincide with celebrations of Chinese New Year. In 2009, there were five Patchi branches in Malaysia with expectation of at least two more in subsequent years. From staff training to media management to establishing brand loyalty among customers while making business connections with other corporations, the franchise team at Patchi has ensured seamless transfer of the Patchi brand across five continents and over thirty countries.



Patchi chocolates are always presented with style
(Photo: Flickr/Abdulahman Bin Simah)

Trademark

Patchi relies on the intellectual property (IP) system to protect its strong brand equity from the threat of usurpers and to ensure that future opportunities for expansion and commercialization remain open. Indeed, in 1998 the company filed a trademark for Patchi SAL (as a word and a figurative) in the EU at the Office for Harmonization in the Internal Market (OHIM). Moreover, seeking to expand into the USA, in 2000 the company [filed for a trademark](#) at the United States Patent and Trademark Office (USPTO). Furthermore, wishing to consolidate the brand recognition gained in its new range of products for children, in 2001 the company filed for a [trademark for the Patchino brand](#) at the USPTO. With a growing portfolio of IP protected assets, Patchi has been able to expand unencumbered into new regions and business opportunities around the world.

Business results

From humble beginnings in Lebanon, in 1995 Patchi entered the EU market with new boutiques in Paris and London. As a symbol of its growing success, in 1999 the company celebrated its 25th anniversary by launching its products in the African market with a new boutique in the Ivory Coast. A year later, Patchi opened a store in the USA and in 2005 it was recognized as the number one luxury brand in the Middle East – and the 15th top brand name in the region – by Forbes magazine. Furthermore, in 2008, the company opened the Patchi Silver boutique at the famous Harrods Silver Room in London. One box of Patchi chocolates from the Harrods store is wrapped with genuine leather and refined hand-made silk from India and China. Inside the box, every one of the 49 hand wrapped chocolates lies on suede leather, separated by

gold and platinum linings. The box has sold for GB £ 5,000. Indeed, Patchi's imaginative branding and trade dress have allowed the company to diversify its income potential and sales over a variety of goods including chocolates (40%), gift items (35%), and celebration accessories (25%). With an impressive and growing brands portfolio, Patchi has spread over 5 continents, 35 countries, and 130 boutiques.

Blessings of the food of gods

Mr. Choucair's love of chocolate has been rewarded due to a focus on finesse, quality, and innovation. By actively nurturing his brands with innovative trade dress, protecting them with registered trademarks, and expanding their reach through franchising agreements, the entrepreneur has raised the bar of chocolate elegance and success in the Middle East and in the rest of the world.

► [Sources, references and related links](#) ↓

This case study is based on information from:

- [Corporate gifts to sweeten Patchi sales](#)
- [Harrods to sell £5,000 box of chocolates](#)
- [Lebanese chocolate major Patchi bid to push sales](#)
- [Patchi](#)

