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Flying the Flag of Business, IP and the Environment

Background

Nature Air Holding Company SA (Nature Air) is an award winning airline established in 1990 in San Jose, the capital and largest city of the Republic of Costa Rica (Costa Rica). Since its foundation, the small and medium size enterprise (SME) has been at the forefront of airlines that have combined a successful business model with a proactive socio-economic and environmentally friendly strategy. Having gained a firm foothold in the tourism industry of Costa Rica, Nature Air successfully developed its range of services and expanded into the surrounding region. In addition, the airline has set new standards for responsible tourism and aviation whilst supporting the local community and sustaining the country's richly varied environment.



Costa Rica has been endowed with spectacular natural resources and Nature Air has pioneered eco-tourism models that respect the country's rich environmental heritage (Photo: Nature Air)

Research and Development and Partnerships

Nature Air – known as Travel Air Alaska (TAA) up until 2000 – has been directed since 2001 by Alex Khajavi – an Iranian-born social entrepreneur with experience and interests in several fields including finance, ecology and tourism. Indeed, after resigning from an investment advisor's position in the United States of America (USA) at the age of 35, Mr. Khajavi worked in financial development projects in Europe, Africa, South America and the Middle East. During this period, for instance, the entrepreneur helped to raise US\$20 million for the Sudan Development Bank and to establish an eco-tourism consultancy with projects around the world. Having witnessed the positive impact of tourism in Africa in the 1970s, Mr. Khajavi combined his interest in business and ecology in order to focus on eco-tourism and development projects. "I saw tourism coming into the Horn of Africa, and it dawned on me in the late 70s that tourism was a good way to bring hard currency into those countries," he said.

The entrepreneur was subsequently hired in 2000 as a consultant by Nature Air (TAA at the time) in order to rescue the company's unstable business model. Although the airline only had a single plane, the businessman successfully created a new research and development (R&D) strategy at the company. However, Mr. Khajavi was faced with a new challenge shortly thereafter, in September 2001, when the global economy (including the airline and tourism industries) took a downturn. As a consequence, some of Nature Air's investors pulled out of the company and Mr. Khajavi became its majority shareholder and director.

After taking charge of Nature Air, the businessman managed a number of R&D projects that improved the company's capacity and diversified its services. For instance, under the entrepreneur's leadership, the airline utilized new landing strips and destinations in Costa Rica and extended its services to a wider



Nature Air's twin engine light airplanes have a short take off and landing capability and permit of panoramic views that have become a major hit with customers (Photo: Nature Air)

clientele which included ecological researchers, environmentalists, and foresters. Moreover, in order to extend its fleet of aircrafts, the company made investments in crafts such as the DHC-6 Twin Otter – a twin engine light airplane with panoramic views that is ideal for short haul flights that require a short take-off and landing.

With a growing capacity and staff of pilots who were trained as tourism guides, the company was able to extend its services and expand its client base and destinations to countries such as the Republic of Panama (Panama) and the Republic of Nicaragua (Nicaragua). As of 2012, Nature Air serviced 74 short haul flights daily to 15 exotic destinations in Central America.

Moreover, in order to facilitate its tourism services and to attain its ecological and socio-economic goals, Nature Air has worked with a number of partners including five of its own subsidiaries – collectively called the Nature Group. Nature Vacations, for example, is a travel agency (and member of the Nature Group) that acts as the official travel provider for the airline. NatureGate (NG), moreover, is a nature-tourism based consultancy originally established by Mr. Khajavi in 1990 that researches and invests in destinations that are socially and environmentally sustainable for Nature Air. NG, for instance, has worked with a wide range of investors, conservation groups, and local governments in order to establish new commercial opportunities for the airline's development while implementing new strategies for environmental conservation.

Aerotica, furthermore, has been a subsidiary of Nature Air since 2004 that has trained pilots for Costa Rica's aviation industry and produced biodiesel fuel (collected and recycled locally from vegetable oil) that is used in 90 % of the company's ground vehicles and generators. Nature Air Cargo (NAC), meanwhile, is a Nature Air subsidiary which offers air cargo door-to-door pick-up and delivery services in San Jose, Tamarindo and Quepos in Costa Rica. In addition, NAC offers a charter service for its planes. Nature Kids, lastly, is a non-profit organization (NPO) and educational institution established by the entrepreneur that works with low income families and school children in Costa Rica. Among its many educational services, the NPO teaches English and environmental conservation courses to children in its two schools (in Salitral, Santa Ana, near San Jose; and, in Drake Bay, on the Osa Peninsula, in Southwestern Costa Rica).

Apart from its subsidiaries, Nature Air has collaborated with several governmental agencies in the region – including Ministerio del Ambiente, Energía y Telecomunicaciones (MINAET, the Ministry of Environment of Costa Rica); the Costa Rican National Biodiversity Institute (INBio); and, the Instituto Nicaraguense de Turismo (INTUR), Nicaragua's tourism board. In addition, the airline has worked with several industry partners such as Costa Rica's National Forestry Finance Fund (FONAFIFO), a branch of MINAET that finances forestry conservation. Indeed, in order to develop its eco-friendly credentials, the company has partnered with many other environmentally orientated organizations such as San Jose's Ecotourism Society, the International Ecotourism Society (TIES), an NPO that promotes ecological tourism, and RainForest Alliance, an international NPO that works to conserve bio-diversity around the world. By making strategic investments in the company's R&D expansion strategies, and by collaborating with partners in government, industry and the community, Mr. Khajavi has placed Nature Air's future on a firm foundation for sustainable economic growth.

Branding and Commercialization

Nature Air has invested in a broad-range branding and commercialization plan in order to attract international customers and establish a firm position within a niche market of eco-tourism in Central America. For example, shortly after Mr. Khajavi's directorship began in 2001, the company re-branded its corporate identity and adopted a new trade name – Nature Air – so as to open up new avenues for commercialization and development. Based on the new corporate image, the company has entered the eco-tourism market as a fun yet environmentally and socially conscious SME. The airline, moreover, has established a firm reputation for quality service. Nature Air's fleets of planes, for instance, have not only been decorated with bright, color-coordinated and attractive hues; the airline's aircrafts are also roomy, climate-controlled and permit panoramic views of the surrounding areas.



The Nature Air trademark played a pivotal role in re-branding the company and reviving its fortunes after the economic downturn in the early 2000s (Image: Nature Air)

Because the company has been committed to establishing reliable and bio-diverse yet fun and socially responsible services, furthermore, Nature Air has been able to attract a wide range of customers who have included adventure seekers and clients with an interest in ecologically sensitive tourism (such as scuba divers, surfers, and swimmers). Nature Air is the only airline in the Central American region to achieve 90 % on time performance and 60 % of the runways it uses are within ten kilometers of a national park or nature reserve. In addition, the company is proud of being the world's first airline that is carbon neutral – the act of balancing the amount of carbon released into the atmosphere by off-setting or sequestering the emission.

In support of its image re-branding and eco-tourism focus, Nature Air has implemented a series of customized campaigns aimed at families, couples, and business or leisure travelers via its own magazine – Nature Landings. Freely available in-flight or on the Internet, the colorfully illustrated publication offers customers in-depth articles and tips for sports, nature, arts and culture that are available in the Central American region. Nature Landings also advertises and promotes the airline's campaigns in collaboration with the company's other subsidiaries. In 2011, for instance, the company and the magazine launched an eight month campaign called Kids Fly Free (KFF) which permitted two children in a family of four to fly free of charge with the airline. The KFF campaign was coordinated with select local hotels which offered free hotel accommodation for children based on airline tickets booked through Nature Vacations – the airline's ticket booking subsidiary.

Nature Landings magazine, moreover, has functioned as a conduit for the airline's educational, socio-economic and environmental aims. The publication, for example, has featured articles that provide its clients with information on organizations in the region that work on community development and conservation issues. Apart from its flight and magazine services, Nature Air has been able to expand its capacity to include car rentals, airport bus shuttles and an air cargo service via Nature Air Cargo. Furthermore, the SME has worked with many partners including governmental agencies in the region in order to open up new avenues for commercialization. In collaboration with INTUR, for example, Nature Air has been able to expand its services by offering clients additional flights and vacation packages with hotels in a variety of locations such as Managua, the capital of Nicaragua. As of 2012, Nature Air offered flights to 13 tourist destinations in Costa Rica and serviced two international routes to Nicaragua and Panama.

Trademarks, Copyrights and Domain Names

Having invested much time and resources in establishing a new corporate image with a broad portfolio of brands attracting both regional and international customers, Nature Air has relied on the intellectual property (IP) system in order to secure these advances. To this end, the airline registered over 20 trademarks at home and abroad. Nature Air™, Nature Vacations™, Nature Kids™, Nature Air Group™, “Travelair”™ (as one word) and other brands within the Nature Group, for instance, have been trademarked via the Registro Nacional, Costa Rica’s national IP office.

With its IP portfolio secured in the national market, the company registered [Nature Air](#) (2009) as a trademark in one of its most lucrative customer base (the USA) at the United States Patent and Trademark Office (USPTO). In the same year, trademarks were registered for the company’s other brands and services including [Nature Air Cargo](#), [Nature Vacations](#), [NatureGate](#) and [Nature Landings](#) (as drawings and words) at the USPTO. In 2010 and 2011, moreover, Mr. Khajavi registered the trademark [NatureGroup](#) (as a stylized mark and word) at the USPTO.



Costa Rica from the air: The Nature Air trademark flying high above a volcano (Photo: Nature Air)

Nature Air, moreover, supports its many brands via domain name registrations such as www.natureair.com; [Nature Vacations Costa Rica](#); www.naturegate.com; www.naturekids.org; www.flyaerotica.com; and, www.naturelandings.com. With a comprehensive IP strategy in Costa Rica, the USA, and on the Internet, the company has been able to attract both regional and American customers while protecting its brands and services.

Nature Air, furthermore, retains all copyrights on its publications including those on its corporate website and in its magazine (both platforms represent the company’s main initial points of contact with potential clients). As the

company’s Chief Financial Officer (CFO) said, “Our website is a key channel of sales, and obviously the contents of our website [are] copyrighted.” Indeed, as Nature Air’s IP assets have developed, the company has been able to expand its national and international clientele and develop its commercial activities in the Central American region.

IP Management/ IP Infringement

Nature Air has strategically deployed and vigorously defended its IP portfolio in order to gain a competitive advantage in the industry and to keep its avenues for expansion open. Because the company’s main area of operations is Central America, for instance, Nature Air focused its trademark registration strategy on the Costa Rican and regional markets – including the USA. “We do have European customers,” Nature Air’s spokesperson said “...and we deal with Europe on the [Internet], but [the company] felt that [trademark registrations in] the USA and Costa Rica [would suffice] to protect [its prevailing] area of operations [– Central America].”

The company, moreover, has occasionally had to adjust its IP strategy in order to comply with the IP regulations of its target market. As the company’s CFO explained, “We have a [corporate] name “Nature Air”; [however,] the problem is [that] “nature” is a fairly generic word, and also Costa Rica is famous for tourism and so a lot of companies want to use [the word] “nature”. So we have had to be careful [with our IP strategy] to be able to defend that fairly generic word. I’m not aware that we have any direct threats [to our IP portfolio].” “[As an example,]” the spokesperson continued, “[the company] at one point wanted to register the brand “Nature Group”, which would have encompassed the holding company, but we were not

allowed to [register this trademark in Costa Rica] because that [brand name] was deemed to [be] too generic. So we had to change it to “Nature Air Group”; [...] we had to make that compromise [in order to comply with Costa Rica’s IP laws].”

Due to the good name associated with the company’s brands, Nature Air, furthermore, has had to deal with at least one case of IP infringement. The company, for instance, had to take action when another business usurped the entire contents of NatureVacations.com and passed the domain off as their own. Following a cease and desist letter from Nature Air, however, the other company stopped its infringing actions. As a company spokesperson said, “[...] because of the generic nature of words in our logos [like “Nature Air” and “Nature Vacations”], [it] is essential to [register trademarks in order to] avoid copycat websites or people using [domain names that are similar to or] related to [the company’s brands].” As a consequence of holding a number of trademarks (in more than one jurisdiction) and brands (some of which have been infringed upon), Nature Air closely monitors its IP assets and relies on the services of specialist lawyers to manage the company’s impressive IP portfolio.

Environment

Costa Rica is endowed with a wide variety of flora and fauna that is being conserved not least because of the country’s many national parks and protected areas – including the Corcovado National Park. There are, for instance, over 700 birds and 9,000 plants species in the country. Indeed, Costa Rica only has approximately 0.25% of the world’s land mass but holds 5% of the planet’s biodiversity. In support of the country’s rich ecology, Nature Air has developed a proactive socio-economic and environmentally conscious business model. The airline has also worked closely with the local community and government and with national and international partners such as TIES and RainForest Alliance.

The airline’s NPO subsidiary, Nature Kids, for example, has developed and delivered educational programs and community projects on environmental conservation to over 200 school children and their families in remote Costa Rican communities. By teaching English, computer studies, and ecology in its school in Drake Bay (which borders the Corcovado National Park), for instance, the NPO has been able to develop the capacity of rural families to engage fully with one of the region’s main economic sectors: eco-tourism. Nature Kids has not only provided subsidized, capacity building educational programs; the NPO has also developed recycling activities, workshops and field excursions that have enhanced the community’s appreciation and understanding of the socio-economic potential of the environment.



Drake Bay, Costa Rica, is not only the site of the NatureKids school; it is also a location favored by nature and sea lovers, including surfers (Photo: Nature Air)

Moreover, the airline’s consultancy and subsidiary – NatureGate – has established a conservation fund – the NatureGate Green Fund (NGF) – that has raised funds for sustainable tourism and conservation in the country. Managed by a team of expert fund raisers, NGF has directed the airline’s development and conservation programs based on efficiency and an expectation of return on investment (ROI). In part based on NatureGate’s advice, the airline has been able to improve fuel efficiency by seven percent by optimizing flight schedules and routes, and by improving in-flight procedures and reducing on-board weight and aircraft taxi times on runways. Indeed, these improvements have facilitated the airline’s tourism goals and environmental aims.

Nature Air, furthermore, has calculated the total amount of carbon dioxide released from its annual flights and ground operations (approximately 6,000 tons) and offset it via the country's carbon compensation program. Through FONAFIFO, the company has also compensated private landowners who have trees on their property. The airline, for instance, has donated funds annually to the conservation agency in support of its efforts to preserve important tracts of rainforest land (which had been logged for timber) in the Osa Peninsula – the location of approximately half of the country's indigenous species.

Landowners (including the Corcovado National Park), in turn, have been incentivized not to cut down trees (which hold the equivalent amount in carbon dioxide that Nature Air emits annually via its fuel consumption). Because of this carbon dioxide compensation scheme, in 2004 Nature Air became the world's first carbon neutral airline, said a company spokesperson. Aerotica, meanwhile, has not only provided the airline's fleet of ground vehicles with carbon-free biofuel (in part created from recycled vegetable oil from the homes of Nature Air's employees); the company has also extended its environmentally friendly fueling services to the community by establishing the country's first alternative fuel station.



Mr. Khajavi's Nature Kids foundation has played its part in preparing the next generation of environmentally conscious citizen and customer (Photo: Nature Air)

In addition, the airline has trained its staff members in environmental conservation practices (in collaboration with the RainForest Alliance) via seminars on recycling and energy conservation. These courses have included presentations on installation of energy-saving light bulbs (which has been implemented in 80% of airports used by the company) and establishment of waste management and collection stations (where such refuse is separated and recycled). Other waste management and energy conservation initiatives by the company have included provision of fleets of buses for employees to use (thus preventing the less energy efficient single occupancy car travel between home and work) and promoting paper-free, electronic communication in the airline's offices.

As of 2012, Nature Air was in the process of developing vacation packages in collaboration with

INbio (an organization with expertise on biodiversity management including within the airline's destinations) in order to raise funds for the government department's Bird Observatories and educational programs. Leading by example, the airline has developed a successful strategy of expansion, education, and conservation in collaboration with local, national and international partners. As Mr. Khajavi said, "[Nature Air's] efforts are aimed at raising the standard of living in the destinations [that the company flies to], while offering exceptional experience to [its] passengers". At the same time, the company is sustaining the environment.

Business Results

Since Mr. Khajavi began managing Nature Air, the company has grown steadily, effected positive change in the eco-tourism industry, improved the local community, and helped to conserve the environment in Costa Rica. In the process, the airline has become an award winner. For instance, RainForest Alliance, for the first time in its history, awarded an airline – Nature Air – the Sustainable Innovator Award (in the Corporate Sustainable Standard-Setter Category, 2009). In the same year, the airline won the Geotourism Challenge awarded by the National Geographic Society and the Tourism for Tomorrow Conservation Award by the World Tourism & Travel Council. Moreover, in recognition of its educational programs, the airline won the

first prize (in the airlines category) of the World Savers Awards (2010) by Conde Nast Traveler – a well-known publication of the tourism industry that is based in the USA. The winner of this category was chosen for being “creative in protecting, conserving and supporting natural environments and local communities.”

As of 2012, Nature Air had protected over 300 hectares of forest by purchasing carbon credits via FONAFIFO. The airline, in addition, had a fleet of six aircraft, 26 pilots, and 140,000 yearly passengers. The company, furthermore, had revenues of approximately US\$15 million and its subsidiary – Nature Kids (which was consolidated in the school in Drake Bay, as of 2012) – had taught over 500 children since its foundation.

Birds of a Feather

Through the turbulent winds of fortune, Mr. Khajavi managed to pilot an SME back onto a steady stream of sound business, community development, and environmental conservation. By skillfully expanding the company’s assets, robustly protecting them via the IP system, and working with key partners, the entrepreneur has managed to attract an international clientele. Nature Air has showed that IP, business, local communities and the environment can fly together via a well planned expansion strategy.

► Sources, references and related links ↓

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