

Value Extraction by Strategic Use of Intellectual Property Rights (IPRs) in the Branding and Marketing of Agribusiness Products: Role of Trademarks, Certification Marks, Collective Marks and Geographical Indications

By

Getachew Mengistie

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Introduction

- Trade marks, Certification and Collective Marks and GI are elements of intellectual property
- TMs, IDs and GIs are commonly used as by companies in the developed countries and the newly industrialized countries to:
 - ✓ protect IP Assets
 - ✓ market products and service
 - ✓ Improve competitive position, and
 - ✓ Maximize gain
- Low income DCs and LDCs have assets but not protect and exploit them using the IP tools.
 - ✓ Little or no benefit
 - ✓ Misappropriation of IP Assets.



Introduction

- Presentation attempts to:
 - ✓ give an idea of the IP tools
 - ✓ indicate the value of IP assets
 - ✓ share some of the positive developments in DCs and LDCs taking examples


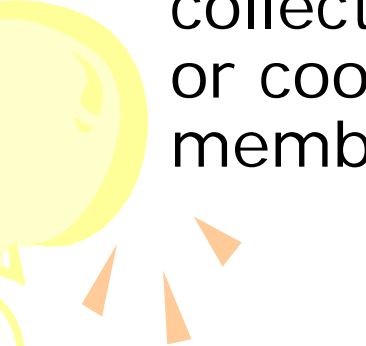


What is a trade mark?

- Is any visible sign capable of distinguishing goods or services of one person from those of other persons; it may include words, designs, letters, numerals, colors or the shape of goods or their packaging or combinations thereof;
- Example Coca Cola



What are Certification & Collective Marks?

- Certification marks- is a sign used to denote the origin of the product that meets set standards and specifications. Certification marks are similar to collective marks except that users of certification marks should not necessarily be members of the organization that owns the mark. Example- "Wool Mark"
 - Collective Marks-a sign which distinguish the origin of a product, method of production and distinctive characteristics of goods or services. A collective mark may be owned by an institution or cooperative or a public entity and used by members of the organization. Example- "AAA"
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What is GI?

- **Article 22 of TRIPS defines GI as**
- ***“ indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin”*** Under this definition GIs:
 - **Are indications which identify a good but not a service,**
 - **Are not restricted to geographical names but may include other signs of geographical significance and non political geographical areas like the *pyramids of Egypt, the Rock of Gibraltar, or the Eiffel Tower.***
- **GI-can not be created but recognized-confirms the value of a product which already exists**



Role of the IP Tools

- TMs, CMs, CMs and GIs help to :
 - ✓ distinguish a product from similar products
 - ✓ capture and further build good will and reputation
 - ✓ tell stories to consumers and develop their understanding and association of the brands and designs with products
 - ✓ ensure comprehensive and uniform use on all products offered to the international market
 - ✓ Increase marketability and commercial value of a product
 - ✓ Enhance earnings etc.,
- TMs, CMs, CMs and GIs have immense economic value- example share of IVs



Example of successful brands- Coca-cola

- Is a protected Brand
- has a strong brand identity in the global market
- is the world most valuable brand
- ranked first from top ten global brands
- Has a brand value of 43.14 billion US dollars-
double to that of Pepsi
- Extend to various flavor variations-diet coke. Cherry
coke, Vanilla coke, Coke Zero





(Source Brand Finance 2007 Report)





Encouraging developments in Use of the IP tools in Agr. Products in DCs and LDCs

- Example of use of the use of the tools in tea- India
 - Example of the Use of branding of coffee in LDCS
the experience of:
 - ✓ Ethiopia
 - ✓ Rwanda
 - Ongoing efforts in LDCs- Nepal, Uganda, Tanzania, Mozambique etc.;
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Use of IP tools to protect Darjeeling tea of India

- Darjeeling tea-cultivated in 87 designated locations in the Darjeeling Region
 - 52,000 permanent and 15,000 seasonal
 - Darjeeling word/word and logo Protected using different tools:
 - ✓ Certification mark in UK 1998, USA 2002 and Australia 2004
 - ✓ Trade mark- Russia 2002
 - ✓ Collective Mark-Japan 2004, Germany 2004
 - ✓ GI- India 2003
 - Helped to prevent misappropriation-successfully prevented the registration of “Darjeeling Nouveau” in USA
 - Improved marketing position and income etc.
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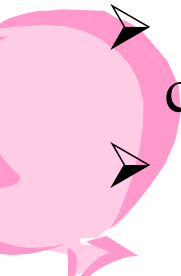



Experience of Ethiopia

- Ethiopia produces some of the finest coffee in the world but gained very little. There was also a problem of mis-appropriation
- Filed trade mark applications in 36 countries and secured protection in 30 Countries.
- Negotiated license agreements with 96 foreign coffee companies and 50 local coffee exporting companies and coffee producers unions.
 - ✓ License agreements are royalty free
 - ✓ Licensees have duty to:
 - ❖ use the brands when selling the fine coffees as a single origin coffee
 - ❖ Promote the brands and the fine coffees
- Developed umbrella and individual brands, issued brand guidelines



Ethiopian Experience Continued

- Strategy helped to:
 - differentiate the Ethiopian fine coffees from the coffee of other countries
 - build confidence and Improve bargaining position of coffee producers and exporters
 - Enhance the demand of the Fine Coffees
 - Increased the price of coffee and income of coffee producers, which resulted in a positive improvement in the living standard of farmers
 - Contributed to an increase in export earning – ex. 2007-2008
 - Increased recognition of the value and importance of protecting and exploiting IP assets
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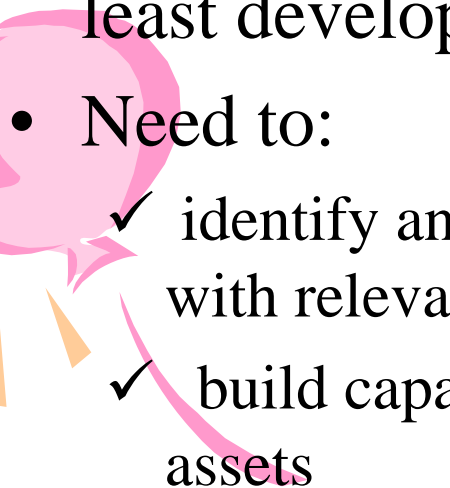
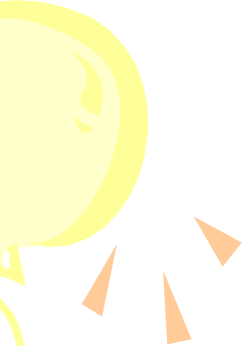


Experience of Rwanda

- Launched a program to connect farmers to retail coffee market
- Aim to develop a brand, which will be owned by farmers and will help them have 100% of the gross brand margin
- Establishment of trust fund where companies will return 16% of profit to the farmers via the Trust Fund.
- Program is supported by Clinton Hunter Foundation Development Initiative

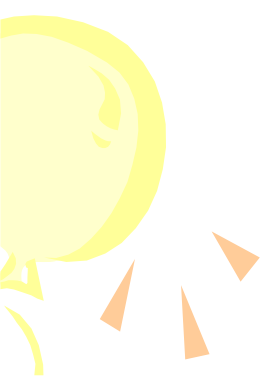


Conclusion

- TMs, CMs, CMS and GIs will help to create wealth and improve competitive position of businesses in least developed countries
 - Need to:
 - ✓ identify and use appropriate IP tool and complement it with relevant business and marketing strategies
 - ✓ build capacity to identify, protect, manage and exploit IP assets
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Thank you very much for your
attention!!





Contact Address

Getachew Mengistie

IP Law Consultant & Attorney

P.O.Box 4706

Addis Ababa, Ethiopia

Tel-251-11-6183571 (office)

Fax 251-11-6183563

E-mail-getachewal@gmail.com