

Session 2.1: Integrating intellectual property tools in OLPs business strategy

Overview

In this session participants will be provided with information on the various **intellectual property (IP) tools which can be used by producer groups to protect, brand and market their origin-linked products (OLPs)**.

First a recap will be made of the importance and benefits to integrating IP tools in a business strategy for OLPs. The following sessions will address the legal framework available to producer groups to allow them to leverage the advantage of the OLP on the market. The session will examine how producers can use the framework of individual trade marks, collective and certification marks and Geographical Indications (GIs) in their business strategy.

Several case examples will be used to reinforce the concepts being taught. In addition, learning exercises will be used throughout the session to allow participants to apply the knowledge transferred during each section.

Session learning objectives

This session has as its key objectives:

- To provide participants with an understanding of the **different types of IP tools available to protect OLPs**
- To demonstrate **the importance of such tools** in developing an overall business strategy for the branding and marketing of OLPs
- To examine the **pros and cons of each tool** presented

Session learning outcomes

By the end of the session participants will be able to:

- Distinguish among the different types of **IP tools which can be used** in an OLP business strategy
- Apply the knowledge gained to **choose an appropriate IP tool(s) for their OLP** and be able to explain why such a strategy is appropriate for their unique situation

Part 1: Recap of the importance of intellectual property tools for OLP business strategy

Key considerations for **developing an OLP strategy?**

- As we learnt in the previous chapters, there must be a product, or products, with strong links to the geographical origin of production such as know-how, quality specificities and reputation

- There must also be a group of producers willing to work together to develop and implement the business strategy
- There must also be available in the legal framework, some intellectual property (IP) tools which producers can use as part of an OLP strategy to protect, brand and promote their product to consumers and exporters. These tools can include individual, collective and certification trade marks, Geographical Indications (GIs) as well as unfair competition laws and administrative systems such as labelling.

Part 2: Integrating intellectual property tools in OLP strategies

Producers may wish to integrate IP tools in the overall business strategy for their OLP for several reasons. There is the matter of **economies of scale**, where small producers of an OLP can come together and **collectively market their product** under agreed-to product specifications and control system; use a collective branding and promotion strategy and communicate the value of their product to obtain consumer recognition and loyalty.

Intellectual property tools for **collective action**

Individual trade marks are used by an individual business in the market to distinguish their goods and services from other businesses operating in the market. The use of collective signs, such as collective and certification marks and GIs, allow for a group of small producers to benefit from joint marketing and communication about the reputation and qualities of their OLP.

Collective signs

Collective signs can be used by OLP producers to **identify the collective entity and the product in the market**; to strategically brand their products to capture market shares and to communicate to consumers the value of the product and to gain consumer trust. The type of distinctive sign used by OLP producers in association with their product will be defined by the type of IP tool they use. Likewise, the type of IP tool used will define the quality control management system developed for the OLP.

Learning exercise

Question 1: Why it is important for producers of origin-linked products to work collectively in developing and implementing a strategy for their product?

Answer: Working collectively, SMEs and small producers can benefit from **economies of scale** when branding and marketing their products. They may also benefit from **brand name recognition**.



Question 2: Why would producers be interested in using collective signs for the protection and promotion of origin-linked products?

Answer: Collective signs allow for **joint marketing** and for **communicating about the origin, reputation and quality of the products**.

Part 3: IP tools - Individual trade marks

Trade marks

As discussed previously, **origin-linked products can be protected by trade mark law**. In practice, registration of a word mark with a geographical name may be difficult to secure and sometimes not accepted under some legal frameworks. The following will elaborate further on the different types of tools which can be used under a trade mark system. Please, bear in mind that the detailed requirements of registration and scope of protection might differ across jurisdictions.

Individual trade marks

Individual trade marks are **often used by single producers to distinguish their products from those of other producers trading the same product** in the market. Individual trade marks are often used in combination with other collective IP tools such as GIs or collective/certification marks. For example, Montserrat Hills Trinidad and Tobago is a protected PGI owned by the Montserrat Cocoa Farmers Co-operative Society Limited. Branded chocolate products on the market bears both the trade mark of the Cooperative and the “Montserrat Hills” PGI logo.

Part 4: IP tools - Collective trade marks

Collective marks are a form of trade mark owned by a collective. **The members of the collective**, which can be for example an association or cooperative, can use the collective mark to **distinguish their goods or services from those of non-members**. The collective mark can also be used to indicate membership of the group. Collective marks are typically registered in the trade mark registry, following the trade mark registration processes. The actual owners of a collective mark do not use the mark themselves for commercial purposes, but rather, to advertise and promote the product and services of its members who sell and promote the product under the collective seal.

Only authorised persons can use the collective mark. There are usually established criteria for membership and use of the collective mark including, when dealing with OLPs, particular features and qualities of the product as well as use of the graphic character of the logo. **Terms of use are defined by the collective body** and are linked to membership. Use of the logo which identifies membership can be through application or automatic right of use. Members must however comply with the control methods elaborated to use the collective mark and there can be sanctions against non-compliance. Other than with individual trade marks, licenses are generally not used.



Producers can strategically use collective marks to fit their business strategy for the OLP and in cases where there is no regulatory framework for Geographical Indications. An

example of how a collective mark has been successfully used in lieu of a Geographical Indication is the case of La Chamba Tolima pottery from Colombia. The rules of use of the collective mark embodies key characteristics of the pottery production process including the use of traditional know-how which has been transferred from generation to generation, and the mode of production by hand using simple tools. Producers of this pottery were able to come together to form an association to develop a system for managing production of the pottery including sustainable sourcing of raw materials from the mines, improving product design and new product development, and collective marketing linked to the certification “Hecho a mano”, which refers to handmade products. The producer group has registered this as a collective trade mark (combining words and figures).

Another example of a collective mark used by a producer group to promote the specific quality of a product, is that of ‘Turkey, The Perfect Protein’, which has been implemented by the National Turkey Federation of the United States. In this case, the association uses the mark to promote the interest of its members while the members use the trade mark on their product to distinguish this product and its qualities from those of non-members.

Main difference between collective trade marks and certification marks

The main difference is that collective trade marks may be used by particular members of the organisation which owns them, while certification marks may be used by anybody who complies with the standards defined by the owner of the particular certification mark.

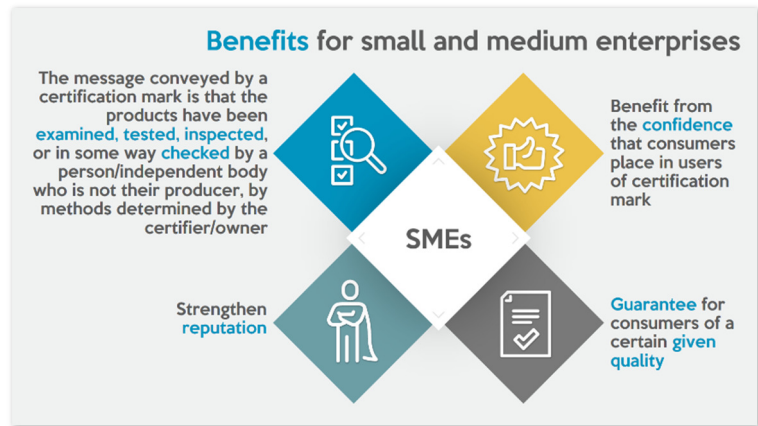
Constraints to using collective marks

The opportunity to use collective marks in an OLP business strategy may not always be possible as not all countries have a legal framework and therefore do not recognise collective marks. In those countries that have legal tools to protect collective marks, requirements can differ. Some countries (e.g. China) require filing a list of members of the collective while others (e.g. Vietnam and France) require filing the governing rules of the collective. Producers may find the time procedure for filing for IP protection using the collective trade mark system can be costly in terms of registration fees and renewal fees which must be paid every 10 years.

Part 5: IP tools - Certification trade marks

Certification trade marks are a form of trade mark **used to identify goods or services that meet certain standards or specifications** which can include quality, place of origin, raw materials, mode of producing the goods, or performance of services and other specified properties. The owner of a certification mark usually is an independent enterprise, institution, governmental entity, or certification body, which is competent to certify compliance with the concerned products.

The owners of the certification mark will elaborate specific standards associated with a product or service and they exercise control over the use of the mark and ensure that those using the certification mark are compliant with the standards associated with the mark. In this regard, others may use the certification trade mark but not by the owner of the mark. Unlike the case of collective marks, there is no compulsory membership.



To be effective, the certification mark must have elaborated regulations of use detailing with the characteristics of the product, the conditions of use, the controls mechanisms associated with use and proceedings to deal with unauthorised use and non-conformity. Users of the certification mark can do so under license, payment of a fee and by meeting the standards associated with the mark.

The use of certification marks by producers in their OLP business strategy will depend on the IP legal framework of the jurisdiction they are operating within. Some countries may not have any legal provision for certification marks (e.g. Japan and Cambodia) while others may include certification marks, under the umbrella of collective trade marks.

Unlike with collective marks and individual trade marks, **the certification mark must have some standard or product specifications associated** with it.

- The certification organisation, or certification body, must **establish operating rules and regulations** identifying what is being **certified under the certification mark** and the required standards and conditions for a third party to use the mark
- These rules and regulations must accompany the application for the certification trade mark

There are many benefits small producers and SMEs can derive from using certification marks as part of the business strategy to brand and promote their OLP.

- The message conveyed by the certification trade mark is that the product has been examined, tested, inspected or in some way checked by an independent body who is not the producer and by methods determined, by the certifier or the owner. This adds a level of transparency and authenticity to the process of production and marketing which can engender consumer trust
- It can also strengthen the reputation of the product and provide a guarantee for consumers of a certain quality associated with the product and its production process.

Examples of Certification Marks

1. Handloom Mark: This represents a certification mark used for genuine handwoven fabric products originating from India.

2. A certification mark used for batik in Indonesia which is a specific fabric in Indonesia. Both certification marks provide some guarantees on the product and production process such as the product is handmade; certain ecological and social requirements have been considered in production practices, and that children have not been employed in production or processing of the fabric. The certification mark, in this case, also provides some information on the origin of the geographical area of the production and that the products are handmade of 100% recyclable materials.

Learning exercise

Question 1: Should the conditions of use for collective or certification trade marks be defined during the application process?

Answer 1: The answer is yes. **Both collective or certification trade marks** require the definition of rule of use and/or product specifications to be defined.



Question 2: Shall collective or certification trade marks users be members of the trade mark's owner association?

Answer 2: Yes, for collective trade marks. No for certification trade marks.

Part 6: IP tools - Geographical Indications

Geographical Indications are IP tools which can be used by producers of OLPs in their business model. **GIs are linked with the protection of a name, that identifies a specific product originating from a specific geographical area.** Any producer within the delimited geographical area who can comply with the product specifications and controls can use the GI designation on their product and be recognised as a legitimate producer.

Geographical Indications contain geographical names, for example, Roquefort, Montserrat Hills, Bordeaux, Valdesia which are used by producers of OLPs situated in such area to identify their products as having special qualities due to some unique characteristics of their area of production.

Because of their long tradition and repute, some GI names have become to be considered generic in some countries. A good example is that of Feta cheese, which is recognised in the EU (and in several other countries via bilateral agreements) as a protected Designation of Origin for a cheese produced in Greece. However, in some countries such as the United States and Australia, the name Feta is not regarded as a protected GI name. In these countries it is considered a generic name which is descriptive of a certain type of cheese and therefore not protected as a GI.

Another example is Camembert, which is considered a generic name. There however is a GI recognised in the EU and originating in France, which is called Camembert de Normandie. The entire name 'Camembert de Normandie' is protected, but the name Camembert by itself is not.



These two examples of Feta and Camembert illustrate why you can find a lot of products in the world bearing the names of a GI but the producers of which are not part of the “original” GI protection and management scheme.

Registration of a Geographical Indication allows for the protection of producers and consumers, the preservation of national local and economic heritage, the terroir/territory and the know-how and the OLP. **The inherent value of a Geographical Indication results from the exclusive link between the name, the product and the geographical origin.**

Protection of Geographical Indications

Geographical Indications are protected through a provision of law which, depending on the jurisdiction, may be a Decree, an Act, a Bill etc. and is distinct from trade mark law.

The EU and most CARIFORUM states, as well as many African and Asian countries, do have specific GI laws (sui-generis). The detailed provisions may differ, but generally certain criteria must be met **for a product to be considered for protection as a GI:**

- There must be a **link with the terroir/territory** and some natural human factors that will give the products, some specific quality or characteristic.
- **Product specifications must be elaborated** for the product. This will include a description of the product, the definition of the geographical area, the description of the process of production and a description of the link between the product and the geographical area.
- Producers must also have a **control system in place** identifying control points and methods of ensuring conformity to these controls.

Part 7: IP tools - Geographical Indications and trade marks

Existence of a previous trade mark: In some cases, previous trade marks that have been registered in good faith can prove a challenge to the recognition of a Geographical Indication identical to the pre-existing trade mark. In the case when the Geographical Indication is protected, a later (posterior) trade mark cannot be registered. In some cases, however, because of the reputation of the trade mark and because the trade mark has been registered in good faith, there can be a principle of coexistence between the trade mark and the Geographical Indication. Such potential conflicts are solved on a case-by-case basis.

In addition, in most cases GIs will not be used on their own, but in combination with trade marks. By doing so, producers obtain a two-layer protection: one in their capacity of producers as such (and with their registered individual trade mark), and one for producing a certain good within a

certain demarcated geographical area (the Geographical Indication). In addition to the two-tiered protection, such combined use will provide consumers better information regarding both commercial and geographical origin of the good.

An example is provided of the GI 'Kopi Arabica Gayo', which is a coffee Kopi produced in Indonesia and which bears a distinctive trade mark to be identified in the market as a Geographical Indication.

Trade marks and GIs can therefore coexist in the market because the images depicting the GI can be protected trade mark. Additionally, collective trade marks can be a viable solution for small associations of producers especially if the producer group does not have the means to implement an effective branding and marketing campaign.

Learning exercise

Scenario 1: The case of Bahamas tea

There is a single applicant wanting to file for IP protection. The product is produced in Bahamas and elsewhere and there is no specific taste associated with the product neither is there a link between the area and the product. There are also no specifications and controls developed for the product.

Question: What type of intellectual property tool can be best suited to promote the product?

Answer: There is only a single enterprise concerned with obtaining IP protection. There is no specific characteristic, no link between the area and the product. In this case protection as a GI, collective or certification mark seems not appropriate. An individual trade mark could be applied for, provided that the sign fulfils the requirements for trade mark protection.



Scenario 2: The case of Kampot Cider

In this scenario, the applicant is the association of Kampot cider producers. There exist well defined regulations of use and definition of common characteristics (specifications). The Cider is produced in the Kampot region. There is a specific taste associated with the product but not necessarily linked to the geographical area. Some terms of use have been defined and some controls provided by an external control body, including sanctions in case of non-compliance with specifications and controls.

Question: What kind of intellectual property tool can be chosen to promote this product?

Answer: In this case, there is a specific product with distinctive characteristics, a collective dimension of the value chain; definition of the conditions of use and also a mechanism for external control is provided. The links to the geographical area of production are weak or non-existent. In this case a collective trade mark owned by the



Association seems the best way forward, there is also scope to use a certification trade mark, but the owner of the certification mark should be clearly defined.

Scenario 3: Montserrat Hills Cocoa from Trinidad and Tobago

The applicant is Montserrat Cocoa Farmers' Co-operative Society Limited. There are regulations of use in place as well as specifications for the product. The cocoa is produced in Montserrat region of Trinidad and there is a specific taste and other unique characteristics due to the geographical origin of the product. There are controls provided by an external body and also sanctions in case of non-conformity.

Question: What kind of intellectual property tool can be used to promote this product?

Answer: There is a collective dimension of the value chain and a geographical name of the product. There is a specific product with a strong link between the product and the delimited geographical area. Additionally, the specifications and controls have been defined. There is also external controls and sanctions. In this case, a **Collective trade mark** owned by the association is possible. **GI protection** is also possible as the link between the product and its geographical area gives specific characteristics to the product.

