Capturing intangible values of coffee-the Ethiopian Fine Coffee designations trade marking & licensing initiative

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1. Introduction

A) what are intangible values/IP assets?
B) How are intangible values/IP Assets captured?
B) Recognition, protection & exploitation of IP assets
   ➢ Advanced Vs developing countries
   ➢ Need for choice of appropriate IP & Business tools
C) highlight the experience of Ethiopia in capturing the intangible value of the fine coffee-the Ethiopian Fine Coffee designations trade marking & licensing initiative
II. Grounds for the initiative

a) Ethiopian coffee is specialty/ fine coffee
   - Distinct flavor and aroma
   - Can be distinguished from coffee of other countries
   - Distinct feature attributed to hard work of generations of farmers

b) Little benefit from the Specialty coffee
   - High retail price-example 2004-Harar $24/lb, 2005 Sidamo-$26/lb
   - Only 5-10 percent comes to Ethiopia
   - Fluctuation of price of coffee

c) Impacts of low price of coffee
   - unable to meet basic needs, school, health etc
   - Cutting down coffee trees and planting chat

d) Cases of misappropriation or attempt to misappropriate coffee names

III. Objectives of the Initiative

a) Ensure Ethiopia’s ownership of coffee brands
b) Increasing & Securing Income of Poor farmers & Exporters
   - Delink from commodity coffee
   - Ensure stability of income
   - Strategically positioning in the growing Specialty Coffee market

c) Create & Strengthen partnership with Foreign Coffee Importing, roasting & distributing Companies

d) Building Trade marking & Licensing Management Capacity
III. Choice of Appropriate IP & Business tools

a) Comprehensive study made on the relevant IP tools, merits & demerits of:
   i. Geographical indications
   ii. Certification marks
   iii. Trade marks

b) Extensive consultations made in and outside of Ethiopia

c) Decisions made by the stake holders to:
   i. Trade mark three of the fine coffee designations-
   ii. Offer royalty free license

d) Reasons behind the decision

IV. Trade marking of coffee brands

- Applications filed
  - 34 countries: Australia, Brazil, Canada, China, European Union, India, Japan, Saudi Arabia, South Africa and USA

- Certificates obtained
  - Canada: Sidamo, yirgacheffe, Harar
  - European Union: yirgacheffe, Harar
  - Japan: Sidamo, Yirgacheffe
  - U.S.A: Yirgacheffe, Sidamo

- Problems encountered and Measures taken
  - European Union
  - USA
  - Japan etc.,
V. Licensing of Coffee Brands/TMs

A) Objectives of Licensing

- Facilitate the use of Ethiopian brands
- Capture the reputation & good will of fine coffee around the brands
- Establish & strengthening partnership with the coffee importers, retailers & distributors
- Cater to the interests of the key actors etc.,
- Promote the Ethiopian fine coffees

B) Strategies Adopted

- Offering royalty free License agreement
- Obligations of licensee to use brand and educate consumers
- Establishment of network of Licensed distributors
- Establishment of a Joint forum where stakeholders and network partners exchange relevant information and work for mutual benefits
- Increasing awareness of the initiative ex. Creation of web site of the Initiative www.ethiopiancoffeenetwork.com

V. Licensing contd.

a) Seventy coffee importers, roasters and distributors in North America, Europe, Asia & Africa signed the agreement

b) Forty seven Ethiopian exporters & three coffee producers unions signed the agreement

c) Participation in Exhibitions & Conference- EAFCA, SCAA, SCAE

d) Active Communication with a number of Companies

e) Establishment of Institutional framework

f) Building & Strengthening Licensing Capacity
VI. Major Challenges

- Raising awareness at all levels within & outside Ethiopia
- Building Capacity in ensuring quality of fine coffees, trademark & Licensing management, brand promotion and marketing
- Linkage and Coordination of different interest groups & Stakeholders
- Monitoring impact, problems & progress especially at farmers level

VII. Planned Activities

- Expand trade marking & Licensing activities
  - Seek protection to the three coffee brands in additional six countries
  - Select two coffee brands and one umbrella logo/symbol and protect them in 40 countries
  - Expand Present network of licensed distributors-achieve 150-200 Licensees
- Develop and implement Target oriented outreach campaign in Ethiopia-sensitize farmers & exporters
- Develop clear goals, targets & strategies for implementation
- Develop and implement packaging & licensing guidelines
- Strengthen and reorganize Stakeholders committee
- Strengthen local capacity in trade marking & licensing management, Promotion and marketing
- Monitor impacts and trends
VIII. Conclusion & Recommendation

- Results obtained evidence the correctness of Ethiopia’s approach & benefits began to be seen

- Need to:
  a) Strengthen institutional framework
  b) Build capacity
  c) raise awareness at all levels of the coffee Marketing chain in Ethiopia
  d) Setup monitoring & follow up mechanism and assess impact of the initiative

- Lessons learned will be used in capturing the intangible values incorporated in other products, protecting & strategically exploiting IP assets based on a case by case study & employing different IP & business tools

Thank You Very Much