



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

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## I. 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

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## 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

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## 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

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### 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**

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### 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.,

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## 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.ethiopiancofeenetwork.com](http://www.ethiopiancofeenetwork.com)

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## 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

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## VI. Major Challenges

- Raising awareness at all levels with in & 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

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## 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

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## 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

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