



African Regional Intellectual Property Organization

Significance of Trademarks, Industrial Designs, Utility Models and GIs for Commerce and Development

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Making better use of Intellectual Property for business competitiveness and development in Africa

STRATEGIES TO EXPLOIT AFRICAN PRODUCTS

- **Strategy 1:** Increase production and export of commodities

Result: oversupply and reduction of prices of commodities

- **Strategy 2:** Establishing new processing and manufacturing plants to boost industrialization of Africa and value addition to African products

Result: Africa industrialization was not achieved

African processed products are not competitive



STRATEGIES TO EXPLOIT AFRICAN PRODUCTS

Africa industrialization - ✓

Value addition through processing - ✓

....

But must be complemented...



VALUE ADDITION THROUGH...



...Packaging



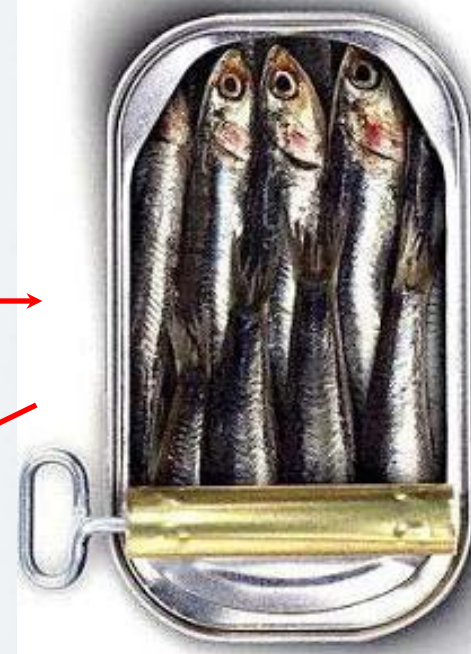
...Assembling



...Grinding

Not yet sufficient to valorise African products!





Brand them!



BRANDING!

- Don't sell cocoa...sell (**branded**) chocolates!



- Branded vanilla Branded Coffee Branded honey



PROTECTION THROUGH INTELLECTUAL PROPERTY



TRADEMARKS

A **word** (or words), a **design**, or a combination

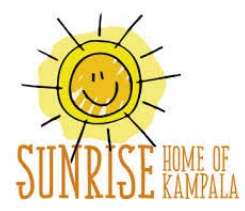
of these used to **distinguish** the **goods and services** of one person or organization from those of others in the marketplace

Protection of trademark is secured by registration because:

- provides proof of ownership
- allows to flag infringement under the Trademarks Act
- prevents others from adopting a similar trade-mark
- allows licensing of the products and services



Uganda Brands



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IP IS NOT PROPERLY VALUED

Companies are not:

- **Identifying properly all of their intellectual property**
- **fully recognizing the value of their intellectual property**
- **legally protecting the intellectual property that needs protecting**
- **using their intellectual property as part of their overall plan for success**












VALUE YOUR BRANDS!

- Value of Brands is a key determinant of enterprise value and stock market capitalization
- Financial markets reward consistently focused brand strategies
- **Brand management a vital ingredient for success in corporate strategy!**



VALUE OF THE GLOBAL BRANDS

BRAND	VALUE (billions USD)
	119
	107
	82
	72
	61
	45,48
	45,46
 TOYOTA	42,3
	42,2



VALUE OF UGANDA BRANDS



WHAT CAN BE DONE WITH A BRAND?

- **Exploit directly the brand (produce and stick the brand)**
- **Licence it to third parties against payment royalties**
- **Franchising**
- **Merchandising**
- **...**



Franchising

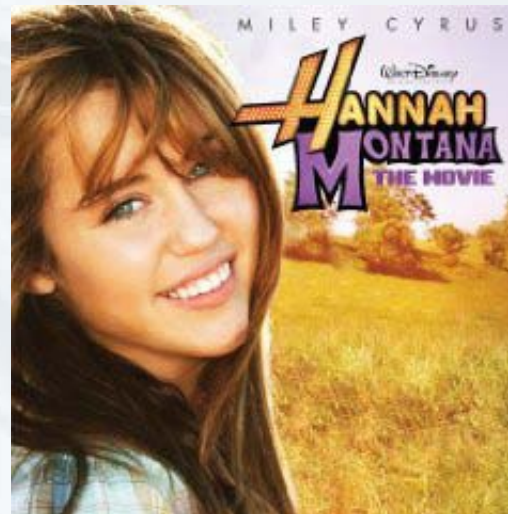


MERCHANDISING

Character merchandising



Personality Merchandising



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PRODUCTS v IP



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GEOGRAPHICAL INDICATIONS

Designation used on goods that have a specific geographical origin and possess qualities or a reputation that are due to that location.

Geographical Indications:

- **consists of the name of the place of origin of the goods**
- **link a product to a particular region**
- **indicate qualities, attributes, reputation associated with geographic origin**
- **suggest connection to region's inherent characteristics (e.g., soil, climate, *terrior*)**
- **may also imply production skills/processes associated with region**



GEOGRAPHICAL INDICATIONS



India



Italy



India



France



Portugal



USA



Mexico



ECONOMIC SIGNIFICANCE OF GIS

- GIs are powerful marketing tool
- Reputation for quality associated with geographical name are used on labels and advertising
- GI products are believed to command higher prices
- Parmigiano Reggiano – sells 7 to 10% more than any other cheese
- Italian Olive oil price is 20% higher than oils without GI
- In France, average price of a product with GI is 30% higher than a product without GI
- Tequila – 0,3\$ (1995), 15\$ (2002) - 5000% growth
- Use of GIs allowed 30% increase in cheese prices and 230% in wine Prices
- Consumers are prepared to pay 10% more for GIs
- Enhances earnings of small producers & local community & facilitates rural development by preventing migration, improving image
- Provides incentive to preserve, use and develop TK and protect biodiversity etc.



ECONOMIC SIGNIFICANCE OF GIS – EUROPEAN UNION

GIs registered in EU as of 2012:

- 1065 agricultural and foodstuff
- Fruit, vegetables and cereals (30%)
- Cheeses (20%)
- Meat and meat products (12.5% each)
- Oils, mostly olive oils (10%)
- 1561 wines
- 325 spirits
- More than 80% from 6 member states: Italy, France, Spain, Greece, Portugal and Germany
- Exports of GI products in 2010: €11.5 billion (15% of all extra-EU exports of food and beverages)
- Wine (50%), spirits 40%, agricultural and food (9%)



POTENTIAL USE OF GIs IN AFRICA

- Africa is the major geographical source of many products eligible for GIs: cloves, vanilla, coffee, tea, honey, cacao, rice, bananas, pineapple, coconuts, mango, papaya, tapioca, spices, cut flowers, alcoholic and nonalcoholic local drinks...
- However, protection of GIs has been **seldom applied** to the extent available in many of those countries.
- As a result of that the economic benefits possibly gained on **this basis have not been realized**, or at least not to the appropriate extent.



AFRICAN REGISTERED GIs

Developing countries and especially African countries are increasingly showing interest in gaining market access for their products by using geographical indications

BUT...only 3 GIs registered in Africa



Penja pepper (Cameroun)

Oku Honney (Cameroun)



Ziama-Macenta Coffee (Guinea)



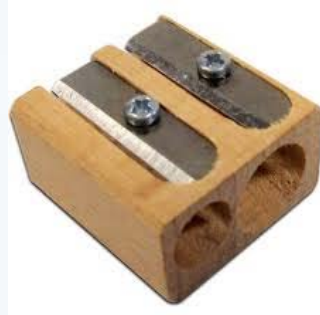
INDUSTRIAL DESIGNS

The visual features of **shape, configuration, pattern or ornament** (or any combination of these features) applied to a finished article **made by hand, tool or machine.**

Designs makes a product attractive and appealing; hence, they add to the commercial value of a product and increase its marketability.



INDUSTRIAL DESIGNS



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CONCLUSIONS

- There are potential products and services that can be branded as trademarks, GIs and Industrial Designs in Africa – Need for identification and promotion
- These IPRs can be used as marketing tools to promote key economic sectors such as tourism, the agro food industry, handicraft, cultural industries, etc.
- Use of these IPRs can encourage the producers to invest in maintaining and improving product quality
- Consumers tend to be attracted by the products that are branded and certified, hence use of these IPRs as a guarantee of quality





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