



PACIFIC ISLANDS FORUM SECRETARIAT

*Excelling Together for the People of the Pacific*



PACIFIC ISLANDS FORUM

*40th Anniversary* 1971-2011



# Intellectual property and the commercialization of traditional knowledge and traditional cultural expressions

PRACTICAL WORKSHOP ON INTELLECTUAL PROPERTY, TRADITIONAL KNOWLEDGE, TRADITIONAL CULTURAL  
EXPRESSIONS AND GENETIC RESOURCES

APIA, SAMOA

8-10 DECEMBER, 2015

# Overview

- ❑ Traditional Knowledge
- ❑ What can be commercialized?
- ❑ Why Commercialization?
- ❑ Commercialization
  - ❑ process of commercialization
- ❑ Benefit sharing:
- ❑ What needs to be done?

# IP visa vis TK and TCEs

- Pacific - Ownership of TK and TCE not based on individual rights but on system of collective rights managed on a custodial basis according to customary laws.
- IPR laws offer limited support for community knowledge and innovations and generally inappropriate:
  - they seek to privatise ownership;
  - they are destined to help individual and corporation rather than communities;
  - they are expensive to apply for and to maintain; and,
  - they give a restrictive interpretation of the invention.

# Traditional Knowledge

- ❑ Traditional Knowledge generally resides in the books and also in people's mind
- ❑ Traditional Skills and innovations
- ❑ Traditional practices
- ❑ In certain cases valuable knowledge is present in remote areas without being utilized

## What is Traditional Knowledge?

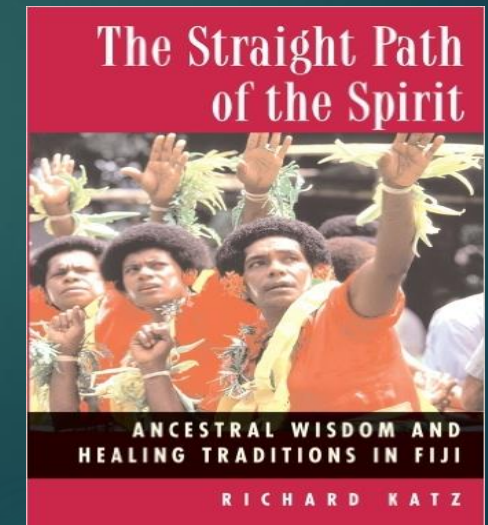
- ❑ know how, skills, innovations or practices;
- ❑ that are passed between generations;
- ❑ in a traditional context; and
- ❑ that form part of the traditional lifestyle of indigenous and local communities who act as their guardian or custodian.

# 'Magimagi'



# What can be commercialized?

- ❑ Practices
- ❑ Knowledge (e.g. may in the form of books)
- ❑ Treatment practices
- ❑ Products
  - Prepared by Practitioners
  - Prepared by Industry



# Why Commercialization?

- ❑ To make Traditional Knowledge & its benefits available to large section of the society
- ❑ To convert “tacit” knowledge to “explicit” knowledge
- ❑ To be a global player

# Commercialization

Commercialization to be effective we need to understand

- Consumer angle
  - needs and demands
- Steps involved in product development
- How to compete globally
  - Wedding of new technologies with traditional systems/processes



# Commercialization

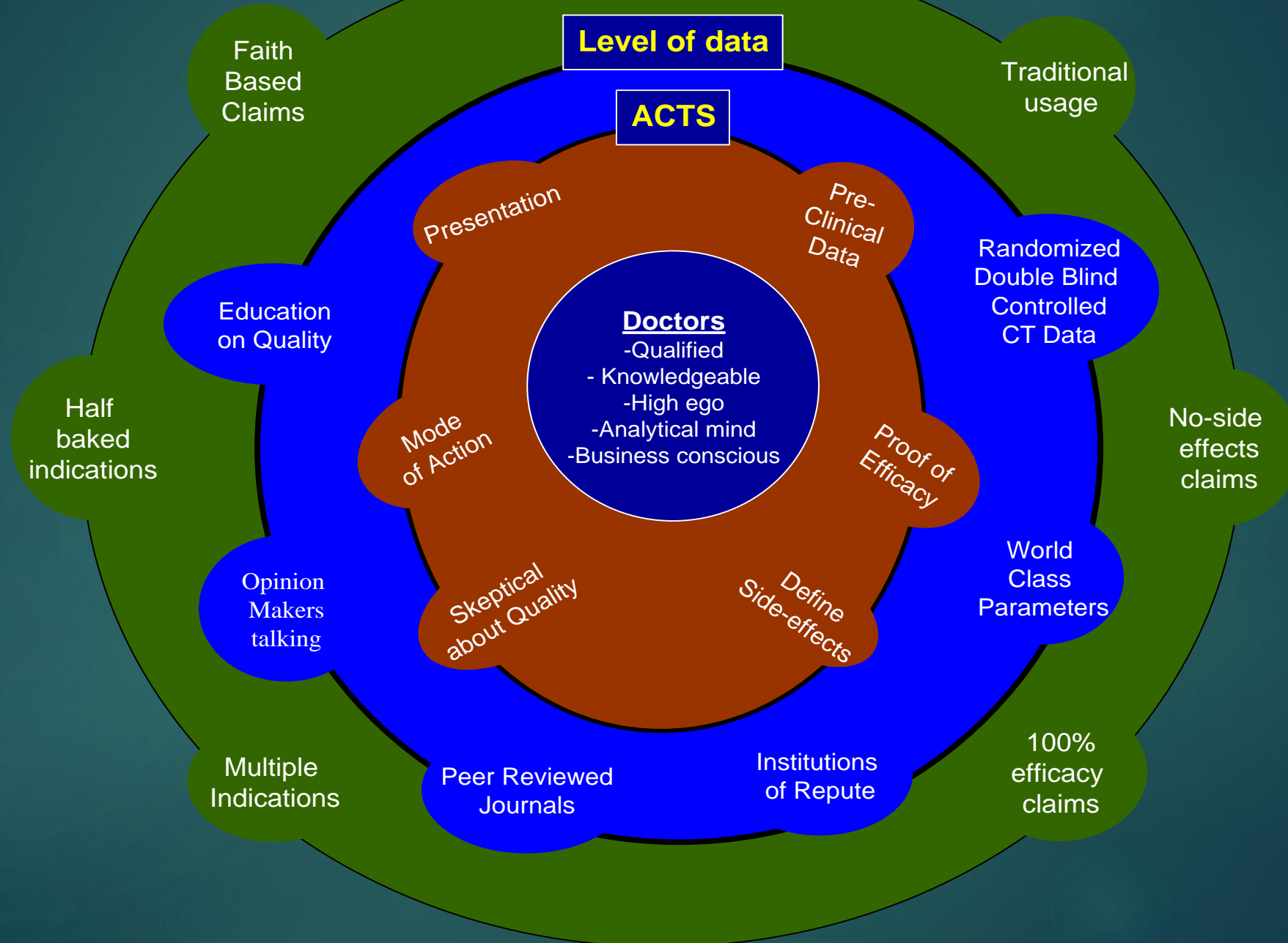


## Consumer angle:

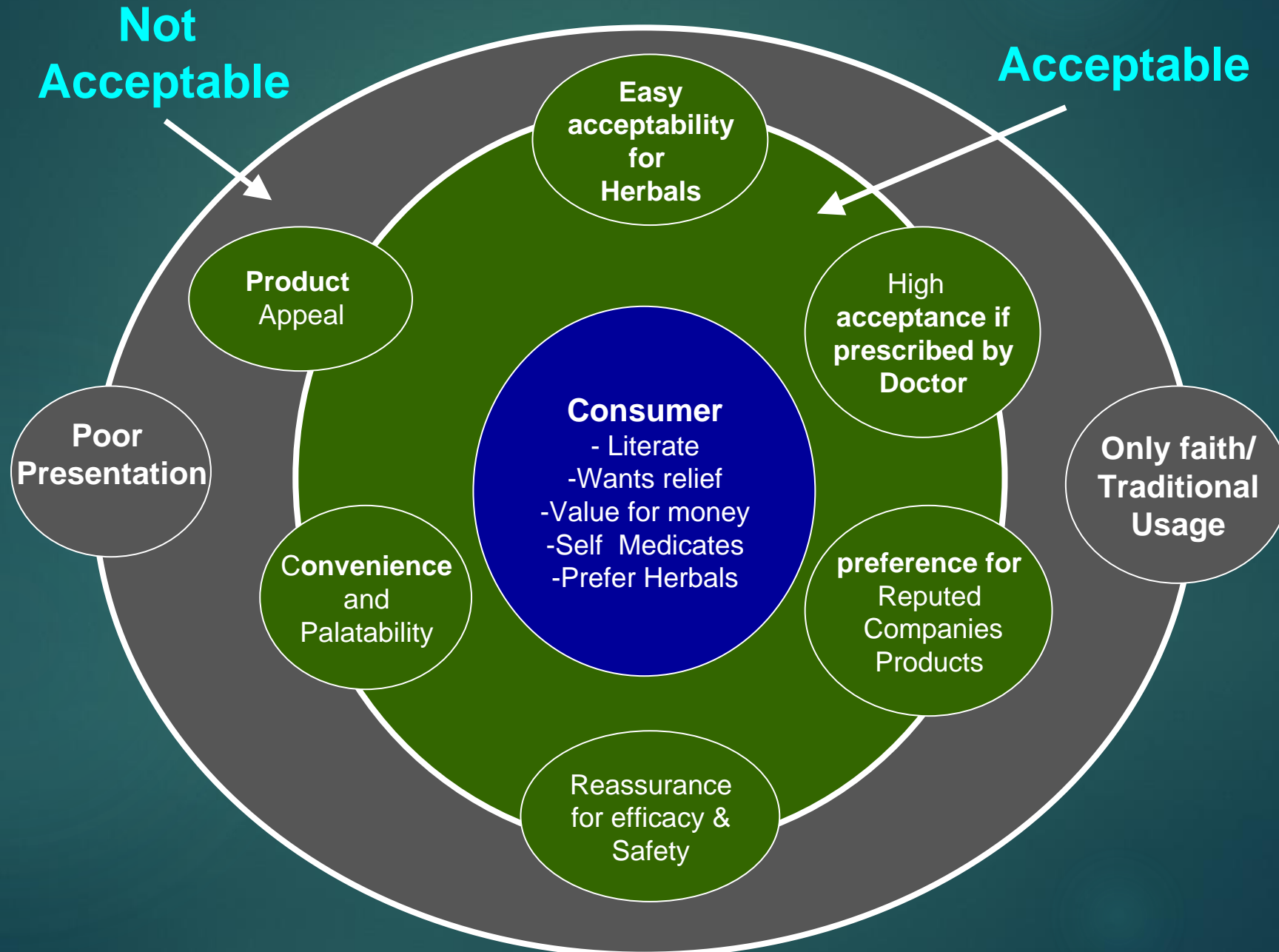
- Understand consumer needs and demands
- Consumer concerns about commercialization of Traditional Knowledge

# Doctor's Psyche

Does Not Accept



# Consumers' Psyche



# Commercialization

## Steps involved in Product development

- Screening of ideas / traditional concepts
- Concept testing
- Raw material source / Product feasibility
- Formulation development and standardization
- Product testing / Market Research
- Clinical study
- Regulatory requirements
- Launching

# Commercialization



## Concept testing:

- To understand the consumer needs & demands
- To test the concept feasibility
- Also to understand the consumer concerns

# Commercialization

## Value addition:

Raw material



Finished Product

- Identification of raw material
- Raw material source
- Standardization of Raw material
- Development of appropriate dosage forms
- Assessment of its stability
- Development of quality parameters in the finished product
- Generating efficacy & safety data

# Commercialization



## Product testing:

It is important

- To understand product characteristics
- To understand product preference
- Enable product improvement

# Case Study: Pure Fiji Products



- ▶ 1995: From coconut oil on children's bodies and rolls of *vau*, Gaetane and Andree saw significant potential to harness Fiji's natural resources and talented women to produce high quality soaps, oils, lotions, and other products;
- ▶ Sandollars Fiji Ltd. (Sandollars) to produce pressed soap made from natural local ingredients; Initially two products were produced: *Waiwai ni Viti* (coconut oil) and *Sovu ni Viti* (soap).
- ▶ With such high demand, the entrepreneurs undertook research and development (R&D) of new products and business strategies;
- ▶ 2000: Pure Fiji opened to handle development and export of new and existing products
- ▶ Pure Fiji decided to focus on the niche market of upscale (yet still affordable) soap, beauty, and health products. Differentiate itself, command higher prices, and help mitigate high exportation costs.
- ▶ R&D of new products: reliance on ingredients indigenous to islands and readily harvested from the forests and beaches without any need for cultivation. Core ingredients, organic nut oils (such as coconut, dilo, sikeci, and macadamia), sea grass (flowering marine plants), pineapple, and passionflower.







# Case Study: Pure Fiji continue..

## Trademark

- Pure Fiji has protected its brand names through trademark registrations (Image: USPTO registration #4257482)
- December 2012: Pure Fiji made two trademark applications in the USA with the United States Patent and Trademark Office (USPTO), which represents one of the company's largest markets. The first, for the **Pure Fiji name** accompanied with **an image of flowers**; The second, a trademark for the **company's name** and **an image of leaves**, which was made in March 2014
- 2004: made an application with the UK Intellectual Property Office for **its company name** and **logo**, which was registered in 2005. In January 2005, trademark application in Australia with IP Australia for its **Pure Fiji name**, which was registered in September of that year. Trademark application for its **Reniu** and **Mana'ia names** in January 2005, both of which were registered in September 2005.
- Pure Fiji markets its products is through the Internet: purchased **purefiji.com** domain name, through which customers can directly order Pure Fiji products + facebook and twitter for co & spa and Australian presence.

# Commercialization

## Case Study: Pure Fiji

- Instead of mass production, Pure Fiji follows the “just-in-time” philosophy. This strategy aims to increase efficiency and decrease waste by receiving goods only when they are needed in the production process, which reduces inventory costs.
- Pure Fiji provides employment opportunities for over 500 people in village communities by relying on them to harvest and process ingredients such as coconut oil, natural paper, *masi* (cloth from tree bark), *magimagi*, and woven baskets on an as-needed basis.
- Once produced, filled, labeled, and packed, the finished products are shipped once per week either by air or sea, depending on the required speed of each order.
- A majority of Pure Fiji’s products are based on nut-derived oils. To commercialize these oils into products, the oil extracted: solvent, supercritical carbon dioxide, and pressed (with or without added heat).
- Before a product is manufactured, the raw materials are inspected, tested, and a sample of the finished product is produced. Once approved, the rest of the batch is produced and personally inspected before it is ready for shipping.

# Commercialisation

## Case Study: Pure Fiji cont...

By 2014: Ten different categories produced and exported: beauty products, ambience products (such as candles, mists, and aroma sticks) based on natural Fijian ingredients; skin repair products using the *dilo* tree and marketed as Dilo Rescue; coconut oil marketed under the Reniu brand name; and the Mana'ia line of treatment products for men, which includes lotions, gels, and oils again made from natural Fijian ingredients;

Company's products sold to international hotels (including Bellagio, Wynn Resorts, and Ritz Carlton), spas, airports, and department stores. Also Pure Fiji Boutique on Denarau Island in Fiji, products for sale directly to individual customers online stores in a number of countries (including Australia, the Czech Republic, the Republic of Korea, New Zealand, the UK, and the USA), and on airlines such as Fiji Airways and Air Pacific.

### **Benefits for local communities:**

The company provides training new skills to women in these communities, promoting the development of cooperatives, and then relying on them to supply certain ingredients integral to Pure Fiji's products.

Pepa ni Viti project set up processing plant, complete with the required equipment, and provided the necessary training. As a result, women in the community became skilled paper makers. They are able to complete all steps of the production process, from sourcing the correct natural ingredients to the final steps of dying and testing the paper.

Income generated - install a generator, providing electricity which brought with it access to pumped water in rural communities.

New classrooms and a library were added to a secondary school in *Wai-ni-Makutu*, increasing access to education for over 150 children.

The weavers create the baskets and bring them to Pure Fiji's factory, where the company purchases them for cash

# Benefit Sharing

## Various forms of benefit sharing:

- Dissemination of traditional knowledge
- Improve the quality of life & Social awareness
- Providing better health benefits to a common man
- Better procurement price
- Royalty sharing

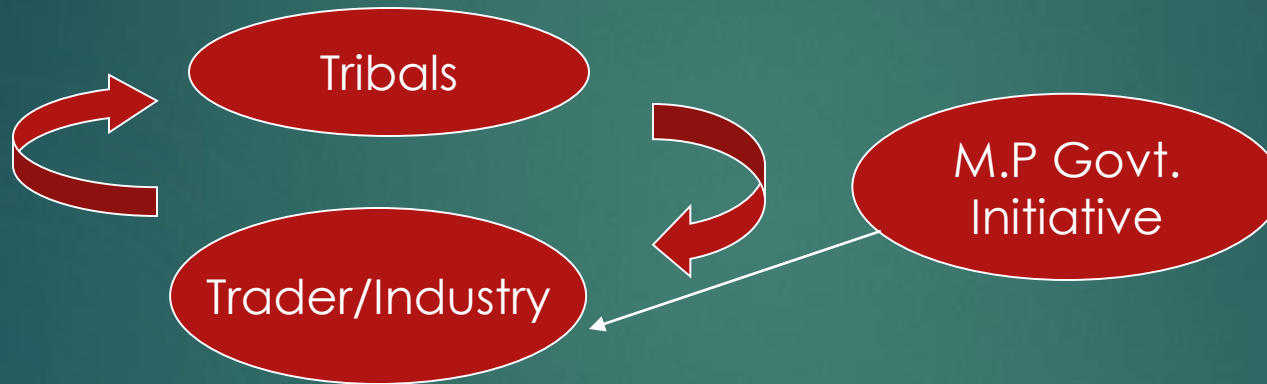
# Benefit sharing - case study

## Summary of findings:

- ❑ The level of awareness about sustainable usage is very encouraging
- ❑ Improvement in the house-hold income
- ❑ Improvement in the personal and family health
- ❑ More financial security
- ❑ Improved nutritional status and education of children

# Benefit sharing - Procurement

- Procurement of nuts and nut-based oils:



- Procurement directly from rural women
- Fijian communities – nuts-nut-based oil/basket procurement

# What needs to be done?

- Incentives to enhance commercialization of TK, TCEs and GRs with sufficient mechanism for protection of right holders and ABS.
- Promoting cultivation and sustainable usage - promoting industry
- Definite Government policy and regulations on ABS
- Increasing awareness among rural population about raw material procurement and distribution



# Thank you

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