Geographical Indications: Economic Opportunities for the ACS Region

The focus on intellectual property rights (IPR), especially Geographical Indications, in the Greater Caribbean is of great importance to the future economic development and innovation in the Region. The Greater Caribbean is host to diverse cultures and is rich with traditional knowledge which can be marketed to the wider world, given the appropriate protection provided for in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement). This approach offers new branding strategies for the differentiation of products originating from the ACS region.

According to an article entitled “Protected Geographical Indications for ACP Countries: A Solution or a Mirage?” by the International Centre for Trade and Sustainable Development (hereinafter referred to as ICTSD), “Geographical indications (GI) are distinctive signs used to differentiate competing goods. They are collectively owned with a strong inherent origin-base, namely the geographical origin to which they refer.” This most commonly refers to agricultural products and takes into account the use of traditional extraction and processing methods. When employed correctly, GIs are an effective marketing tool, providing products originating from the largely small states of the ACS Region a much needed edge to establish market presence in the international arena.

Unfortunately, for developing countries of the ACP region, very few products have taken advantage of the benefits afforded by the protection of GIs. In regions where there is such diversity and cultural richness, it signals to us that more can be done to reap economic rewards from the resources available, and garner international recognition.

It could be argued that the reason for such limited use of GIs lies in the lack of sufficient capabilities to fully capitalise on these initiatives by producer organisations. The ICTSD goes on to state that producer organisations “are the driving force in defining specifications and putting in place quality

control processes, but they must also take consumer expectations and the capacities of the downstream distribution chain into account from the outset." However there are some success stories where these obstacles have been overcome and offset by the increased value of these products, as seen with the argan oil originating from Morocco.

Talk of geographical indications is not new to the dialogue of the Greater Caribbean. Its economic potential and cultural value have long been recognised and discussed in several forums over the years for various traditional products. In a background note on GIs, the World Trade Organisation purports that the Caribbean can benefit from the use of GIs in a number of ways because:

It allows for stronger brand recognition than trademarks. It also allows rights holders to charge a premium above the margin price.

It guarantees quality and provenance; thus helping to ensure consumer protection.

The Region has already enjoyed some substantial success through geographical indications in its rum industry. The OECD highlights in an article entitled "Aid-for-Trade Case Story: Caribbean Rum Sector" that as a substantial employer and a significant source of government revenue, rum is a product of critical importance to the social and economic well-being of the Caribbean Region. As stated previously, the Caribbean has enjoyed extended protection for its rum-producing countries such as Barbados – Mount Gay Rum, Jamaica – Appleton Estate Rum, and Guatemala – Ron Zacapa, to name a few.

More concrete action is still needed to further the development of GIs in the Region. A notable limitation highlighted in a brief by the Shridath Ramphal Centre, is that "there is no regional system for the protection of geographical indications (GIs) in the Caribbean, such protection varies by country." Some CARICOM Member States such as Antigua and Barbuda, Barbados, Trinidad & Tobago, St. Lucia, Dominica and Jamaica have sui generis legislation drafted or already in force. Belize is the only country in the region to protect GIs as certification mark under its Trademark Act." While others (Guyana, St. Kitts & Nevis, Grenada, and Suriname) still do not have legislation protecting GIs. However, bolstering the local legislation, are a variety of bilateral IP agreements which have been signed by ACS Members, for example: the Cotonou Agreement, EC-CARIFORUM EPA Agreement, CAFTA-DR Agreement and Trinidad and Jamaica have signed IP Agreements with the US.

Drawing from an example in the Dominican Republic reported by Listin Diario, "they have devised a way to access large markets, overcoming weaknesses and strong international competition, through the formation of clusters or associations that allow them to sell their products under a single brand, taking advantage of the marketing opportunities of geographic location." The GI allows small producers to penetrate international markets through the use of strong producer organisations. Some of these brands represent thousands of small producers. In the instance of the cocoa sector, membership has reached 36,000. The success of this venture has been attributed to the cooperation of producers to effectively cope with international competition, and by extension, have been able to penetrate distant markets and benefit from equitable distribution of profits."

These are merely two examples of many in the Greater Caribbean Region which make the case for further incorporation of GIs into the trade profile. The success stories mentioned indicate, that with proper management, product differentiation offers potential for added value, employment generation and export diversification. Coupled with the proper training and appropriate incentives, progress can be made to kick-start infant industries and revitalise mature ones for there are gains to trade that can be realized through the effective handling of Geographical Indications.