

**Thriving in the Global Economy: The Importance of Trade Marks to Micro, Small and
Medium Sized Enterprises**

By

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Globalization

The multi-dimensional process of globalization is rapidly transforming in profound ways all aspects of national and global activities and interactions. The pace, character and extent of the economic, social and political dimensions of globalization may vary across sectors and local circumstances but its economic thrust is the erosion or elimination of national barriers to the international flow of goods, services, capital, finance and information.

Embedded in the Global Economy

Small developing economies such as Jamaica are deeply and inextricably embedded in the global economy. Every good and serviced consumed or produced whether for local use or export have a very high import content. Some of these inputs are indispensable because they are not available locally e.g. oil for gasoline and electricity or corn for animal feed. Other we are not prepared to do without e.g. wheat to make flour for bread. To purchase these imports requires foreign exchange and this must be earned by exporting products e.g. bauxite and services e.g. tourism.

Nature of the Global Market

The demand for goods and services in the world market depends on price, quality and characteristics. One of the most highly desired characteristic is authenticity and it is one which consumers are prepared to pay premium prices to consume. Consumers will only pay higher prices if they are assured of the authenticity of the product. Even higher prices can be secure if the product is perceived to have some uniqueness for example from a particular geographical region.

Export Firms in Small Developing Economies

Small developing economies are aggregations of nano-firms which are firms which are minute by global standards. All the locally owned firms are nano-firms even those considered large by local standards. These firms have achieved exports by their price, quality and uniqueness namely by being Jamaican in origin. This combination of a corporate brand and the country as a brand is illustrated by several world famous products e.g. Appleton rum, Red Stripe beer, Blue Mountain coffee.

Collective Marks/Certification Marks

Collective marks are symbols that indicate specific characteristics, mode of production or geographical origin. Certification marks are affixed for compliance with defined standards and may be used by anyone who can certify that their products meet the standards.

Benefits

There are important benefits to be derived from Collective Marks. These include:

1. Avoiding unfair competition.

There were numerous instances of genuine Jamaican products of high quality having to compete unfairly with products from other parts of the world, with ingredients that are definitely not Jamaican, yet describing themselves as authentically Jamaican.

2. Recover lost export opportunities

A few examples suffice to substantiate the widespread extent of abuse. There is the Jamaica Jerk seasoning made in Idaho with a base of raspberries, the Jamaica Scotch Bonnet Pepper Sauce from Costa Rica, Jamaican cigars made in Nicaragua, Jamaican Ginger Beer made in New York, Jamaican Ginger Ale made in Santa Fe and Jamaican Aromatherapy Wands made in the State of Washington.

3. Preserve the Reputation of Excellence

The removal of inferior products claiming to be Jamaican and their replacement by authentic Jamaican products preserves the international reputation of all Jamaican goods and indeed the reputation of the Jamaica as a country.

4. Increase Export Earnings

Authentic Jamaican products will garner higher prices and experience increased demand in international and local markets.

5. Marketing and Promotion

The reliance on a certification mark will save small enterprises the cost of marketing and promoting their products as authentically Jamaican. The collective mark will be a symbol of guaranteed quality.

6. Inducing Investment

If a small enterprise produces a good that is certified by the Mark then it becomes more attractive for local and foreign investment, finds it easier to borrow from financial institutions and is a more viable partner for strategic business alliances.

7. Overcomes Economies of Scale

Several small enterprises with collective marks can supply a market which is too large for any one small enterprise.

Circumstances of MSMEs

One of the recurring concerns of exporting firms is the absence of legal protection for their products that are the lifeblood of exporting firms. This is particularly affects the Micro, Small and Medium – sized (MSME) firms whose comparative advantage is in the uniqueness and authenticity of their products since their size prevents them from realizing economies of scale through mass production

Small firms do not have the resources, on their own, (1) to undertake the legal requirements for the establishment of their Intellectual Property Rights (IPR), (2) to undertake on a continuous basis the development and marketing of their brand, (3) to meet the cost of monitoring to ensure protection against infringement and (4) the overall management of their IPR.

Response of the JEA

In recognition of these needs, the Competitiveness Company sought funding from the Private Sector Development Programme to develop a structured programme that would result in

the provision of structured and transparent services by a third party with a long-term development agenda.

Project

Between 2002 and 2004 under the aegis of The Jamaica Exporters' Association's Jamaica Cluster Competitiveness Project (JCCP), and then between 2005 and today.

The areas of focus in the first phase of the programme share several traits. These are valuable, highly differentiated, culturally specific products and services. They also represent well-known products and services whose Jamaican origins are a fundamental part of their appeal. The programme of Marks that is being developed represents a positioning that is broad enough to encompass a diverse product scope but specific enough to evoke the unique qualities that define Jamaica. They evoke not just individual images, but constitute a family of Marks with a complex set of attributes, stretching across an array of world-class products and services.

During the course of 2007, The Competitiveness Company has been engaged intensely with individuals and firms, assisting as many as 255 persons. With intellectual property attorneys, we have been involved in a series of specific initiatives, among which are:

1. Training, advising and assisting MSMEs in understanding the nature and range of intellectual property rights
2. Teaching firms about Trademarks and Geographical Indications (GIs), thereby providing incentives to MSMEs to invest in developing consistently high quality products to improve their competitiveness
3. Undertaking in-firm Intellectual Property Audits
4. Designing protocols for the development of Collective Marks
5. Designing and building on existing protocols to develop Certification Marks for products and services which meet agreed standards and follow internationally required procedures
6. Developing a programme to register, manage and monitor the proper use or infringement of Marks, Certifications and Logos
7. Designing and registering a family of Logos for the first phase of products and a service: Ackee, Honey, Fresh Produce, Boutique Agriculture and The Visual Arts
8. Designing and beginning the implementation of a public awareness campaign to support these initiatives.

Criteria for Product Selection

The products selected were determined from a survey conducted by The Competitiveness Company of persons and firms who are active members of the Jamaica Exporters' Association. The criteria for selection were as follows:

1. Authentically Jamaican
2. Number of Producers
3. Number of Exporters
4. High Quality Standards
5. Positive Trends in Exports
6. Internationally Competitive (price and quality)
7. Diverse Markets
8. Strong Demand

9. Best Practice Manufacturing Processes
10. Environmentally Friendly
11. Potential for IP Protection
12. Iconically Jamaican Status

Products Selected

Based on these criteria the following products were selected:

1. Canned Ackees
2. Jamaican Jerk Seasoning and Sauces
3. Honey
4. Scotch Bonnet Pepper and Scotch Bonnet Pepper Sauces.

In addition, the Competitiveness Company received requests for assistance in supporting their intellectual property from persons in the visual arts sector who complained of the widespread illegal reproduction of their works. Further investigation confirmed the urgency of including artistic production in the process, resulting in the development of a Collective Mark for the Visual Arts. This work is particularly timely since under the Private Sector Development Programme, the JEA, along with JTI have been successful in having a Visual and Performing Arts Cluster approved for funding.

Firms and individuals who trade will benefit from the protection provided by the Marks, locally and internationally.

Collective Management of Marks

The Marks and logos will be carefully managed to ensure that the products and services which bear them are, and continue to be, associated with the highest quality. The logos and associated Marks will be owned and managed by The Jamaica Exporters' Association on behalf of Jamaican stakeholders, since Collective Marks are:

1. They must be owned by an association of members, and not by individual companies.
2. The JEA will undertake the responsibility of ensuring that there is compliance with the standards which the collective mark represents.
3. They will benefit from the professional development of collective strategies for international promotion and brand development which the JEA is in a better position to provide than individual firms.
4. The current stage of development of the Marks is a result of collective effort involving collaboration with several other institutions. Since the process began in 2002 under the Jamaica Cluster Competitiveness Project several critical partners have contributed and the ultimate success will depend on the continuation of productive collaboration.

The project has benefited from the inputs of the Ministry of Industry, Investment and Commerce; Bureau of Standards; Ministry of Agriculture and Land; JAMPRO/Jamaica Trade

and Invest; Jamaica Business Development Centre; The University of The West Indies; and the nearly 300 entities in the private sector.

Progress to Date

The most recent phase that was embarked on was the development of the actual Marks. Enter, the Creative Unit Limited, a subsidiary of the Jamaica National Building Society. This refreshingly vibrant creative group of individuals took our written requirements and translated these words into graphic images that encapsulate the essence of each Mark.

Using the National colours, Black, Gold and Green, as a starting point, generic icons and a number of basic shapes were explored. Throughout this process, it was important to ensure that each Mark has a distinct personality of its own, while remaining true to its membership in a group. The litmus test was conducted on how these designs held up in monotone and also how well they stood up visually when reduced in size.

A variety of composites were presented to the CC, and the result is here to be unveiled. As you will see they striking in design and colour an emblematic of Jamaica.

Next Step

The launch of the Collective and Certification Marks is the next step in a series of initiatives led by The Competitiveness Company. In early 2008, there will be one-on-one meetings with firms and individuals to support their integration into the programme. After this, the Marks will be launched in some of the major international markets where these products and services are sold.