

Documents et outils mobilisés

Presentation of the case to the tribunal :

. Ethiopia has asked the U.S. Patent and Trademark Office **to trademark the names of Yirgacheffe, Harrar and Sidamo**, 3 coffee producing regions within the country. That would allow Ethiopia to be paid royalties (from license fees) from any company selling coffee under the name of these regions.

. However, Ethiopia was astonished to discover that Starbucks had already applied a year earlier to trademark Shirkina Sun-Dried Sidamo coffee ! Now Starbucks, has acted to block Ethiopia's application to the US patent and trademark office.

An arbitration court is meeting in order to find a solution to the problem.



Source : <http://aethiopiens-botschaft.de/wp-content/uploads/2016/02/EFCmap-bigWavetemplate10ft-SCAA14.jpg>

Your task :

- . **You will plead in front of an arbitration court.**
- . **Each party will present its position and call witnesses (members of the group).**
 - Draft 1 speech**
 - Make 2 proposals minimum to solve the issue**
 - Call a witness that you will interrogate**
- . **The court will then propose an arbitration and it will be put to the discussion**

The roles	
The court The Ethiopian government Starbucks inc	Ethiopian farmers Western consumers

Here is a series of statements that may prove useful when you prepare your pleading before the court :

COFFEE IN ETHIOPIA :

- Eighty percent of Ethiopians live on less than \$2 per day.
- Coffee represents almost half of the country's export income.
- Quotes from the Ethiopian government's statement :
 - "Struggling Ethiopian farmers should be able to realise a greater portion of the value our coffee commands on the international market. This project is innovative - and a unique opportunity for our farmers to be empowered in the arena of international trade.
 - Farmers are losing out while others in the chain are making huge amounts of money. That is hugely unfair
- Ethiopia plans to help the 15 million struggling Ethiopian farmers who depend on coffee for their survival.

ETHICAL ASPECTS OF THE DISPUTE :

- Consumers did respond as well. More than 70,000 people faxed letters of complaint to Jim Donald, a Starbucks chief executive, as part of Oxfam's protest of the company
- Starbucks customers will be shocked by the disconnect between their current perceptions of Starbucks' ethics and the company's actions against Ethiopia

THE COFFEE VALUE CHAIN

"Intellectual property ownership now makes up a huge proportion of the total value of world trade but rich countries and businesses capture most of this. Ethiopia, the birthplace of coffee, and one of the poorest countries in the world, is trying to assert its rights and capture more value from its product.

In Starbucks' chain, all of its labor earns a farmer an average of \$1.45 per pound, while the end product may retail for as much as \$26 per bag in a Starbucks shop

Ethiopia claimed that its beans routinely sold for three times that of ordinary coffee and its decision to trademark was aimed at capturing some of that value.

By the early 1990s, four major manufacturers and eight major trading companies controlled the majority of coffee being traded in the major consuming markets of North America, Europe, Japan and Australia. These four companies combined to account for more than 60% of total coffee sales across all major consuming markets and have used their influence to derive additional profits out of producing regions

For small farmers, being located in the value chain of a transnational corporation offers workers predictable income, greater accessibility to foreign markets : Starbucks' purchases of Ethiopian coffee have grown by more than 400% in the past four years. It said it paid an average of \$1.23 (65p) per pound, 23% above average market prices

ECONOMIC BENEFITS OF A CERTIFICATION AND FAIR-TRADE:

- The move would have increased its annual export earnings from coffee by 25%. (Oxfam)
- Starbucks' efforts for fair trade: coffee originating from Fero is part of Starbucks' premium line. The added revenue (\$15,000 annually) helped bring electricity to the village...
- ... But on a per farmer basis, however, the extra earnings for these producers of a "premium line" of Starbucks coffee are extremely small. The \$15,000 breaks down to only an additional \$6.20 annually for each of Fero's 2,432 farmers
- Its purchases of Ethiopian coffee have grown by more than 400% in the past four years. It said it paid an average of \$1.23 (65p) per pound last year, 23% above average market prices.