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GEOGRAPHICAL INDICATORS: WHAT PUERTO RICO CAN LEARN FROM HAWAIIAN GI PROTECTION OF KONA COFFEE

STEPHANIE SURILLO RODRÍGUEZ*

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I. INTRODUCTION

I have a theory about what the future looks like for rural communities in the United States. It is a theory that sees a shift in what people want out of life. I believe that there is a growing unrest in the cities, as people desire to live closer to nature, closer to their families in smaller towns, or simply want out of the more fast-paced life that has resulted from forced city living. I say *forced* because the industrial revolution marked a change from an agrarian economy to an industrial one where our ancestors were driven towards the cities in droves in order to obtain work, and the United States was left with collapsing rural communities who saw dwindling populations and low job opportunities for those who chose to stay.

My theory is that we may be witnessing a change. Propelled by the pandemic and the feelings of enclosure and isolation in large cities, more and more people have moved to smaller towns and even rural areas in search of a life of their own devising.¹ With remote work becoming more common, as well as the desire to return to a more hands-on and agrarian way of life, there has been a reawakening where more and more people have chosen to escape the city and make a life for themselves and their families in midsize cities and towns and more rural areas.²

The problem that those who would make the move face is the lack of job opportunities and access to nearby entertainment, hospitals, shopping, etc. With this problem as a backdrop, I argue that Geographical Indicators or certification marks can be a starting point in revitalizing rural and agriculture-based economies. When intellectual property law is used to protect the produce grown in rural areas, not only do the producers and their local communities benefit directly from these protections, but I argue that society as a whole benefits since providing space for rural communities to thrive economically is also a way to give the general population freedom of choice when it comes to deciding on where to live. When we have a strong rural economy, there is less pressure to live close to cities for the greater likelihood of employment, and those who desire to live in rural areas have better opportunities to do so because of the possibility of employment created by thriving rural communities that benefit from GI protections.

¹ John Cromartie, *Net Migration Spurs Renewed Growth in Rural Areas of the United States*, USDA (Feb. 22, 2024), [https://www.ers.usda.gov/amber-waves/2024/february/net-migration-spurs-renewed-growth-in-rural-areas-of-the-unitedstates/#:~:text=The%20U.S.%20rural%20\(nonmetro\)%20population,July%202020%20through%20June%202022.](https://www.ers.usda.gov/amber-waves/2024/february/net-migration-spurs-renewed-growth-in-rural-areas-of-the-unitedstates/#:~:text=The%20U.S.%20rural%20(nonmetro)%20population,July%202020%20through%20June%202022.)

² *Id.*

This paper focuses on Puerto Rico. This island holds a special place in the hearts of many who have had to leave because of the lack of job opportunities and economic growth. This is a problem that has outgrown rural towns and has become an island wide issue. If Puerto Rico could obtain a successful GI, or certification mark, particularly for specialty coffee, we could see a significant change in our rural communities, and down the road we could only hope to revitalize our economy by increasing the island population and work opportunities.

With this background and dream of rural development in mind, for the purposes of this paper, the questions that guided my research were:

- i. What can Puerto Rico learn from Hawaiian coffee's Kona certification mark in its implementation of its own specialty coffee certification mark?
- ii. How can trademark protection for Puerto Rican coffee benefit the local rural economy?

The reason I look to Hawaii is because it's Kona mark is one of the most effective and well-known certification marks in the United States. It shares the same federal legal framework as Puerto Rico and since this is the case, it can shine light on what can and cannot be implemented in Puerto Rico effectively and under similar conditions. Finally, I will study the legal framework in Puerto Rico and what can be learned from Hawaii when it comes to protecting its products under trademarks or certification marks.

II. LEGAL FRAMEWORK – TRADEMARK LAW AND GEOGRAPHICAL INDICATIONS

A. *What are GIs?*

The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) defines GIs as “indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.”³ While the idea of attaching qualities to produce that have an identifiable origin

³ World Trade Organization, Agreement on Trade-Related Aspects of Intellectual Property, Sec. 3 Art. 22.1.

is not new and can be traced as far back as Ancient Egypt and Ancient Greece, the inclusion of GIs in the TRIPS Agreement was indeed innovative.⁴

The TRIPS Agreement is considered a milestone in advancing the protection of GIs on an international level.⁵ It provides the framework that the members of the World Trade Organization (WTO) must abide by. The agreement says that the member states must:

provide the legal means for interested parties to prevent ... the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good ... [and] any use which constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention (1967).⁶

Despite this international level of protection for GIs, since the actual wording of the TRIPS Agreement is unspecific, “it has left a lot of room for individual states to choose for themselves the specific means of protection under Article 22(2).”⁷ This vague wording of what GI protection entails can be understood as a result of significant conflicts between the “Old World” and the “New World” when it comes to the legitimacy of GIs and, naturally, the necessity of their protection.⁸

B. “Old World” v. “New World” disagreement on GIs

The “Old World” versus “New World” debate on the perception of GIs at an international level stems from different understandings of what a GIs role should be in international trade as well as how countries should protect these GIs.⁹ The “Old World” countries are generally members of the European Union who

⁴ Benjamin Farrand, *Two Continents, Divided by Deep Philosophical Waters? Why Geographical Indications Pose a Challenge to the Completion of the TTIP*, 7 EUR. J. RISK REG. 269, 270 (2016).

⁵ Irene Calboli, *Geographical Indications of Origin, Economic Development, and Cultural Heritage: Good Match or Mismatch?*, 11 INDIAN J. INTELL. PROP. L. 11, 16 (2020).

⁶ TRIPS, *supra* note 3 at Sec. 3 Art 22.2.

⁷ Farrand, *supra* note 4.

⁸ Farrand, *supra* note 4. See also A HANDBOOK ON THE WTO TRIPS AGREEMENT 77 (Antony Taubman, Hannu Wager & Jayashree Watal eds., Cambridge University Press 2012).

⁹ Farrand, *supra* note 4. See also Stacey D. Goldberg, *Who Will Raise the White Flag? The Battle Between the United States and the European Union over the Protection of Geographical Indications*, 22 U. PA. J. INT'L ECON. L. 107, 135-9 (2001) (for the full debate between EU and U.S perspectives on GIs).

understand GIs as important in promoting the cultural heritage of their Member States.¹⁰ Therefore, when it comes to international trade, these GIs deserve and are given the according legal protections in order to uphold the authenticity of these prized local products that are not only authentic to their respective regions but contain hundreds of years of traditional knowledge. As such, these products are protected under a *sui generis* legal framework in the European Union which means that this protection framework is distinct from other forms of intellectual property rights such as trademarks because it is tailored specifically to safeguard the unique relationship between a product and its geographical origin. This perception that products are valuable because of the terrain that produces them and therefore should be protected from trademark infringement on an international level is exactly what the “New World” countries oppose.

The “New World” countries include the United States, Australia, and New Zealand.¹¹ These countries reject the idea of a luxury market for agricultural products that they understand to be generic. As insulting as it is to these producers to call, for example, *Mozzarella di Bufala* generic, this stems from the history of “New World” and “Old World” countries. What the “New World” countries have in common is that they were once colonies of the “Old World”. As colonies, their populations were made up of people from these “Old World” countries who brought with them the knowledge of how to produce these items. Therefore, the “New World” countries understand European Union GI protections to be a form of “market protectionism” that protect what they consider to be generic terms.¹² The United States can and does produce generic mozzarella cheese using what they consider to be the same traditional methods as the “Old World”, so the “New World” argument generally goes against the idea that a terrain and its local ingredients in themselves are enough to add a significant market value to these otherwise generic products.

C. Trademarks in the United States

All of this does not mean that the United States provides no protection for GIs, but that these protections are not *sui generis* as they are in the EU. They instead fall under trademark protections under the

¹⁰ Farrand, *supra* note 4.

¹¹ Calboli, *supra* note 5 at 20.

¹² Farrand, *supra* note 4 at 271.

Lanham Act.¹³ Through this act, the U.S provides protections for collective marks and certification marks.¹⁴ The difference between the two is that certification marks require owners of the products to meet specific eligibility standards, while collective marks require membership in a cooperative, association, or another type of collaborative organization.¹⁵

These collective marks and certification marks have similar protections as GIs under the European *sui generis* system although some would argue that “only a *sui generis* system can guarantee a sufficiently thorough system of registration and certification of GIs.”¹⁶ The reason for this is because currently the EU *sui generis* system does have an up-to-date registry of all its registered GIs whereas the US does not. Furthermore, and similarly to the European *sui generis* legal framework, neither of these certification or collective marks can be owned privately but must be owned and managed generally by standards-setting or certification groups.¹⁷ These entities allow producers to use their certification marks as long as they meet the standards of product quality and geographical origin.^{18,19}

It is worth noting that while trademarks and Geographical Indications are complementary in that they offer legal protection from infringement to registered products, they are also quite distinct.²⁰ In fact:

[t]rademarks are the exclusive right of an owner or producer and distinguish the products of one from those of another. They are distinctive rather than descriptive and they may usually be produced anywhere. GIs are the shared right of all the producers of a given product that are located in the specific geographical area. They identify products with a certain quality and reputation associated with their geographical origin.²¹

¹³ Lanham Act § 45, 15 U.S.C. § 1127 (2012).

¹⁴ *Id.*

¹⁵ Paola Gabriela Zaragoza Cardenales, The “Law To Use The Mark Del Pais”, Act 195-2016: Case Study of A Puerto Rican Certification Mark With Potential Of Becoming A Geographic Indication For Economic Development, at 16 (May 2022) (Ph.D. dissertation, Indiana University Bloomington) (HeinOnline).

¹⁶ Irene Calboli, *Time to Say Local Cheese and Smile at Geographical Indications of Origin - International Trade and Local Development in the United States*, 53 HOUS. L. REV. 373, 393 (2015).

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ It is useful to mention that in addition to the protections provided under trademark law in the Lanham Act, the US does allow for *sui generis* GI protection for wines. Since wine is not the focus of this paper, and is generally the exception to the rule, no further comment will be made.

²⁰ Daniele Giovannucci, Elizabeth Barham & Richard Pirog, *Defining and Marketing Local Foods: Geographical Indications for US Products*, 13 J. WORLD INTELL. PROP. 94, 104 (2010).

²¹ *Id.*

This conceptualization of the difference between United States trademarks and European *sui generis* GI protections can be understood by recognizing that individual and exclusive ownership of brands or trademarks is common in US economic theory, whereas “[t]he somewhat ‘public good’ nature of GIs as a shared asset may be culturally less familiar[.]”²²

D. Trademarks in Puerto Rico

Now that we have discussed GIs as understood in the international debate, and now that we have a general understanding of how GIs are protected in the United States through trademark law under the Lanham Act, we can take a closer look at how the legal framework functions in Puerto Rico.

The current state of affairs in Puerto Rico when it comes to trademark protections is the *Ley de Marcas* or Puerto Rico Trademark Act which coexists with the Lanham Act.²³ While neither of these laws allow for Geographical Indications *per se*, as previously established, they do allow for collective marks and certification marks that designate a product’s origin.²⁴ There have been several intents to create certification marks that successfully bring to market products classified as originating in Puerto Rico, but the implementation of these marks have been the subject of many critiques.

i. DelPaís Mark

One of these critics is University of Puerto Rico Law School Professor Dr. Paola Zaragoza. In her doctoral thesis, she identifies the DelPaís Mark as a source designation that fits the definition of GIs by identifying local agricultural products as originating in Puerto Rico. However, she highlights some of the nuances of the mark as the following:

²² *Id.*

²³ Ley de Marcas del Gobierno de Puerto Rico del 2009, Ley Núm. 169-2009, 10 LPRA § § 223-224b (2009).

²⁴ Zaragoza, *supra* note 15.

First, the DelPaís Mark has no assurances to the product's quality and reputation other than the farmer's word of mouth... Second, the DelPaís Mark covers some products [that] have an acquired attribution, reputation and quality due to Puerto Rico's history and culture, while others have none. For instance, coffee, rum, and pork covered in the DelPaís Mark have acquired quality and reputation due to Puerto Rico's history and culture to merit GI legal protection... Third, the DelPaís Mark has limited consumer recognition due to its inconsistent marketing and logo design... ²⁵

Amidst her criticism of the DelPais Mark, according to Zaragoza, this is the most similar to the TRIPS definition of a GI than all other Puerto Rican marks. Yet we can see how this is not enough to provide the protections that GIs offer. This mark, although headed in the right direction of providing producers with market protections for their products originating in Puerto Rico, is not enough because as Zaragoza has explained, there is a lack of quality control and assurance of geographical origin necessary to solidify the mark's reputation. The producers' word of mouth assurances of quality and origin are not enough to qualify as a legitimate certification mark or appellation of origin. GIs on the other hand, have extensive origin verification processes.²⁶ This impoverishes the DelPais Marks reputation, and reputation is important because it provides consumers with a trustworthy product that they can be sure originates in Puerto Rico and meets the minimum established quality standards for the product.

Another point Zaragoza makes in the previous quote is that the DelPaís Mark often applies to products such as coffee, rum or pork that already have reputations founded in Puerto Rico's culture and history. This is often tied to nationalism and supporting products not necessarily because the terrain or quality creates superior produce worthy of trademarking, but because of the reputation of the product strongly linked to culture and national identity. This "delocalization" of products goes against the idea of GIs as protecting the link between products and terroir.²⁷ It instead just creates a trademark for a food product

²⁵ *Id.*, at 18-9.

²⁶ *Id.*

²⁷ Justin Hughes, *The Limited Promise of Geographical Indications for Farmers in Developing Countries*, in GEOGRAPHICAL INDICATIONS AT THE CROSSROADS OF TRADE, DEVELOPMENT, AND CULTURE: FOCUS ON ASIA-PACIFIC 65 (Irene Calboli and W. L. Ng-Loy eds., 2017).

and while this is certainly an option, it is not the purpose of establishing and protecting GIs or certification marks whose main feature is the link to the land and providing economic growth for rural areas.

Another flaw that Zaragoza highlights in her research is that the DelPaís Mark limits its own effectiveness by having inconsistent marks.²⁸ Consumers are presented with different marks, stickers, and logos that say “DelPaís” but this lack of uniformity creates even more confusion among the consumer base. The whole point of a certification mark is to certify that the product meets certain standards and is from a specific location, but if the markings on the products are not uniform, the purpose of said certification mark is immediately defeated by its lack clarity.

ii. *Made in Puerto Rico Mark*

Another Puerto Rican mark that falls short in its standards is the *Hecho en Puerto Rico*, or Made in Puerto Rico mark. This mark is managed by the *Asociación Hecho en Puerto Rico*, or the Association of Products of Puerto Rico.²⁹ The problem with this mark is that it only requires 35% of value added in Puerto Rico, so for example, Frito Lay products can have the mark on its products since they have a factory in Puerto Rico.³⁰ The mark can therefore be misleading to consumers. The goal of the indication mark is to support Puerto Rican businesses, not to protect individual products originating from Puerto Rico from trademark infringement.³¹ Therefore, a Puerto Rican business can qualify for the Made in Puerto Rico mark while only being a distributor. In the case of coffee beans, roasters or distributors can receive the mark for their imported beans as long as the Puerto Rican company complies with the 35% value added requirement.³² While a mark that helps Puerto Rican businesses distinguish themselves in a saturated market is not in itself a controversial subject, the fact that the name of the mark implies a product being made or originating in Puerto Rico can confuse consumers looking for truly local products.

²⁸ Zaragoza, *supra* note 15.

²⁹ See ASOCIACIÓN HECHO EN PUERTO RICO, <https://asociacion.hechoen.pr/quienes-somos/> (last visited May 16, 2024).

³⁰ Zaragoza, *supra* note 15 at 19.

³¹ Jennifer L. Rodríguez, *Branding in Puerto Rico through the Lens of the Coffee Industry*, 14 LANDSLIDE No. 3 (2022), https://www.americanbar.org/groups/intellectual_property_law/publications/landslide/2021-22/march-april/branding-puerto-rico-through-lens-coffee-industry/.

³² *Id.*

iii. *The future of Puerto Rican certification marks*

In actuality, the current available certification or collective marks are lacking in Puerto Rico. This is unfortunate because coffee is considered to be a substantially important commodity in the local economy and the economic potential of GIs can be significant if they were able to be implemented in Puerto Rico.³³ The reason why I think coffee in particular should be the focus of GI protections in Puerto Rico is because it is a product that has a thriving specialty market which prizes single origin coffee beans, and also because it is primarily produced in rural areas of developing nations.³⁴ These developing nations, in achieving a protected GI status for their coffee, have access to economic development opportunities because of the desirability of their products in an already existing specialty coffee market that prizes geographical origin and assurance of quality. Therefore, Puerto Rico has much to gain from seeing how coffee certification marks have been protected in other jurisdictions, and what can and cannot be implemented in Puerto Rico to best serve local interests.

III. THE HAWAII PROBLEM: A LOOK AT HOW HAWAII PROTECTS ITS KONA COFFEE GI AND WHAT PUERTO RICO CAN LEARN FROM IT

A. *Why Hawaiian coffee?*

Why compare Puerto Rico's coffee certification marks to Hawaii's Kona coffee marks? Aside from the fact that they are both islands within United States jurisdiction, they are also the only places that produce coffee within the United States. Hawaii is an example of how domestic producers can have protection of GIs through the Lanham Act's trademark protections although this depends on the state's ability to effectively police said trademark and not neglect to protect it from infringement. For these reasons, and because they share the same federal legal framework for GI protection under the Lanham Act, Hawaii's implementation

³³ Yanis Blanco Santiago, La protección de las indicaciones geográficas en el comercio internacional: recepción y efectividad en el ordenamiento jurídico puertorriqueño, at 11 (October 2015) (Ph.D. dissertation, Universidad Complutense de Madrid) (HeinOnline).

³⁴ *Id.*, at 45-6.

and protection of the Kona GI is a good place to start when considering how Puerto Rico can improve its own protection of coffee under its own GIs.

Additionally, coffee is the second most traded commodity in the world.³⁵ But it also has a de-commodified specialty market where coffee sells at a premium price when it reaches the quality that consumers seek. This quality does not come solely from the geographic origin of coffee, but from the standards set by the regulatory organizations that confer GIs, certification marks, or collective marks.³⁶ In Hawaii:

Kona coffee cultivation demonstrates how a well-regulated geographic indicator can add value to agriculture by protecting the premium quality of the product through the regulatory power of law. When compared to other domestic geographic indicators, which generally focus on bulk commodity production, the Kona regulatory system is as distinct as the resulting brew.³⁷

Now that we have established why Puerto Rico should look to the Hawaiian GI framework, we can discuss what this system of protection looks like along with some of its flaws.

B. *GIs in Hawaii*

The Hawaiian legal strategy for creating its Kona coffee GI begins with the Hawaiian legislature giving the Department of Agriculture power to control the coffee industry.³⁸ This power consists of creating the rules for grading and labeling its agricultural products as well as controlling the sale and transportation of commodities which has to be offered in standard packaging that is labeled with the appropriate grade according to its grading system. Additionally, the Department of Agriculture was given the power to create a

³⁵ Jason Foscolo, *The Kona Coffee Archetype: A Case Study in Domestic Geographic Indication*, 5 KY. J. EQUINE AGRI. & NAT. RES. L 200 (2013) (Foscolo is citing *What Are the Most Commonly Traded Commodities?*, INVESTORGUIDE.COM, <http://www.investorguide.com/igu-article-1139-what-is-a-limited-partnership-lp.html>).

³⁶ *Id.*, at 200-1.

³⁷ *Id.*

³⁸ *Id.*

system for inspecting and classifying all the state's crops.³⁹ While not given the explicit power to create a geographical indicator for Kona coffee, the Department of Agriculture understood its powers to imply the ability to do so, and therefore created a GI for coffee cultivated in the North and South districts of Kona on the Island of Hawaii.⁴⁰ The Department also created a grading system to guarantee the coffee meets certain standards prior to being labeled as Kona coffee.

The Kona coffee farmers have greatly benefitted from this regulatory system since the Department of Agriculture has succeeded in marketing the quality of Kona coffee to consumers to the extent that it has effectively de-commodified Kona coffee and has created a product that is distinguishable from other coffee brands because of its provenance and quality.⁴¹ The Kona GI has also succeeded in boosting the price of its product above commodity price by focusing on the quality of the coffee.⁴²

Hawaii's method of promoting its coffee has been very effective especially when compared to how the United States generally promotes its GIs such as Idaho potatoes and Vidalia onions. In the case of both of these agricultural products, the grading system established by the United States Department of Agriculture (USDA) only focuses on outward aesthetic appearance and size of the potatoes or onions, not on quality or provenance.⁴³ This focus on uniformity says nothing about the quality of the potatoes that would separate them from the rest of the commodities on the market. It is fair to say then that the Kona GIs dual emphasis of quality assurances and state involvement in managing and enforcing the grading system makes a big difference to the farmers of this coffee.⁴⁴

The fact that Hawaii's Department of Agriculture is the one setting the standards for Kona coffee production also complies with the requirements of collective certification marks as established in the Lanham Act since these marks requires a third party, non-owner, to certify the origin and other standards of the products.⁴⁵ The State is assumed to be an unbiased third party whose separation from any profit makes them

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ Jason Foscolo, *The Kona Coffee Archetype: A Case Study in Domestic Geographic Indication*, 5 KY. J. EQUINE AGRI. & NAT. RES. L 200, 203-4 (2013).

⁴² *Id.*, at 204.

⁴³ *Id.*, at 205.

⁴⁴ *Id.*, at 206.

⁴⁵ *Id.*, at 216. *See also* 15 U.S.C. § 1127 (1946).

an ideal candidate for the standards setter and enforcer, but Hawaii has had problems with the State enforcing its own GI when it comes to its collective marks.

C. *What went wrong in Hawaii*

It appears to be the case that the Hawaiian system of GI protections works well when it comes to marketing and providing economic growth, but it is not a perfect system. It falls short when it comes to standing in the courtroom as well as in policing infractions to its marks which is vital if Hawaii pretends to keep on protecting its Kona coffee trademark.

i. *Standing Issues*

Individual farmers benefit the most from the certification marks under the Lanham Act.⁴⁶ There is even jurisprudence that shows that even without a registered certification mark, plaintiffs could have standing when it comes to infringers of their name and brand, and this could be applied to Kona coffee farmers as well.⁴⁷ But the reality for many individual coffee farmers is that they lack the financial means to bring their allegations to court. This demonstrates how in theory, Lanham claims are well protected, but in practice, litigation for each farmer proves costlier than what they can afford.⁴⁸ Therefore, as Jason Foscolo points out in his research, “aggregating the claims of several growers, or even several small roasters, through class certification is often a far more practical method of enforcing growers’ exclusive rights to geographically market coffee.”⁴⁹ The problem with this, he adds, is highlighted in the *Sugai Products, Inc. v. Kona Kai Farms, Inc.* case.⁵⁰ In this case, when several farmers, roasters, distributors and other people along the Kona coffee production and distribution line petitioned for a class action against the defendants who had bought South American coffee beans and repackaged them in Kona bags, the court denied their petition for class action.

⁴⁶ Foscolo, *supra* note 35, at 216.

⁴⁷ *Id.* at 217. *See also*, Black Hills Jewelry Mfg. Co. v. Gold Rush, Inc., 633 F.2d 746 (8th Cir. 1980).

⁴⁸ Foscolo, *supra* note 35, at 217-8.

⁴⁹ *Id.*, at 218. *See also* Catalina Carla Frigerio Dattwyler, *Geographic Origin Indicators from an Economic Perspective. The Need for Collective Coordination*, 12 REV. IBEROAMERICANA DE LA PROPIEDAD INTELECTUAL 19 (2019).

⁵⁰ Foscolo, *supra* note 35 at 218. *Sugai Prods., Inc. v. Kona Kai Farms, Inc.*, 1997 U.S. Dist. LEXIS 21503.

The reason for this was that they did not meet the requirements for a class action. These requirements are commonality, numerosity, typicality and adequacy.⁵¹ The court decided that the plaintiffs did not meet the adequacy requirement in that the plaintiffs would likely have “interests antagonistic to the class”.⁵² They understood that since the plaintiffs were a mix of workers on the coffee production chain, some farmers, distributors, retailers, etc., they likely had different and conflicting interests with one another and therefore could not qualify as a class. While the individual members could still file their separate claims, this holding by the court makes it more difficult and out of reach to do so as a collective. Because of this, Foscolo suggest that:

in order to tap the potential of the Lanham Act's ability to protect geographic indicators, a secondary level of organization is essential. ... the key to collective enforcement starts with better organization. The decision in Sugai Products suggests that better organization in groups which suffered discernible, discrete damages could make a better argument for certification on a group-by-group basis.⁵³

While it is not impossible for the aggregation of claims under a class action for Kona coffee farmers, this case does imply that there is work that needs to be done in terms of organizing farmers' claims in order to facilitate successful litigation for them. This ability to protect their own coffee collective mark is increasingly important in the context of the Hawaiian states' lack of policing its own trademarks.

ii. *Lack of state policing for trademarks*

The responsibility for “maintaining the integrity of their marks” lies with certification mark holders.⁵⁴

This has proved problematic in Hawaii since it is the Department of Agriculture's job to ensure that their

⁵¹ See *Sugai Prods., Inc. v. Kona Kai Farms, Inc.*, 1997 U.S. Dist. LEXIS 21503.

⁵² *Id.*, at 24.

⁵³ Foscolo, *supra* note 35 at 220.

⁵⁴ 15 U.S.C. §1127 (2006). See also Foscolo, *supra* note 36 at 220.

marks are not abandoned.⁵⁵ This has been an issue because of the DA's lack of policing its Kona trademark in the market. As Foscolo explains, "[a] failure on the part of the trademark holder to assert control over the products with which its trademarks are associated may constitute naked licensing, which may lead to the abandonment of a holder's marks."⁵⁶ This is effectively what the Hawaiian Department of Agriculture has been doing for a while. The DA has been unevenly policing its coffee trademarks and this could prove "fatal to its rights as the owner of the mark."⁵⁷ The use of the phrase "100% Kona Coffee" appears on an enormous amount of non-coffee related products, so much so that a simple google search of the phrase yields hundreds of products, many of which are unrelated to the Kona coffee GI.⁵⁸ This being the case, there does not appear to be any licensing agreement for the use of the state's marks on these products which could eventually prove that the state has abandoned the trademark by way of naked licensing.⁵⁹

D. *What can Puerto Rico Learn from Hawaii*

This lack of state policing of its own GI could prove to be the downfall for the Kona coffee GI and it remains to be seen whether reaching licensing agreements or total prohibition of the use of the Kona GI outside of its registered trademark holders is what follows for Hawaii. Having said this, Hawaii's model proves that although the US does not have a separate legal framework for GIs, the protection of GIs can be accommodated within the US legal framework effectively.⁶⁰ What we can learn from Hawaii is how to set up a system that prioritizes marketing to the interested consumer as well as creating a system of grading that ensures consistent quality. We can also learn what not to do by making sure that the state polices the GI effectively, so as not to abandon the market the name and reputation that has been earned. We can also learn how to organize farmer collectives in a way that, when litigation arises, they can aggregate similar claims in a way that provides for effective standing and litigation.

⁵⁵ Foscolo, *supra* note 35 at 220.

⁵⁶ *Id.*, at 221.

⁵⁷ *Id.*

⁵⁸ *Id.*

⁵⁹ *Id.*, at 222.

⁶⁰ *Id.*, at 223.

IV. WHY A COFFEE GI IS NEEDED IN PUERTO RICO

A. *A Short History of Puerto Rican Coffee*

Coffee production has long been embedded in Puerto Rico's colonial history. Arriving in Puerto Rico around the year 1736 under Spanish rule, the island's local terroir and climate eventually produced a quality and aroma in its coffee that came to be prized in the European market.⁶¹ So much so, that by 1886, coffee was 49% of the total exports on the island, even more than the previous frontrunner, sugarcane.⁶² Only four years later in 1890, coffee grew to be 77% of the total value exported in Puerto Rico which was now the fourth largest coffee exporter in the world.⁶³ Then, in 1899, Hurricane Ciriaco hit the island destroying 60% of the coffee production, and since Puerto Rico was now under the United States' rule, the U.S. decided not to reinvest in the coffee industry in Puerto Rico and instead began to import cheaper coffee from Brazil.⁶⁴ Since Spain was no longer ruling over Puerto Rico, the Spanish government elevated tariffs for coffee from Puerto Rico which had previously been protected.⁶⁵ In consequence, Puerto Rico lost its place as one of the top coffee producers and exporters in the world, and has subsisted since then mainly through local consumption of coffee.⁶⁶ In more recent years, there has been a renewed interest in elevating Puerto Rican coffee standards to those once again worthy of a growing specialty coffee market.⁶⁷ While this is a noble and desired goal, I argue that specialty quality grade coffee alone is not enough to revitalize the coffee industry and thereby the local rural economy if it isn't accompanied by the intellectual property protections offered by geographical indications.

⁶¹ Blanco Santiago, *supra* note 33 at 453.

⁶² *Id.*

⁶³ *Id.*, at 454.

⁶⁴ *Id.*, at 454 (I cite Blanco Santiago's footnote 1371 citing *Vid.*http://www.forumdelcafe.com/pdf/F-28_Cafe_P_Rico.pdf).

⁶⁵ *Id.*, at 545.

⁶⁶ *Id.*, at 454.

⁶⁷ See *La Cordillera de Puerto Rico: A Hidden Jewel Reemerges*, FORGOTTEN FOREST, <https://www.forgottenforest.com/about/our-story>.

B. *The economic benefits of GI implementation*

Despite the skepticism that accompanies any promise of rural development,⁶⁸ the economic benefits of GI protection are widely documented and well known. We know that geographical indications convey information about the origin, quality, ingredients, and methods of production of a product to the consumer.⁶⁹ But it also has the effect of promoting local markets which become higher quality markets because of the requirements set by the GI. The existence of these local high-quality markets motivates local producers to elevate the caliber of their product in order to meet these standards and claim their place in these high-quality markets.⁷⁰ It also follows that GIs lead to retaining and increasing rural populations and improving producers' income.⁷¹

If we take a brief look at Italy, as the country with the most GIs, it is a great example of how strong GI protections⁷² can propel a rural economy from the depths of abandon into the shiny new specialty markets that come with effective GI protections. Studies done in Italy on the economic effects of GI implementation reveal that in regions where a GI was implemented, there was significant economic growth compared to similarly situated regions without a GI.⁷³ Also, the population growth for these regions with newly devised GIs were above the average population growth for similar rural areas without GIs and also more than the national average rate of population growth.⁷⁴ While these studies have been done in Italy which is under the EU *sui generis* system of GI protections, it nonetheless evidences the success of protecting GIs in rural areas and how implementation and rigorous protections of these GIs suggest significant rural development opportunities.

⁶⁸ See Hughes, *supra* note 27.

⁶⁹ Calboli, *supra* note 16 at 402.

⁷⁰ *Id.*, at 401.

⁷¹ Nicoletta Colombo and Donatella Prandin, *Italy: Italian protection for geographical indications*, WORLD TRADEMARK REV. (2016), <https://www.worldtrademarkreview.com/article/italy-italian-protection-geographical-indications>. See also Peter Drahos, *Sunshine in a Bottle? Geographical Indications, the Australian Wine Industry, and the Promise of Rural Development*, In GEOGRAPHICAL INDICATIONS AT THE CROSSROADS OF TRADE, DEVELOPMENT, AND CULTURE: FOCUS ON ASIA-PACIFIC, 259-280 (Irene Calboli and W. L. Ng-Loy eds., 2017) (explains how GI implementation in Australia works and that farmers generally benefited economically after they received GIs for their wines). See also Calboli, *supra* note 6 at 25 (Calboli explains the benefits of GIs and also highlights how GIs benefitted rural economies in Australia and the US when it came to their wines).

⁷² Colombo & Prandin, *supra* note 71.

⁷³ See Riccardo Crescenzi, *et al.*, *Geographical Indications and local development: the strength of territorial embeddedness*, 56 REG'L. STUD. 381 (2022).

⁷⁴ *Id.*

C. *The promise of rural development.*

Puerto Rico, while a US territory, can be considered a developing nation for the purposes of understanding why GI protections for coffee are so important. Without going too much into the colonial history between the United States and Puerto Rico, Puerto Rico's colonial status has long impeded economic development.⁷⁵ Currently, Puerto Rico's population has around a 42% rate of poverty, which is below the federal poverty line.⁷⁶ There has also been a steady decrease in the islands population in recent years after Hurricane Maria and because of the ongoing economic crisis on the island.⁷⁷ All of these factors affirm the need for economic development in Puerto Rico in the hopes that a sturdy economy will help retain the working age population. That is why successful GI implementation for Puerto Rican coffee is so necessary.

While GIs don't work like magic, they are effective tools in revitalizing rural economies when appropriately managed.⁷⁸ An important aspect of GIs is that economic development occurs from within the production regions themselves,⁷⁹ and this is particularly important in Puerto Rico's current political context. Puerto Rico, as a US colony, depends largely on imported goods and particularly on imported food. It is estimated that over 85% of food is imported to the island.⁸⁰ This reliance on imported goods has proved detrimental, especially during the aftermath of Hurricane Maria when there were food shortages because of the dependency on imported goods and the lack of sufficient local agricultural products. Essentially, granting rural producers the exclusive right to a GI for their local products translates to incentivizing and promoting rural development.⁸¹ If Puerto Rico were to have a successful GI for coffee, the same model could be used for

⁷⁵ CARLOS VARGAS RAMOS, ET AL., *PERVASIVE POVERTY IN PUERTO RICO: A CLOSER LOOK* (Center for Puerto Rican Studies, Sept. 22, 2023) [https://centropi.hunter.cuny.edu/reports/pervasive-poverty-in-puerto-rico/#:~:text=Of%20the%2042.7%25%20of%20Puerto,\)%20\(see%20Figure%202.](https://centropi.hunter.cuny.edu/reports/pervasive-poverty-in-puerto-rico/#:~:text=Of%20the%2042.7%25%20of%20Puerto,)%20(see%20Figure%202.)

⁷⁶ *Id.*

⁷⁷ *A Changing Population: Understanding Puerto Rico's Demographic Trends*, FINANCIAL OVERSIGHT & MANAGEMENT BOARD FOR PUERTO RICO (December 30, 2024), <https://oversightboard.pr.gov/a-changing-population-understanding-puerto-ricos-demographic-trends/>.

⁷⁸ See Hughes, *supra* note 27 (explains how GIs in themselves don't magically improve the economy. While they can create rural development, it is not guaranteed thanks to the many factors discussed in his article.). See also Crescenzi, *et al.*, *supra* note 74.

⁷⁹ Blanco Santiago, *supra* note 33 at 45.

⁸⁰ *How Much of Puerto Rico's Food is Imported?*, TENDATA, (Sep. 25, 2023),

<https://www.tendata.com/blogs/import/4644.html#:~:text=It%20may%20come%20as%20a,United%20States%20and%20other%20countries.>

⁸¹ Calboli, *supra* note 5 at 21.

other agricultural products which could renew interest in local agriculture and the necessity of producing more food locally to lessen the island's dependence on imported food.

V. CONCLUSION

First off, Puerto Rico is impeded from establishing its own *sui generis* system to protect GIs because of its colonial status as a US territory.⁸² So Puerto Rico's status as a colony is a dark cloud looming overhead when it comes to discussion of economic growth on the island. With an imposed Fiscal Control Board under the PROMESA law, many decisions with economic impact cannot be made by our legislature without approval by the Board.⁸³ This inability to legislate in a way that responds to local necessities without asking for permission from an unelected fiscal board is a serious problem for Puerto Rico's economic growth, and is a reminder that colonialism is alive and well on the island.⁸⁴

Despite this burden, there is still hope under the current circumstances and ways to implement policies that favor incremental economic growth. Establishing a successful Puerto Rican coffee certification or collective mark is one way that within our current constraints we can begin to improve our local economy. If unable to access these GI protections, Puerto Rico will likely be left behind in terms of the capacity for economic development, compared to other countries, particularly in Europe, who are thriving under a *sui generis* legal framework that protects their agriculture.⁸⁵

Despite the current legal state of affairs in Puerto Rico, there is always the possibility of creating a better future on the island. Despite the colonial status, and within what is permitted under the Lanham Act, Puerto Rico has options when it comes to establishing a Geographical Indication for its local coffee especially because of the existence of an international specialty coffee market. But a system of effective GIs can only go so far in Puerto Rico since it also requires a system of competent government protections lest Puerto Rico fall into Hawaii's mistakes of neglecting to police its own coffee GI.

⁸² Blanco Santiago, *supra* note 33 at 19.

⁸³ Puerto Rico Oversight, Management, and Economic Stability Act, Pub. L. No. 114-187, 130 Stat. 549 (2016).

⁸⁴ Blanco Santiago, *supra* note 33 at 397.

⁸⁵ *Id.*, at 19.

One example of a coffee farmer currently taking action is Israel Gonzalez of Sandra Farms in Adjuntas, Puerto Rico.⁸⁶ In an effort to distinguish Puerto Rico on the specialty coffee map, his team has rediscovered a strain of coffee, Typica 401, that has been traced back to the original strain brought to Puerto Rico in the 1700s. This strain, according to Gonzalez, is of a higher quality than the ones being used today on the island, and through his project, The Forgotten Forest Microlot Project, he is trying to help local farmers get access to the strain as well as certifying the farmers who buy the beans so that they can benefit from the reputation of a quality strain.⁸⁷ If this project is successful it would be a perfect starting point for creating a new Puerto Rican coffee certification mark, with a standards setting and quality assuring organization that could propel Puerto Rican coffee into thriving in an international specialty market. It could also impulse rural development that is so desperately needed and could motivate other agricultural associations to organize and work towards the same goal of creating certification marks for their products.

As established, Geographical Indications are not a magic cure that will immediately bring economic development to rural areas, but it is definitely a stepping stone provided by the protections of intellectual property law whose positive effects have been studied and widely accepted. For this reason, and all those discussed in this article, Puerto Rico and specifically its farmers, can and should aspire to join the ranks of all other rural farmers who currently benefit from the economic benefits of GI protections.

⁸⁶ Rodríguez, *supra* note 30.

⁸⁷ *Id.* See also *La Cordillera de Puerto Rico: A Hidden Jewel Reemerges*, FORGOTTEN FOREST, <https://www.forgottenforest.com/about/our-story>.