COLLECTIVE INTELLECTUAL PROPERTY RIGHTS FOR THE DEVELOPMENT OF CREATIVE TOURIST DISTRICTS: AN EXPLORATION

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Collective Intellectual Property Rights for the Development of Creative Tourist Districts: an Exploration

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ABSTRACT

In this paper the institution of Collective Intellectual Property Rights (CIPR) is proposed as a regulatory tool for the development of Creative Tourist Districts based on local knowledge and trust, described as a superior organisational model of destinations to alternative models founded on individual property.

As there are various types and contexts of applications of CIPR, as well as different development objectives to be achieved, the paper designs a strategy to maximise the expected impacts from case to case. It then proposes “area labels”, based on a combination of controls on quality and delimitation of areas of validity of the right, as the best instrument to foster a strategic orientation to quality across the local tourism industry.

Keywords: creative tourism, local knowledge, collective intellectual property rights, labels

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INTRODUCTION

Large part of the TALC-related literature (see a comprehensive collection of applications and variations on the original model in Butler 2006) essentially argues that destinations undergo cyclical dynamics, determined by several factors such as variations in land use, property, and control, the nature and quality of the attractions, their degree of resiliency face to increasing visitor pressures, and the timing of tourism policy. Eventually, combinations of these factors may determine completely different trajectories, and altogether divergent models of tourism development, approximating a “spectrum” of situations rather than a deterministic and univocous cycle development as in Prideaux (2000).

The main focus on the analysis of development scenarios has been on tourism marketing and destination planning (Weaver 2000, Fayos-Solá 1996). Institutional issues are singularly under-explored in the literature, as well as governance design as the focus of tourism policy initiatives (a notable exception is in Yüksel et al. 2005). Questions as which kind of institutional regime supports different (and more or less desirable) development models may be very relevant in an age of globalised tourism pressures, steadily tapering off the manoeuvre space of national and local governments to steer development.

This article discusses the potential of collective intellectual property rights (CIPR) as an institutional toolkit for the sustainable development of destinations. Our approach is based on the assumption that local creative knowledge may be the key element of a tourism development model characterised by a combination of a high quality of tourism products and a fair level of heterogeneity on the supply side. However, the promotion of creative assets and savoir as place-based products faces two major challenges: the structure of the market in which they are valorised (tourism), and the globalisation of the world economy. Both forces tend to disenfranchise production processes from locally embedded knowledge, dissipating place advantages and generating standardisation and “placelessness” in tourism supply regimes.
The authors of this paper esteem that the application of CIPR is especially apt in the case of emerging tourist destination in backwards regions. Pressures by underdevelopment and international competition, these may be tempted to embrace a “fast and easy” model of tourism development, which nevertheless causes a long-term erosion of the tangible and intangible cultural resources, producing considerably lesser gains for the local community than what could result from the valorisation of local knowledge and culture.

The paper is structured as follows. The concept of “Creative Tourism District” is initially proposed as an organisational model of destinations based on a trustful relationship between visitors and the social and cultural capital of the host community, as opposed to other models founded on information asymmetries or minimal contacts between hosts and guests. This distinction introduces the main research problem, that is, the challenges for the “sustainability” of a Creative Tourism District face to global and local pressures which might erode place advantages.

After arguing in favour of the need to protect intellectual property as a way to sustain the value of local knowledge, a taxonomy of collective intellectual property rights (CIPR) is introduced. The effects of different classes of CIPR on the structure of destinations are then analysed systematically within a dynamic framework. The introduction of a cascading system of CIPR focusing on quality but also on the delimitation of application areas is proposed as the best strategy to sustain the formation of Creative Tourism Districts. Throughout the paper, several examples of contexts of application of collective intellectual property rights are given.

THE STUDY

A Destination Development Spectrum

Tourism destinations develop according to organisational models which reflect local market conditions and ownership structures. Two extreme models can be devised.
The first may be called the “5-star” model, standing for high-value, property-led development, mainly of the resort type, whose driving economic principle is the exploitation of economies of scope. According to this model, all the components of the tourist experience, from attractions and entertainment to accommodation and other services (wellness, golf, banking, transport, guides, etc.), are produced and consumed in a delimited or even fenced space, thus preventing competition from peer producers. Lack of competition determines an incentive to supply high quality products at high prices. The demand attracted to such destinations is thus characterised by high purchasing power, preference for high quality, and little willingness to get in touch with the host community. This may not depend on lack of curiosity, but rather by risk-aversion and limited time. The luxury resort visitor maximises its utility through the reduction of his/her search costs, which results from the concentration of tourist services in a circumscribed and predictable environment. “Deceiving” behaviour on the supply side tends to be sanctioned through the formal engagement that the visitor holds with the host entrepreneur (visitors are treated as returning “guests”).

The second is defined as “Mass Tourism” model. In this case the driving principle is scale economies, to be reaped through increases in the size and capacity of the products on offer, or through the spatial development of tourism production networks. As most local attractions (landscape, heritage, animation) have constrained capacity, increasing profits depend critically on the replication of place attributes in a controlled environment. That, inevitably, results in a decreasingly genuine “reconstruction” of the cultural attributes of a place for mass consumption. The quality of products is reduced as size gets larger and personal touch is lost, as is typical of services provided at “industrial” standards. Harsh horizontal competition, together with the “uninformed” character of visitor demand, induces cost-cutting strategies between producers, which inevitably results in a low-quality tourism supply (Caserta and Russo 2002). Rather than the controlled production system of the 5-star resort, this model reflects the “organised chaos” of mass tourist destinations, concentrating a very large number of rent-seeking producers with very little coordination at horizontal or vertical level (Leiper 1990, Tremblay 1998), as can be observed in the case of
tourist areas in large urban destinations (London, Paris, Barcelona) or medium-sized heritage cities like Venice, Salzburg or Toledo.

Arguably, both models tend to be “unsustainable”. The sustainability literature has focused mostly on the negative impacts of mass-tourism development: price inflation, crowding out of original residents and economic activities, loss of landscape quality, excessive specialisation of the local economy and erosion of original culture, etc. (Jafari, 1989; Knowles and Curtis, 1999; Priestley-Mundet, 1998). All this can be considered unsustainable to the extent that it affects the very capacity of the destination to attract consumers and generate profits in the long term.

Yet some authors (for instance, Holder, 1991; Brenner and Aguilar, 2002) also question the sustainability of the “5-star” model, on account of its social and cultural instability. Furthermore, especially in the case of backwards regional economies, seldom are the developing agents “insiders” given the size of capital assets involved in this kind of development, which means that also economic impacts are likely to be suboptimal for the local community.

The Creative Tourism District

Contrasting with the two models sketched above, a sustainable model of destination should be based on long-term welfare maximisation for the host community, as well as on the establishment of a high quality production environment for the best satisfaction of visitors.

The “Creative Tourism District” (CTD) model could then be conceptualised as a production system based on the engagement of visitors in the experience of local creative knowledge. The entire tourism supply derives its character from local culture and creativity, and builds its strength on the cross-fertilization between different creative production sectors (artistic creations and performances, structural and product design, fashion, gourmet food, superior wine, art and craft). Within this context, the operation of cultural industries and the valorisation of material culture can be regarded as the fuel that feeds not only the growth of
the cultural sector itself, but the development of an entire system of access to a territory, ultimately leading to a virtuous cycle of culture-led economic development, where local cultural capital, in its tangible and intangible dimension (Throsby, 1994), is the leading asset.

For a complete recognition of Creative Tourism Districts three additional conditions have to be satisfied:

i) The local community is actively engaged in tourism development and businesses.

ii) The cultural attractions have limited capacity, and that constrains the size of the tourist market

iii) Visitor satisfaction derives mostly from participation in manifestations of local culture and knowledge and the experience of culture-based goods.

The valorisation of local cultural and creative assets through experience-based tourism faces relatively low capital investment barriers, which supports the achievement of condition i): the local cultural producers make, are the attraction, and this cannot be taken away from them. Condition ii) is guaranteed by the irreproducibility of creative, idiosyncratic tourist experiences: while the tangible heritage, to some extent, could be reproduced and banalised, this is hardly possible in the case of the intangible heritage, which depends on the active engagement of cultural mediators. A dynamic link is established between the past (heritage) and the present human and cultural landscapes (production rather than mere reproduction), which prevents tourism supply from fastening on artefact imageries of the past (Richards and Wilson, 2007).

Finally, condition iii) reflects an empathic attitude of the visitor demand and the practical possibility to learn from – and interact with – local knowledge. In the CTD, visitors are in the ideal conditions to establish emotional links with the cultural capital of the place, tangible or intangible, through an active involvement in its genuine manifestations. Indeed, important business opportunities for preserving and valorising the physical and symbolic landscape derives from the visitors’ increasing interest for “culturally stimulating” environments, where they are likely to be in contact with new ideas, people, products, social rituals, languages, and visual expressions (Maitland 2007).
The latter condition in particular marks a substantial difference between the CTD and the other models. While visitors of the “Mass Tourism” destination are essentially gazers whose comprehension of the place and opportunities of choice are subject to increasing time and information constraints (Urry 1990, Richards and Wilson 2006), “5-star” resorts may be nuanced as holiday-camps for post-tourists who take part in all kinds of social practices reflecting their tastes and status, and producing a sort of “videogame” world. CTD instead depends on an active engagement of the tourist-prosumer in the very cultural processes that make a place interesting. A creative tourism experience involves reflexive interaction on the part of tourists (Richards and Wilson, 2006: 1218) in contrast with the classic “unreflexive”, gaze of incidental or casual cultural tourists (McKercher, 2002). The awareness of visitors guarantees that a trustful relation is established between hosts/producers and guests/consumers, lowering asymmetric information and abating the prize to moral hazard in the provision of tourist products, which in the long term leads to a downward spiralling of qualities in the model of Caserta and Russo (2002). CTD is then based on creative production and consumption, rather than on the mere endowment with leisure and landscape attractions.

As far as the supply structure of the destination is concerned, the CTD may be seen to approximate the district model involving a network of producers tied by cultural values and institutional arrangements, rather than either the large-scale/multiple-specialisation production cluster which is typical of the “5-stars resort”, or the unorganised price-based competition between a constellation of vertically integrated producers which is found in mass-tourism destinations.

The three models sketched above may be illustrated in the diagram of Fig. 1 in terms of the intensity of competition (X-axis) in the tourism industry from numerous and possibly heterogeneous tourism suppliers, and of the quality of tourism services (Y-axis). Compared with the other models, the heterogeneity of producers in the CTD is certainly wide, as creative knowledge extends to various aspects of the local landscape, from art to gastronomy, spirituality, street-life and spectacle. Yet, contrasting with the Mass Tourism model, competition between local producers is not so “extreme” that cutting quality
behaviour is a way to raise profits: the coordination in reputation-building for the local network is likely to be stronger if the number of participants is limited. Furthermore, the range of products offered is not boosted “artificially” through the provision of new tourist infrastructure, as irreproducible local cultural heritage remains a core product, and “context conditions” (e.g. the aesthetic quality of the landscape) are a fundamental component of the tourist experience.

High quality of accommodation and other visitor services is also likely to be sustained within a context of small operation size, but does not need to be the main issue in visitor satisfaction. If it were, that would probably result in a “predictable” and controlled environment, as in the 5-star model. Moreover, democratic participation in tourism from empathic visitors of all budget segments has to be guaranteed in the CTD, and that will result in a wider range of options and a lower average quality level; yet it stays higher than
in the “mass-tourism” model because cutting quality as a competitive strategy is ruled out by the lowering of information asymmetries implied by the CTD model.

The relationship between quality and heterogeneity, when local creative knowledge is the focus of development efforts, has a positive sign in the CTD because this model is based on the recognition that diversity stimulates quality. Instead, in the other two models of tourism development sketched above, quality and diversity are at odds: higher quality is achieved through a reduction of diversity in the 5-star model, and greater diversity leads to a decline of quality in mass-tourism destinations.

The combination of a reasonably wide range of tourist products and attractions, the extensive network of producers involved, and the average quality of tourism services which are associated to the CTD, are also likely to generate more significant and sustainable community impacts than the other two models, which, respectively, downplay competition and local producers’ networks (“5-stars” resort model), and tend to compress the quality of the tourist products (mass tourism). This is represented in term of a higher position of the CTD in “iso-sustainability” curves which trade off the quality of the products with the intensity of competition in the destination.

*The Development of CTD: Institutional Framework*

It may be argued that the type of development model which takes place in a destination is to a large extent determined by the allocation of property rights. Consolidated ownership of land and production plants – easier to find in rural and underdeveloped regions – is likely to lead to a “5-star” development, which gets to be characterised by lack of competitive pressures but also feeble contacts with the local cultural environment. Fragmented property, typical of densely urbanised areas, is more likely to conduce to a “mass-tourism” type of destination; in that case the involvement of local entrepreneurs is substantial, but the opportunities for sustainable development could be frustrated by intense (and occasionally destructive) competition, and by a market attitude that does not reward the curiosity of visitors and their quest for the “genuine”.

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What sort of institution may instead sustain the development of a Creative Tourist District? Our description of the characteristics of a creative cluster conjures that the focus should not necessarily be on the ownership and control of individual businesses, but rather on the ownership of ideas and the control over a business culture within a web of interrelated agents. That would not be inconsistent with the diffused property of tourist ventures, but in a networked production environment where property or control over the local brand is not exclusive or identifiable with a single business, it is the nature of stakeholdership that marks a difference, hinting at “rules of engagement” for a community of stakeholders.

For these reasons, collective intellectual property rights (CIPR) may well be such instrument: the attribution of collective control over intangible assets as culturally-defined services or production environments.

Intellectual Property Rights can be individual or collective, according to the ownership structure. Collective rights are generally managed, or owned, by a group of peer agents, which associate for this purpose and must generally file an application for its registration.

The role of CIPR in fostering the development of culture-based, place-bound, idiosyncratic products is treated by Cuccia and Santagata (2003; 2004), Moreno et al. (2005), and Santagata (2006). Just like conservation with regard to tangible assets, CIPR can be seen as an instrument to “preserve” cultural processes and boost their value for the community in a context characterised by globalised production, loosening connections between local and global, free and mobile knowledge. Through the introduction of CIPR, creativity is anchored and furthered in the location, providing incentives for cooperation between different actors, both within the creative sector and outside.

Various types of CIPR exist: it is now necessary to introduce typologies of CIPR, which will be reconsidered below at the moment of designing the best possible tools for the development of CTDs.

A first classification of CIPR regards the different “rules of engagement” which may apply. The most frequent types, and most relevant for our study, are the Geographical Indication (or its variant, the Appellation of Origin) and the Collective Trademark. A Geographical
Indication (GI) «... is a sign used on goods that have specific geographical origin and possess qualities or reputation that are due to their place of origin». It signals to consumers that « ... a good is produced in a certain place and has certain characteristics that are closely associated to that place of production. It may be used by all producers who make their products designated by a geographical indication and whose products share typical qualities» (ITC/WIPO 2003, p.10). Thus the establishment of GI guarantees that a product is specific to a given place, stressing that its characteristics are inextricably linked to local culture, and that only that territory has the natural factors that make the product or service unique. A Collective Trademark (CT) is a label which a collective entity owning the mark allows members to use, while excluding others from using it. The trademark must be indicative of the original nature of the goods and consumers must be able to distinguish it from others. As stated by WIPO, «… associations of SMEs may register collective marks in order to jointly market the products of a group of SMEs and enhance product recognition.

Collective trademarks have no particular relation with the “geographic origin” of the products served or the inputs used, as it is the case with GI. They rather regulate the “membership” to a group of producers which is characterised – with public recognition – for offering high levels of quality. If a producer does not respect the rules of engagement, that is, if he produces something that does not hold any relation with the intangibles characterising the cultural brand that defines the group, he or she loses the right to use the trademark.

Collective marks may be used together with the individual trademark of the producer of a given good. This allows companies to differentiate their own products from those of

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1 A variant is the Appellation of Origin which is « … a special kind of geographical indication, used on products that have a specific quality that is exclusively or essentially due to the geographical environment in which the products are produced » (Rojal, 2005), including human factors; that is, while GI do not explicitly foresee quality controls, which are assumed to be implied by the technology of production of a specific location, AO do involve a collective recognition and control of quality.

2 The World Intellectual property Organization is a UN agency which monitors the registration and protection of property rights and advises on their importance as a community development tools.
competitors, while at the same time benefiting from the confidence of the consumers in products or services offered under the collective mark (Rojal, 2005).

*Functions and classes of application of CIPR*

In the literature, IPR are attributed two main functions. The first is an *information function*, which is crucial to defend original culture-based production against the danger of appropriation by outsiders, through imitation of forging. This is the case of goods or services for which quality is not easily detected prior to purchase – Nelson’s (1970) “experience goods” – and transactions are not repeated. By signalling and certifying high quality standards, IPR allow consumers to economise on search costs (Posner, 2003), and protect them from fraud. These conditions become even more important when the sector is exposed to global low-cost competition. The information function characterised all types of IPR, individual and collective. Even in the case of individual rights, it produces positive sector externalities insofar as it contributes to establish a trustful relation between demand and supply, which is likely to affect the visitors’ attitude towards the place and the range of activities or level of “immersion” in local culture that they are willing to go, leading to greater viability of product diversification.

The second is an *organisational function*, and is rather typical of collective rights. CIPR foresee the introduction of rules, standards, inspection procedures and financial mechanisms for business development into an area, a community, or association of producers (Becattini, 1990). In turn, that instils a critical level of trust and cooperation among the local micro- and small enterprises. Hence, a “district culture” may be established, which regulates the ecology of the sector, sustaining its competitiveness. In this sense, CIPR are not only important in terms of visitor satisfaction and market development, but may have another remarkable function for the territory: to defend and enhance the viability of locally-embedded production sectors face to the “delocalising” pressure from global competition, and hence they can be considered assets for sustainable development.
A taxonomy may be proposed, referring to the different elements which CIPR regulate. There are three main classes of application of CIPR:

1. **CIPR over a production process.** CIPR signal the genuineness of a production process based on embedded local knowledge; for instance, wines, cheese, pottery, glass, jewellery, etc. may be protected by such kind of collective property rights, often referring to a geographical context (in that case, a GI or AO); alternatively (in the case of a CT) they guarantee the original quality of goods defined through a cultural brand. The rights are normally managed by sector associations or public administrations responsible for the region of validity of the mark.

2. **CIPR over a point of sale.** CIPR are labels put on marketplace agents, signalling that a given establishment offers – exclusively or not – the original products, and more in general that it commits to the respect and furthering of a given cultural environment. This application of CIPR may coincide or not with the previous one; the distribution process often implies a divergence of the concept. For instance, the shops in the old Dutch city of Delft who are entitled to sell original “Delfts Blauwe” porcelain pieces are clearly distinguished from souvenir outlets selling reproductions through a label placed on their exposition windows.

3. **CIPR over an image or brand.** CIPR define the association of a supplier to a geographically delimited area which has cultural significance, rather than referring to a specific quality of the products. Area labels can be as loosely connected to physical places. The rationale is to offer all commercial stakeholders in a given area some identification with the place brand, if they commit to some kind of “place philosophy”. This may refer to a style, protecting the area from loss of identity when the original identifiers wane (as in the case of the Carnaby Street “punk” shops), or to the high quality or genuineness of the products on sale, as in the case of Bond Street’s associated business and Vilanova de Gaia Porto wineries, where the visual and symbolic landscape – per se valuable – is defended against the changes which might follow from the “flashy” price-based competition of mass tourism development in surrounding areas. CIPR can also be applied to an image identifying a “commercial philosophy” not linked
at all with a geographically delimited area, as in the case of the Romantic Hotel or Relais and Chateaux chains.

These classes of application are not exclusive; a “cascading” system could be imagined for which labelled culture-based products are only sold in establishments which have the rights to do so, and this may coincide with a specific and delimited location, contributing to raise its profile as a high-quality tourist area.

In any case, our main claim is that CIPR are not necessarily related with a specific product, especially in the second and third case mentioned. In fact, a fundamental distinction is introduced regarding the “spatial emphasis” given to CIPR, between the territory of reference for the regulation of culture-based production processes (which is the base of GI and AO, guaranteeing that the inputs and knowledge employed in some protected culture-based production are indeed “local”) and areas of application of CIPR, which instead refer to the marketplace in which the trademark is applied. In the first case, a strict delimitation of the territory may have the adverse effect of stifling innovation and making products unresponsive to market changes, and in any case, it could be of little use when regulating a transversal industry like tourism. In the latter case, the area of validity of CIPR is bounded in such a way as to highlight the “added value” of a specific location, differentiating it from other areas which may have similar characteristics but not the same historical or identitarian value. The protected mark could be seen as a compensation for firms operating in areas which are subject to higher costs or a higher level of regulation, or more prosaically, as a covert means to defend the incumbents’ rents in an area. A well-known

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Segre (2003) and Cuccia and Santagata (2003) argue that the introduction of an Appellation of Origin may, in given circumstances, stifle innovation and reduce the capacity of the local creative cluster to adapt to technological and market changes. Moreover, in some cases the individual brand of single producers can be so far higher in quality and reputation than the common collective brand, that these have an incentive to disengage them from the trademark agreement and promote themselves individually. Their exit, however, determines the decline in the overall quality and reputation of the trademark which is made up of the average quality between the associated producers. Finally, it should be considered that, in some cases, markets for high-quality goods may not exist or are narrowed by changes in the demand side; in those cases the introduction of a CIPR would be useless or counterproductive to enhance the quality of the products, and that is especially a problem for mass-tourist destinations subject to large information asymmetries.
example of CIPR over a restricted area is offered by the denomination of World Heritage Site, which implies that in that given area strict conservation rules are in place, protecting its historical and functional originality and hindering commercial developments that may dilute such integrity.

Specificity of tourism as a context of application of CIPR

Following the argument of the previous sections, the introduction of CIPR may lead to the establishment of creative districts as tourist attractions, implying a more sustainable model than alternative developments based on individual property rights on “hard” infrastructure and land. However, the valorisation of local creative knowledge needs to be take shape within a “networked” structure of the local production environment, including the full range of visitor services (accommodation, catering, interpretation, etc.). Any effort to base local tourism development on creativity and cultural production cannot neglect the composite nature of the tourist product, and that visitor services not operationally connected with primary cultural attractions are generally offered in markets with thoroughly different structures of interests and stakeholdership (Dahles 2000, Orbasli 2001).

If a Creative Tourism District is eventually developed, a double range of benefits is to be achieved by the local community: the direct impacts of a “socially embedded” tourism industry, and the market-size effects from the production and export of culture-based goods. If instead a balance is not struck between the conditions leading to a creative district and a global market orientation of the destination, culture-based industries and tourism are likely to develop in separate ways, or, worse, tourism may plunder local creativity, altering its value so that it can be commodified in the tourist market in spite of quality.

Indeed, a number of well-known practical examples could be quoted in which things have gone wrong and the industrial production of tourism services (including primary attractions like museums) taxed creative or identitarian stances: from made-in-Asia “art” glass items sold in Murano showrooms, which result cheap enough to outsell the export designer pieces
on the hurried Venetian tourist market (Russo and Segre 2005), to the “McGuggenheims” (Richards and Wilson, 2006; McNeill, 2000) echoing Ritzer’s (1998) critique of the standardisation of tourism consumption landscapes. In addition, the imaging of places by intermediaries reduce critically the opportunities of trustful host-guest interaction as a counterfeit, conservative landscape is eventually produced (Delgado, 2004), negating social dynamism. Hence, in Venice the tourists’ “romantic” is – for its citizens – the “silent”, the “dead”, the dearth of opportunities for social and economic growth. In a similar way, the expropriation of elements of the tourist product (hotels, travel, restaurants, even events) from local ownership or control is likely to bring about a rupture in the process of integration and delivery of cultural products, with global functions developing independently and sometimes at different quality levels from the local ones.

In this light, the long-term viability of CTDs could be seen as a “coordination game” played by actors with different strategic horizons. Such game is framed by two key points:

- The establishment of emotive links between local products and visitors (Go, Lee, Russo 2004). This may lead to a higher level of resiliency of the tourism development process face to external shocks and endogenous market transformations.

- The maintenance of quality and variety within the district face to the “standardising” pressure of the global tourist market.

In this article the main focus is on the latter issue, but the former is highly related and in any case deserves further treatment. To understand exactly to what extent the potential consequences of the application of CIPR may vary according to the context, a simple dynamic analysis of the CTD may be used.

**Starting positions**

The introduction of CIPR may boost development opportunities both in the case of mature and emerging destinations – which we can roughly approximate to developed and developing countries –, but starting positions and policy priorities will differ substantially.
The starting situation of a destination introducing CIPR can be described referring to three dimensions, which are analysed simultaneously by means of two diagrams as in Fig. 2 below. In the box on the left side, the three main products of the Creative Tourism District are classified according to levels of quality: creative and culture-based goods, which are, potentially, the primary attractions; hotels and restaurants (complementary products); and other visitor facilities. Quality levels are low, average, or high. In the Cartesian diagram on the right side we represent the correspondent quality/heterogeneity space introduced above (p. 12).

**Figure 2. Starting situation in backwards destinations**

<table>
<thead>
<tr>
<th>Products</th>
<th>Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
</tr>
<tr>
<td>Creative products</td>
<td>Material culture incorporated in arts &amp; crafts</td>
</tr>
<tr>
<td>Hotels &amp; restaurants</td>
<td>Few and basic</td>
</tr>
<tr>
<td>Other visitor facilities</td>
<td>None</td>
</tr>
</tbody>
</table>

In backwards regions, hotels and other visitor facilities are far from the standard levels that can be found in established tourist destinations (left side of Fig. 2) and there hardly are any visitor facilities in operation, as these services are normally provided by accommodation managers themselves as a part of the hospitality package. Furthermore, little emphasis is given to heritage and local knowledge as tourist attractions, so that culture is normally offered to tourists at substandard quality levels, mainly in the form of simple art and craft products produced in a few family-run ateliers. The entrepreneurial capacity of local residents is poor, due to high capital barriers; lack of regulations on land uses and redistribution policies favour concentrated land ownership and investment capital (right side of Fig. 2).
In mature destinations (Fig. 3), the market structure and the regulation regimes are such that the standards in tourism supply are averagely higher, and so is the heterogeneity of the industry (including the production of culture-based goods), yet the local market is unstable and exposed to external shocks.

**Figure 3. Starting situation in mature destinations**

<table>
<thead>
<tr>
<th>Products</th>
<th>Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
</tr>
<tr>
<td>Creative products</td>
<td>Culture-based goods</td>
</tr>
<tr>
<td>Hotels &amp; restaurants</td>
<td>Standard supply</td>
</tr>
<tr>
<td>Other visitor facilities</td>
<td>Standard complementary goods and services</td>
</tr>
</tbody>
</table>

*Unregulated development*

Face to an expanding tourist demand, unregulated market forces will drive the restructuring of the destination. This process may go in two different directions in terms of quality: upwards and downwards.

The upwards trend, which is normally found in emerging destinations in backwards regions, characterised by bland ownership regulation and a pro-development attitude of public officers, may lead to a “ClubMed-isation” of tourism. The volume of tourism business triggers the restructuring of supply, with possible inflow of foreign capital; property is – or becomes – concentrated in a few hands, and the destination develops as a “5-star” resort. In similar cases, a growth in hotel qualities and other visitor facilities is normally not related to increases in the quality of culture-based products, which remains structurally low (left side of Fig. 4, grey arrows defining “first moves” and white arrows
“consequences”). Physical and intangible barriers to low-budget travellers are erected, and high-class tourist enclaves emerge where tourist production is not based on local cultural idiosyncrasies but on altogether different landscape qualities or artificial attractions, thus being irrelevant to the valorisation of local knowledge. In the end, the benefits accruing to the local population are limited (right side of Fig. 4); the erosion of landscape qualities as well as the weak social stakeholdership may lead to fast life cycles. It remains to say that face to mounting deregulation of land uses and capital flows across national borders, this type of development is today observed in many destinations also in developed countries, where it is substituting earlier developments based on diffused ownership.

![Figure 4. Unregulated development in backwards destinations](image)

Equally critical is the downwards type of standardisation, producing a “McDisneyization” of the destination, with a critical diminishment, or banalisation, of local idiosyncrasies (Muñoz 2006), which is typically observed in mature mass-markets, characterised by extremely parcelled land ownership. Ritzer’s (1998) analysis of the self-defeating industrialisation of tourism landscapes has been more solidly grounded in economic theory following the work of Shapiro (1983), which was applied to the tourist market by Keane (1997) and Caserta and Russo (2002). The latter work is taken as framework for what follows.
The compression of the quality of tourist products starts with visitor facilities, which adapt to a demand made of visitors facing increasing time, information and monetary constraints. Progressively, the hotel and restaurant sectors also endorse this strategy, reorienting towards low-cost products in order to intercept the increasing shares of excursionists (left side of Fig. 5). Eventually, the declining process extends to the supply of culture-based goods. Less demanding and aware visitors are also less willing to reward culture its value, which is nevertheless needed in order to keep a cycle of cultural production going and to preserve the heritage. The ultimate result of this vicious circle is the loss of competitiveness of the destination, which comes from the erosion of cultural capital and its value face to the economic pressure generated by an increasingly undistinguished and uninformed demand (right side of Fig. 5). This development is mostly observed in developed countries, but not exclusively. Heritage destinations in developing countries may be embracing this type of development fast: the heritage cities of Cuzco, Olinda, Yogyakarta, are examples.

Figure 5. Unregulated development in mature destinations
Protection of culture-based goods

The introduction of CIPR shifts the focus of regulation from ownership to product qualities and producers’ communities. Yet its effects on market development can still be evaluated according to the different application contexts and specific instruments used.

First we take into consideration the introduction of Geographical Indication as an instrument for the protection of culture-based goods. Such instrument would normally signal to buyers – among which, tourists – the authentic character of products (which is supposed to constitute a factor of attractiveness for the destination). However, the impact on the local tourist market of high-quality culture-based goods is blunted by the competition on the same market of imported goods which are normally less expensive. While GI usefully discriminate between the two, impeding forgeries, it only partially affects consumer behaviour. Uninformed, unaware visitors may still be interested in saving on costs by buying the forged good or low-quality services.

Besides, GI cannot usefully apply to tourist services like accommodation or other tourist facilities, for which “localness” is not an option (although ownership structures could be taken over by outsiders, as in the case of franchising by hotel and restaurant chains). The local-orientation of ownership structures would probably generate a better community impact, but this is not a category that fits intellectual rights, or at least, is not regulated by national or international laws. A final counterargument for the use of GI as a development tool for CTD is that high quality productions could have an interest to delocalise (for instance, moving out from a designated area of validity of GI) if the perceived advantages from this move in terms of production (and membership) costs surpass the benefits from the “label”. If these are low because of the existing visitor profile, then the CTD would start to disperse, losing focus as a tourist area.

For all these reasons, GI may not be sufficient to achieve a higher level of quality and integration of the tourist market because it does not alter the interest structure of tourist supply. In Fig. 6, it is made clear that in emerging destinations the application of GI do signal the origin of products of local creativity, but this is not sufficient to generate
inclusive development. The priority for tourism development in backwards regions is not restructuring but taking off, and intangible cultural elements, hardly possible to regulate through GI, are normally the main attraction for cultural tourism. In such circumstances, the introduction of GI on culture-based goods does not prevent the destinations from converging towards a “5-stars” resort because it does not affect the underlying structure of the filière.

Similarly, in mature destinations (Fig. 7) the effectiveness of GI as a tool for the protection of quality of tourism products may ultimately be off-set by the fact of being applied in a mass market where visitors are bounded in their consumption behaviour by asymmetric information and lack of trust.
The example of artistic glass production in Murano is point in case. To protect the quality and the integrity of the glass production cluster, the Murano Glass trademark has been introduced in 2001. All Muranese glassmakers were given the possibility to adhere, if they respected technical regulations, irrespective of the quality of the creative and cultural contents of the items produced (thus Murano Glass can be considered a Geographical Indication, or better an Appellation of Origin, since human factors are particularly important). A fee is paid to join the trademark and then a per-item “stamp” (0.3€) to put on the market item (optional). The Promovetro consortium, including a large part of Murano’s glassmakers promotes the trademark and manages the members’ relations. Yet after a few years from its introduction, this tool is considered a partial failure in sustaining high quality glass production. Face to high production costs, some of the most famous glass-makers relocate production facilities in order to reap cost advantages over those who decide to stay and have the right to use the mark; in this way, the process of dispersion of local knowledge is accelerated. But what’s more important, in the uninformed mass-tourist market, the quality of glass production is not easily detected. Tourists, as opposed to local households and international specialised importers, are uninformed and “accidental” buyers who care little about quality and exhibit lower demand elasticity with respect to price/quality. Irrespective of the production strategy of the producers and whether the items are labelled or not, the retailer can decide to “confuse” labelled and non-labelled items (reaping a higher
mark-up on non-labelled pieces), or to blackmail the producers into not marking their products, so that the diffusion of the mark is slowed down and its reputation with buyers is reduced.

The case of wine production in the Langhe, a sub-region of Piedmont, Italy, represents a counter-example (Segre, 2003). The quality of culture-based products and the cooperation within that sector, spurred by the introduction of a comprehensive system of appellations of origin, has also fostered tourism development, although it should be considered that competition in this case is very mild and the size of the tourist market is limited.

Regulation of quality of the tourism product

In the present framework imposing a CT on a range of tourism services (like hotels and restaurants, and other visitor facilities in our diagrams), as with the second and especially the third class of application of CIPR of p.18, guarantees that cutting costs and reducing quality is ruled out as a competitive strategy. Tourism producers may only increase their market share by product differentiation and the personalisation of tourist services, which, in the case of emerging markets, results in a more heterogeneous supply. At the same time, the trustworthy host-guest relationships so established engender a higher level of empathy and curiosity towards the local culture. Visitors are more willing to experience culture-based good and products, offering an opportunity for a larger and more professionalized involvement of the local population in the valorisation of their creative knowledge. This evolution is consistent with Richards and Wilsons’ (2007, 17-18) insight in the shift from tangible heritage as an object of tourism consumption to more holistic experiences based on intangible culture.
This is represented in Fig. 8, where we also highlight that the introduction of CT on tourist production in mature markets may instead lead to a less intensively competitive environment, through chain (dis)integration and the establishment of collaborative networks. Anyway, in both cases, the resulting combinations represent an improvement in terms of sustainability for the local community.

The difference between the regulation of the Creative Tourist District through CT and the introduction of GI on quality-based goods – examined earlier – deserves further discussion. In the previous case, CIPR did not necessarily lead to a restructuring of the market because they basically missed to affect consumer behaviour and the tourist supply structure. A higher level of quality in the culture-based products induced through labelling does not modify the objective conditions of visiting sites as a mass tourist (hurried visits, asymmetric information, “gaze” of place features rather than experience) or of the “5-star” resort guest (unwillingness or practical restrictions to go over the fences, cultural distance, risk). It may well be the case that a market for high quality cultural products never establishes, as because the demand for local products is structurally biased to low-quality/low-budget; and incentives to upgrade the quality of local culture-based production and develop “value networks” with the surrounding tourism consumption landscape fail to emerge.
In the case analysed in this section, instead, CIPR are straightforwardly applied to the various elements of the tourism supply, bringing forward proper market conditions for the restructuring of the cultural production sector, which becomes specialised in the provision of high-quality products to curious, aware visitors.

*Application of CIPR in a tourist district: where to regulate*

Once argued that the introduction of CT has the best outlook as regulatory instrument for the development of Creative Tourism Districts, in the final part of this paper we focus on the application strategy of trademarks. Reference is made to the distinction introduced earlier in the “spatiality” of the classes of application of CIPR.

In the specific problem of setting CTD, the geographical delimitation of the area of validity of CIPR could be seen as a way to strengthen the association of a wide range of producers with a “culturally-valuable” environment (yielding in that way the dynamics illustrated in Fig. 7), and to create a symbolic link between the *nature* of the tourist activity and the *place* where such activities are carried out. Examples of this type are the Big Apple and ♥NY tags (the latter has been adopted as the official mark for the State of New York Tourism Agency, coming to mark all sort of outdoor activities which have very little to do with the city itself…), shown on New York’s shops and promotion materials, or more specific area indications such as the “Carnaby” logo only available to the outlets in that very famous shopping alley in London.

Thus, we propose that not only should CT regulate the quality of an array of tourist products on offer in a destination, but also delimit exactly the *area* where such tourist services are to be delivered. Only businesses located within that area, whatever the type of service they supply, have the right to use those labels if they respect the rules of engagement. These could vary according to the specific nature of the branches of activity, ranging from a possible the prohibition to sell products that are not “labelled” – for instance shops selling “genuine” (GI protected) goods only, though such level of exclusivity is not to be seen as necessary for the validity for CTD development – to the imposition of higher
(or more specifically defined) quality standards than those “universally” applied in specific business categories, for instance referring to the building materials and furnishing of hotels. In any case, the unifying element is the common reference to the “cultware” of the locality, be it embodied in its craftsmanship, in its physical fabric, or in its symbolic legacy. Collective trademarks structured as “area labels” (described as the third class of application of CIPR) would thus commit the whole tourism sector located in a specific area earmarked for tourism development, fostering the provision of high quality experiences in a coordinated way.

As was suggested above, a “cascading” or hierarchical system involving the designation of high-quality areas with a specific culture-based brand, where labelled shops and establishments can supply goods and services protected by a geographical origin, may achieve more objectives at the same time. The three classes of application of CIPR – so combined – should then be articulated in such a way as to apply both at product level through a GI (or AO) as in the first or second class, and at area level through a CT applying as in the third class: only original and high-quality products are on offer in designated areas, and such areas are delimited so as to favour product integration and raise the tourist profile of areas that are in need of regeneration, like heritage perimeters in decline in developing urban destinations, or peripheral districts of historical value (e.g. decayed industrial areas) in developed countries.

The areas to be considered as the base for “tourism quality labels” are ideally heritage sites or historical perimeters (e.g. walled cores) within larger conurbations, characterised by the following elements:

- Intense competition between tourism suppliers, which could potentially lead to quality cuts, as in the case of mass-tourism heritage cities in mature markets like Bruges, Venice, Mont-St.Michel, or historical districts in larger urban destinations, like the Barri Gotic in Barcelona, Soho in London, Chinatown in Singapore, Haight-Ashbury in S. Francisco. In all these cases, an “area label” strategy for the sale of tourist products and services would instil cohesion in the tourism district and push up the quality of the
products on offer. For instance, face to the account given above of the factor hampering the effectiveness of the Murano Glass trademark as an instrument to protect the tourist profile of the glassmaking cluster, a reasonable solution would be to introduce a “exclusivity” for retailers selling Murano items in central areas (there’s a Calle close to St. Mark Square where the most famous glass shops are clustered, but presently they are not selling exclusively labelled Murano items), or in the Murano island itself, extending the Murano Glass trademark (to be redesigned in order to reflect this multiplicity of references) to all other tourist services in the same areas.

- A compact and evocative landscape, where the “absence of modernity” is in itself creative spectacle. This is especially the case of “old towns” left to decline within destination regions in emerging markets. In many cases these are in the proximity of coastal or CBD areas subject to concentrated property regimes where “5-star” tourism districts are developed. Examples may be the old historical cores of Akko (Israel), Byblos (Lebanon), Cochin (India), and Quito (Ecuador).

- A continuity in the landscape between physical heritage and creative knowledge or material culture – for instance, a peculiar architectural form (the “trulli” of Alberobello, the “cube houses” in Rotterdam), a distinctive commercial structure (the Spices Bazaar in Istanbul, the old colonial centre of Rio de Janeiro), or a historical industrial area that maintains its original functions, or could be readapted to contemporary functions and uses; examples are the jewellery quarter in Cairo (Giaccaria and Abdel-Kader 2005), the pottery district in Caltagirone (Cuccia and Santagata 2004), and the soap warehouses of Saida. In these areas the introduction of CIPR may sustain holistic culture-based tourist experiences as compared to the mere consumption of culture-based goods.
CONCLUSION

In this paper, it was first argued that Creative Tourism Districts – as opposed to other destination models – are the best and most sustainable environments to establish “empathy” between host and guest communities, hinting at the genuine, transparent, enticing content of the visitor experience, as they are supposedly dynamic in nature, inclusive, holistically constructed, and thriving on quality. In CTDs, creative knowledge is a fundamental asset for local development on account of the fact that, differently from other tangible cultural and natural attractions, it cannot be easily banalised or predated by the tourism business. Moreover creative knowledge is deeply embedded in the local community and in the system of relations which structures it. Thus, not only does it engender involvement, which safeguards destinations – especially in emerging markets – against the “expropriation” of development gains by global agents, but it also brings about a favourable environment for quality, innovation and flexibility in tourism production: a guarantee of sustained competitiveness against “destructive” developments encapsulated in the later stages of the TALC models.

The authors feel that this framework provides an opportunity to address the issue of visitor behaviour and the structure of the local market without “romancing the host”, as Aramberri (2001) warns we should be wary of, but rather restructuring the economic mechanisms that regulate the relationships between demand and supply.

Cleverly-engineered Collective Trademarks based on the combination of three classes of application of CIPR identified and involving a hierarchy of geographically-delimited “quality marks” applied to products evoking local creativity have the potential, on one hand, to stabilise the structure of the CTD, and on the other, to drive its orientation towards visitors who praise local knowledge and seek for holistic, enriching cultural experiences, maintaining a critical level of quality and diversity within the cluster. CT were shown to provide an appropriate regulatory instrument, in a form that fits the composite but localised nature of the tourist product, made up of many sub-products and services that are reconnected to a “local brand”. The introduction of CT as “area brands” has the potential to
enhance the profile of specific environments of material culture as high-quality, highly networked tourist areas where the visitors’ experience of local knowledge, embedded in culture-based products, events and landscapes, can be most satisfactory.

Within this context, however, the introduction and the design of CIPR should be looking carefully at the “starting positions” of destinations. Often, in the case of backwards regions, cultural or creative tourism districts are only a potential structure, which needs to be transformed into an effective web of supply chain relationships. Thus, while mature destinations may require systems of legal protection also involving individual rights over culture-based goods in order to sustain high quality in the tourist market, emerging destination in developing countries should rather be oriented at achieving a larger degree of diversity and networking in their tourist supply.

The last issue to be considered in this exploration of CIPR as development tool for CTD is the proper introduction procedure of the rights, involving strategic decisions on the organisation, implementation and control of this process. WIPO (Ghafle and Santagata 2006) proposed a program for establishing Collective Trademarks, articulated in eight steps, which could be taken as a reference for practical applications of further research into issues of local development policy.

Notably, WIPO advises to select minimum quality standards so that they “are related to every good produced and service provided in the tourist cultural district”, and to put in place a revision procedure of firms applying for the use of CIPR based on registration and accreditation. The registration opens a procedural path that begins with the initial assessment of the quality levels of the goods and services provided by the new entrant. If the standards are complied, the accreditation follows and as official member of the association the former applicant is entitled to use the collective trade mark. If the quality level is under the minimal norms an interactive practice will begin to lead the applicants to the minimal quality. This is done through periodical inspections, advices, and institutional support. In this way the accreditation is the result of cooperative behaviour that leads to attain a good average quality for the district.
As a follow-up to this largely theoretical work, the authors urge for further research into the general topic of tourism development based on intellectual property and its protection, and on specific empirical investigation to test the validity of the CIPR toolkit in real world cases.

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