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Gosling's Rum: Promoting the spirit of Bermuda

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Two centuries after the Gosling clan settled here, one member's mission is to export the family rum -- and protect the trademark on a certain cocktail.

By David Whitford, editor-at-large

FORTUNE -- It will be a dark and stormy night; I'm counting on it. But it's early yet. The sky is blue, the sea an unfamiliar shade of turquoise, and the air, room temperature. Maybe a little blowy, but I'm not complaining. I woke up this morning in Boston (we had some snow this winter -- maybe you heard), and here I am, two hours out of Logan, in Bermuda.

I came down with Malcolm Gosling Jr. Malcolm, who just turned 50, was born and raised in Bermuda. He looks the part: cleft chin, square jaw, blue blazer, white shirt open at the collar. He talks as if he has a mouthful of marbles. Malcolm's great-great-grandfather was Ambrose Gosling, whose brother, James, the oldest son of William Gosling, a London vintner, arrived in Bermuda from England in 1806 aboard the barque Mercury, carrying 10,000 pounds sterling of wine and spirits. Bermuda was not the Mercury's intended destination. James meant only to stop, but he lingered (I'm not surprised), and eventually Ambrose joined him.



PHOTO: ANDREW HETHERINGTON
Malcolm Gosling Jr. at the bottling plant in Bermuda

Business was shaky, initially, but Ambrose persisted, and nearly two centuries later his descendants -- among them Malcolm; his sister, Nancy Gosling, who's CEO; and his cousin, the Right Worshipful Charles Gosling, mayor of Hamilton -- preside over an eclectic and prosperous family enterprise. They're the biggest distributors of wine, beer, and spirits on the island, and among the biggest retailers of same. They control the duty-free franchise at the airport. They own real estate. And they blend rums -- notably, Gosling's Black Seal.

You used to be able to walk into any Gosling's store on the Island with an empty container and fill it with rum straight from the barrel. Bottling -- using champagne empties salvaged from the officers' mess at the British garrison -- began only after World War I, in response to demand from participants in the annual Newport Bermuda yacht race, who bought cases of Gosling's to bring back home. It's front-of-the-shelf behind every bar from St. George's to Somerset (where you'll find the last Gosling's store that still sells Black Seal on tap). But until fairly recently, if you had a craving for genuine Gosling's rum, you had to go to Bermuda to satisfy it.

Changing the Bermudan way of business

For nearly 200 years that model worked just fine for the Gosling family. It's a very Bermudian way of doing business. Bermuda has the third-highest per capita income in the world, 50% higher than that of the U.S. Yet it has no natural resources and almost no exports. Bermuda prospers for two reasons: It's beautiful and it's accommodating taxwise -- attributes that underlie the twin pillars of the Bermuda economy: tourism and offshore financial services. In good times money falls on Bermuda like rain -- rain that by law is channeled from every rooftop and saved for drinking water because Bermuda has no rivers or springs. No matter, rain is plentiful. What Bermuda needs, historically, Bermuda gets. It comes to her.



PHOTO: ANDREW HETHERINGTON

In that respect, Malcolm Gosling is upsetting the natural order of things. His ambition: to bust free of the local market and make Black Seal a global brand. Malcolm is not the first Gosling to attempt it -- the family has been trying halfheartedly to build an export business since 1980. He's just the most committed. "If we're going to do this," he announced to Charles and Nancy in 2005, "we need to put everything into it." Then he informed his wife and their two adolescent children that they were leaving paradise and moving to Massachusetts. Just "to

get this thing kicked off" is how he characterized the redeployment. He figured it would take three years.

Scenes from a past era in rum-making

Six years later Malcolm admits to a nagging concern about his residency status, but his commitment hasn't wavered. The weekend before I joined him in Bermuda, I met him in a bar at a ski resort in Maine. He was there with Ambrose Gosling himself -- actually, Jeremy Bell, a bearded Scotsman from Edinburgh. Bell wears a period topcoat and a tricorne, brings props (a punch bowl, a concertina), and keeps the rum flowing with loud toasts to virgins ("Thanks for nothing!") and uncircumcised Englishmen ("Complete dicks!").

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That's a classic way to build market share in the spirits world. Not with advertising but with promotions, sponsorship, and stunts. Malcolm once did a rum tasting for the ladies at the very Brahmin Chilton Club in Boston's Back Bay. "There are two things Bermuda men are known for," Malcolm informed them, fingering his fly. Then he dropped his pants. Underneath he had on a pair of pink Bermuda shorts and knee socks. (It's an old gag. His wife wishes he would stop.)

A family history steeped in rum

Black Seal claims an ancient Bermuda lineage, but it's complicated. Generations of Goslings have indeed been blending rum in Bermuda since the middle of the 19th century. But only blending. The raw material, rum distillate, comes from Barbados, Jamaica, and Trinidad -- Caribbean islands where sugar cane grows. (Bermuda doesn't have enough arable land for a cane crop, and the climate's not right.) The distillate arrives at 9 Dundonald St. in Hamilton in stainless-steel tanks, where it is aged and blended according to an old family recipe. The portion destined for the local market stays behind. The rest goes back in the tanks, journeys by sea to Port Elizabeth, N.J., and thence by rail to Bardstown, Ky., where it is diluted, bottled, and cased for shipment coast to coast.

"They don't get a lot of cachet in the rum connoisseur world because they're not producing their own -- they don't have a distillery right there on the island," says Wayne Curtis, author of *And a Bottle of Rum: A History of the New World in Ten Cocktails*. "On the other hand, Gosling's got history, and rum people respect history. It has had that strong, molasses, sort of slightly burned flavor for some time, and people really seem to appreciate that."

Curtis is referring specifically to Gosling's flagship blend, Black Seal -- the essential ingredient in Bermuda's beverage of choice (apologies, rum swizzle fans), the dark and stormy. Now if you walk into any bar in Bermuda and order a dark and stormy, you know what you're going to get: ginger beer on ice topped with Black Seal rum and a wedge of lime. Elsewhere, you don't know exactly. In the bar at Great Fosters in Surrey, England, for instance, where Malcolm found himself recently, a dark and stormy, while it's described on the menu as "Bermuda's national drink," is made with a Cuban rum, Havana Club. As Malcolm pointedly informed the maitre d', that's an international trademark violation.



Gosling's Black Seal is blended in Bermuda from distillate produced in Barbados, Jamaica, and Trinidad.

Gosling's registered Dark 'N Stormy in 1991, hoping to protect the reputation of a popular cocktail whose fortunes are closely tied to its own, and give barkeeps a reason to stock Black Seal. "If you use a lesser, unaged version of a caramel-colored white spirit that's called a black rum, it's not going to have the same taste," Malcolm insists, "and I don't want that to be your first dark and stormy."

Defending the trademark is time-consuming and expensive, and he'll never win. (Note to Gosling's legal department: You might want to examine the cocktail recipes on Oprah's website.) "It's offensive to a lot of folks," says Portland, Ore., trademark attorney Sheila Morrison. "They just think, 'I want my dark and stormy!' " When rum blogger (yes, there are such people) Jacob Grier wrote in an August 2009 post, "Dark 'n Sue Me," that "their actions have made me want to switch brands out of spite," Adrenalin Tim replied, "I'm with you - 'Dark 'n Stormy' has no business 'belonging' to Gosling's." Malcolm only sighs. "Would we trademark another drink?" he says wearily. "Probably not."

Wearily, or maybe cagily, I guess I'm not sure. It's a pretty good bar story, right? And look here, Gosling's is on a roll. U.S. exports rose 10% in 2010, to around 77,000 cases. Still a boutique number, granted. (Bacardi, the category leader, is approaching 10 million cases annually, according to the Beverage Information Group.) But it was enough, says Malcolm, to contribute for the first time "in an important way" to Gosling's bottom line. Hence his cheery optimism: "We have not even cut the melon yet!"

Cut the melon? Nah, make it a lime. Time we got going on those dark and stormies.

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