



**Asia-Pacific
Economic Cooperation**

FINAL REPORT

**Promoting APEC SME Innovation through Smart
IPR Policy: How Smart IPR Policies Can Encourage
SMMEs' Research and Development**

17-18 September 2014, Bangkok, Thailand

**APEC Small and Medium Enterprise Working Group
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Table of Contents

Executive Summary 3

Intellectual Property Rights in APEC – Report..... 5

Seminar Summary 13

Policy Recommendations..... 16

Seminar Evaluation Results 19

Appendix – See Attached Appendix Report..... 22

- Appendix 1: Participant List
- Appendix 2: Speaker List
- Appendix 3: Speaker Bios
- Appendix 4: Presentations
- Appendix 5: Seminar Minutes
- Appendix 6: Project Team

Executive Summary

This report provides an overview and summary of the *Promoting APEC SME Financing through Smart IPR Policy* Seminar, held between the 17th –18th of September 2014 at the Sofitel Sukhumvit Hotel, Bangkok by the Office of Small and Medium Enterprises Promotion (OSMEP), on behalf of the APEC SME Working Group. There were two main objectives of the two day seminar, which were to (1) foster discussion among stakeholders and beneficiaries about the needs of SMMEs with regards to national IPR systems, so that future policy-making can better benefit SMEs' innovation and growth, and to (2) produce a list of specific recommendations of policy initiatives that governments can take to improve their IPR systems and promote SMME innovation, thereby fostering economic growth.

The first objective was successfully accomplished. The seminar brought together 92 participants from a wide range of APEC economies, with speakers and panelists representing professionals, academics, policy-makers, and SMME leaders. 100% of the participants agreed that the objectives were clearly defined and met with relevant topics covered in the agenda as well as having useful materials distributed. While more than 95% of the participants strongly felt that the content of the seminar was well organized, sufficiently timed, and easy to follow as well as having knowledgeable speakers and panelists. Participants have expressed that the seminar provided them with a venue for networking and a clearer understanding of the SMME and IPR policy landscape, particularly with respect to cross-border issues.

The seminar was also successful in developing a set of specific policy recommendations to improve IPR systems and promote SMME innovation. It is hoped that the proposed recommendations will become a framework for member economies to steer future policy decisions. The policy recommendations can be divided into three different sections. The first of which deals with recommendations on **government policy measures** to assist SMMEs with IP registration and to educate them on the importance of IPR. This includes recommendations on government rules and regulations, public policy matters, and recommendations made to specific APEC member economies about how they could improve their IPR system from an outsider's perspective.

The second set of policy recommendations details how APEC economies can create a **supportive and nurturing environment for IPR**. Specific avenues for carrying this out include education reform, clear, transparent, and transferable rules and regulations, the promotion of collaboration within APEC, and the nurturing of a better business environment.

The third and final set of policy recommendations **advises SMMEs on IP registration, accessing IPR information, and IPR protection**. In particular, emphasis is placed on the need for SMMEs to both self-educate themselves on IP issues and collaborate with others. Additionally, they are advised to always register their IP early to avoid potentially harmful situations.

Overall, the seminar was a success in both bringing together and fostering discussion among IP stakeholders and policy makers, as well as devising a set of policy recommendations designed to increase the effectiveness of IP in APEC and ease SMMEs access to that IP protection and enforcement.

Intellectual Property Rights in APEC – Report

Intellectual Property Rights in APEC A Report Prepared for the APEC SME Working Group

Introduction

Promoting innovation as a means of boosting competitive advantage among Small, Medium and Micro Enterprises (SMMEs), particularly in lower-income member economies, has been acknowledged as a key objective for Asia Pacific Economic Cooperation (APEC), most recently in the Ministerial Statement of the 20th Small and Medium Enterprises Ministerial Meeting in Bali, Indonesia, September 7, 2013.¹ This finding is consistent with similar conclusions reached among other important international groupings such as the OECD and ASEAN.²

Creating a policy environment in which Intellectual Property (IP) registration and protection is encouraged is a key means of spurring such innovation. Under IP laws, common types of IPR include patents, trademarks, trade secrets, and copyrights. IP is especially relevant for new technology-based businesses that are not only more numerous throughout APEC than in the past (especially in high-tech areas such as nanotechnology, biotechnology, software, and new materials) but also play an increasingly important role as innovation agents as APEC members move towards knowledge-based economies. This exigency has been reflected in the current Strategic Plan (2013-2016) of the APEC SME Working Group, which aims to promote programming aimed at improving the IP environment in APEC over that three year period.

The *Promoting Innovation Seminar: How Smart IPR Policies Can Encourage SMMEs' Research and Development* hosted by the Thailand Office of Small and Medium Enterprise Promotion in Bangkok, September 17-18, 2014 is thus an important initiative in stimulating policy change at the national level as well as encouraging a regional approach to IP issues (including but not limited to infringement) that are increasingly cross-border in nature.³ This paper is intended as a background to the seminar and will be a broad overview of the current state of play regarding IP issues in the APEC region.

¹ See the Ministerial Statement of the 20th Small and Medium Enterprises Ministerial Meeting, Nusa Dua, Bali, Indonesia, Wednesday, September 7, 2013

² See for example, the proceedings of the OECD conference *Intellectual Property Rights (IPR), Innovation and Economic Performance*, Paris on 28-29 August 2003; *Policy complements to the strengthening of IPRs in developing countries: OECD Trade Policy Working Paper No. 104*, Ricardo H. Cavazos Cepeda, Douglas C. Lippoldt and Jonathan Senft, OECD, 2010; ASEAN Intellectual Property Rights Action Plan 2011-2015, ASEAN, 2011

³ WIPO, *Brands- Reputation and Image in the Global Marketplace*, World Intellectual Property Report, World Intellectual Property Office, Geneva, 2013

Issues and Challenges

SMME Knowledge and Capacity

While the importance of IPR has been acknowledged regionally as a key means of spurring innovation and increasing competitiveness, there is a persistent lack of knowledge and capacity on the part of SMME entrepreneurs and other stakeholders particularly in the lower-income APEC region as to:

- the benefits of IP registration
- measures in place to assist them in registration and protection
- legal or bureaucratic complexities involved in IP registration
- avenues for legal recourse in the case of infringement

Much work remains to be done in terms of communicating the benefits of IP registration to SMMEs and increasing their ability to successfully register their trademarks and patents and to protect them at a domestic and international level. Greater awareness of IPR not only serves to promote innovation among SMEs through registration and protection, but can also serve to reduce instances of infringement through a lack of awareness on the part of entrepreneurs.

At the same time, the effective protection and promotion of IPR rests on the shoulders of numerous other stakeholders, as expressed in the graphic below:



Institutional Capacity: Administration

At the same time, there is a vast differential in the relative capacities of APEC member economies to address domestic and regional IP issues. National IP and SME agencies in several economies suffer from a lack of capacity to adequately serve their public in terms of educating their clients as to the IP process and its importance, assisting with registration, and extending protection domestically and beyond their borders. Noting the seven-economy overlap between APEC and ASEAN membership, there has been observed the “very limited supply of IP-related skilled and experienced human resources and institutional capacity in ASEAN”⁴, and consequently, among a third of APEC economies. The observation does not begin to compass the extreme variances in capacity between the largest and smallest economies within APEC. Lack of capacity can be expressed by lack of appropriate information technology resources to lack of experienced IP patent and trademark examiners, legal, and enforcement personnel.

Institutional Capacity: Legislation

IP legislation can tend to serve the interest of large firms that have the resources to capitalize on it, while leaving SMMEs lacking the relevant information or capacity to take advantage of such legislation inadequately protected. At the same time, micro, medium, and small enterprises often have differing IP needs; while design and trademark issues might be of relevance to some, patent issues will be more important to others, particularly larger MEs; and this is an issue that policymakers must address as well. As observed in an OECD study, “a one-size-fits-all approach is unwarranted, except for setting out the broad framework conditions (e.g. competition policy) that should allow market-friendly collaboration in the development and diffusion of new technologies”⁵.

While effective IP legislation increases business competitiveness, avoids waste through redundant R&D, boosts branding, improves access to financing, and increases company value, poor or unfocused IP legislation discourages creativity, reduces profits for SMMEs, and causes an overall loss of competitiveness for this key section of the economy as a whole.

Institutional Capacity: Enforcement

Enforcement remains a constant issue especially as the APEC grouping represent a key nexus of both innovation and infringement. Lack of IP education and awareness in many member economies couple with the involvement of organized crime has contributed to a continuing history of IP violations among membership: Chile, China, Indonesia, Russia, and Thailand have all been listed on the Priority Watch List of the US Special 301 Report on Intellectual Property

⁴ Medina, Sara, Zhang, Kai, *Intellectual Property Rights in Southeast Asia*, 2014

⁵ OECD, *Networks, Partnerships, Clusters and Intellectual Property Rights: Opportunities and Challenges for Innovative SMEs in a Global Economy*, OECD, 2004, p. 5

Rights, some since the inception of the Report in 1989. Canada, Mexico, Peru and Viet Nam have also appeared more recently.⁶

In positive developments the Philippines have been removed in the 2014 report while Malaysia was removed in 2012. Korea represents an APEC success story, having transformed from a watch-list economy into an economy with a reputation for cutting-edge innovation and high-quality, high-tech manufacturing. Korea is now one of the top patent filers internationally with state-of-the art standards of intellectual property rights protection and enforcement⁷

The difficulty in establishing a clear system of international standards remains closely linked with infringement and enforcement. APEC has been active in promoting the acceptance of the Trade Related Aspects of Intellectual Property (TRIPS) Agreement under the administration of the World Trade Organization which compels WTO members to establish and enforce appropriate IP-protection systems nationally.

IPR at APEC

IPR has been a priority for APEC since the 1995 Osaka Action Agenda, APEC's strategic roadmap for achieving free and open trade and investment in the region. In 1996, the Committee on Trade and Investment (CTI) established an Intellectual Property Rights Get-Together (IPR-GT), with the aim of ensuring adequate and effective protection of intellectual property rights in the Asia-Pacific region through legislative, administrative and enforcement mechanisms, based on the principles of the World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and other related agreements.

IPEG

In 1997, the CTI made the IPR-GT an official APEC group with explicit terms of reference, and renamed it the Intellectual Property Rights Experts' Group (IPEG). The IPEG implements a work program which aims to:

- Deepen the dialogue on intellectual property policy.
- Survey and exchange information on the current status of IPR protection and administrative systems.
- Study measures for the effective enforcement of IPR.
- Fully implement the TRIPS Agreement.
- Facilitate technical cooperation to help economies implement TRIPS

Much of the IPEG's current work focuses on protection for geographical indications, harmonization of patent systems, cooperation on work sharing, and IP education and training in

⁶ Froman, Michael B.G., *2014 Special 301 Report*, Office of the United States Trade Representative, 2014

⁷ Ibid.

APEC economies. IPEG's recent work is extremely diverse and includes the following initiatives:

Table 1: IPR at APEC

Host/Sponsor Economy	Date	Title	Objective
Peru	August 13, 2008	Raising Awareness and Providing Policy Insights on Promoting Appropriate Access and Protection of Genetic Resources and Traditional Knowledge in APEC	Collect information and share experiences on the institutional and legal frameworks that support access to genetic resources and protection of traditional knowledge in the region
Korea	2009-2011	APEC Project for Training Intellectual Property Right Information Facilitators Using e-Learning Content – IP Xpedite	Further developed and disseminated the e-learning program Xpedite, aimed at increasing awareness and utilization of IP information.
Australia	April 1-3, 2009	Conducting Effective IPR Public Education and Awareness Campaigns for Small and Medium Enterprises	Equipped APEC Member Economies with the skills and resources required to implement public education and awareness campaigns for SMEs
Malaysia	June 9-11, 2009	Colloquium for Public Prosecutors and the Judiciary on Intellectual Property Rights Enforcement	Provided an opportunity for public prosecutors and members of the judiciary to share experiences in handling the protection and enforcement of intellectual property rights
USA	July 20-23, 2009	Effective Practices in the Border Enforcement of Intellectual Property Rights	Seminar demonstrated how economies can develop a successful border enforcement regime.
Singapore	July 30-31, 2009	Trading Ideas 2009: the Future of IP in the Asia Pacific	Seminar aimed at building the capacity of small and medium enterprises to commercialize their IP
Australia, Hong Kong, China and Singapore	APEC IP Public Education and Awareness Project for Small and Medium Enterprises		
Australia	On-line tool	Intellectual Property Explorer (www.intellectualpropertyexplorer.com)	Free, secure and simple on-line business tool aimed to assist SMEs to gain a better understanding of IP in their respective businesses and strategies to exploit their intangible assets at intellectualpropertyexplorer.com.

Host/Sponsor Economy	Date	Title	Objective
Singapore	July 30-31, 2009	Trading Ideas 2009: the Future of IP in the Asia Pacific Region	Symposium facilitated the interaction of influential IP thought leaders from both the private and public sectors
Russia	November 30 to December 2, 2010	Enhancing of APEC Capacity Building for Intellectual Property Protection and Utilization: Training for Trainers	Exchanged knowledge of the different approaches and best practices of intellectual property training in APEC economies
Korea	June 23-25, 2010	One Village, One Brand	Seminar trained local farmers and producers to use IPR systems to create successful branding strategies.
Japan	2010-2011	More Coherence under the APEC Cooperation Initiative on Patent Acquisition Procedures http://patent.apec.org/	“One-stop” website allows patent system users to download IP request forms and examination by referring to the results of previous searches in the APEC network
Japan	2010-2011	APEC Intellectual Property Academy Collaborative Initiative (APEC iPAC Initiative)	Promoted information sharing among IP academies and facilitated voluntary and mutually-beneficial collaboration among those academies
USA	March 2, 2011	APEC Dialogue on Corruption and Illicit Trade: Combating Counterfeit Medicines and Strengthening Supply Chain Integrity	Combating corruption and illicit trade in falsified/counterfeit medicines
Peru	Study and Seminar, 1-2 September 2011	Study: “Survey on Access to Genetic Resources and Protection of Traditional Knowledge in APEC Economies” Seminar: Successful Experiences Implementing Tools for Traditional Knowledge Protection	Collect information and share experiences on the institutional and legal frameworks that support access to genetic resources and protection of traditional knowledge in the region
USA	September 2011	ACT-IPEG Seminar on Investigating and Prosecution Corruption and Illicit Trade: Stemming the Flows of Counterfeits and Dismantling Illicit Networks	Enforcement of legislation concerning counterfeit goods
Chile	Study + Seminar, 2-3 April, 2012	Study: “APEC - IPEG Survey on Copyright Limitations & Exceptions Report on Copyright L&E in APEC Economies” Seminar: Copyright Exceptions and Limitations	Highlighted limitations and exceptions on copyright and built understanding of how the issue of limitations and exceptions has been addressed in APEC

Host/Sponsor Economy	Date	Title	Objective
Russia	2012-2013	Training for Trainers on Intellectual Property Issues: Management and Commercialization	Aimed at to enhance APEC capacity building for intellectual property management and commercialization and, thus, to ensure the innovative growth in APEC region

SMEWG and IPEG Common Directions

APEC Ministers have jointly endorsed Russia’s 2012 proposal to organize a joint meeting of IPEG and SMEWG so as to facilitate further collaboration between the two fora and to work further on cross-cutting issues, including the formation of an accessible system of receipt of protection documents for the intellectual property items for SMEs.⁸

Already much of IPEG’s work has been of great benefit to SMEs. The *IP Rights Public Education and Awareness Project for Small and Medium Enterprises* initiative of 2006-2009 was developed within the framework of a seminar aimed at achieving efficient and accessible instructional methods for IPR fundamentals and an informational campaign for SMEs. Jointly delivered by Australia and the Intellectual Property Office of Singapore and the Hong Kong Intellectual Property Department, the program helped to equip APEC member economies with the skills and resources to implement public education and awareness activities which promote the identification, protection, commercialization and enforcement of IP in the region. A simple and accessible on-line business instrument resulted, helping SMEs register and protect their IP-assets (www.intellectualpropertyexplorer.com). A related seminar “Trading Ideas 2009: the Future of IP in the Asia Pacific Region” (Singapore, July, 2009) was held to strengthen the capacities of SMEs to commercialize their IP.

SMEWG project Promoting Innovation Seminar, 2014

The SMEWG project *Promoting Innovation Seminar: How Smart IPR Policies Can Encourage SMMEs’ Research and Development* builds APEC momentum in this positive direction by contributing to IPEG’s important work and continuing to emphasize the role of IPR in stimulating innovation among small and medium entrepreneurs in high-tech and creative industries. The Seminar and its associated activities will be designed to meet two key pressing needs:

1) The need for APEC SME agencies and Intellectual Property policy makers and legislators to discuss SMME needs, showcases policy measures, and share best practices to promote a healthy IP environment that promotes innovation among APEC entrepreneurs

⁸ 2012 APEC Small and Medium Enterprises Ministerial Meeting Joint Ministerial Statement on *Promoting SME Cooperation for Innovative Growth in the APEC Region* (Saint-Petersburg, Russia, 3 Aug 2012)

The Seminar will provide a platform for these discussions to take place, allowing APEC SME agencies, IP agencies, legal experts and academics a venue to discuss outstanding policy measures and best practices to encourage the growth of a healthy IP environment in APEC.

2) The need for SMMEs to be orientated to the advantages of IP registration and protection, made aware of the measures in place to assist them in registration and protection, and provide feedback to policy makers

The Seminar will provide a forum for SMMEs to learn about policy measures that are already in place to help them with their IP needs and promote innovation among APEC entrepreneurs, while also affording them the opportunity to provide feedback to policy makers on further measures that should be taken to encourage and protect IP registration.

Appendix: APEC IPR Rankings by Economy⁹

The following figures are not endorsed by APEC and have no official standing within that grouping. They nevertheless present an interesting and important picture of the current status of IP rights within the grouping, as calculated by the Property Rights Alliance (PRA), an advocacy organization dedicated to the protection of physical and intellectual property rights worldwide. The Index compares the protection of property rights – physical and intellectual – across economies. The scores and ranks of APEC member economies are presented here as stimulus for discussion.

Table 2: Rankings are in relation to 130 economies surveyed worldwide

Economy	Score	Global Rank (of 130 nations surveyed)
Australia	7.9	15
Brunei	4.1	85
Canada	8.1	10
Chile	5.9	41
China	5.4	59
Hong Kong, China	7.1	22
Indonesia	4.1	100
Japan	8.3	2
Korea	n/a	n/a
Malaysia	6.1	36
Mexico	5.7	49
New Zealand	8.2	7
Papua New Guinea	n/a	n/a
Chinese Taipei	7.1	22

⁹ 2013 International Property Rights Index, <http://www.internationalpropertyrightsindex.org>

Economy	Score	Global Rank (of 130 nations surveyed)
Peru	4.5	86
Philippines	5.3	61
Russia	4.9	76
Singapore	7.9	15
Thailand	4.2	95
USA	8.3	2
Viet Nam	3.9	108

Seminar Summary

The seminar on Promoting APEC SME Innovation through Smart IPR Policy was held between the 17 – 18th of September 2014 at the Sofitel Sukhumvit Hotel, Bangkok by the Office of Small and Medium Enterprises Promotion (OSMEP), on behalf of the APEC SME Working Group. The main objectives of the two day seminar were to foster discussion among stakeholders and beneficiaries about the needs of SMMEs with regards to national IPR systems so that future policy-making can better benefit SMEs’ innovation and growth, and to produce a list of specific recommendations of policy initiatives that governments can take to improve their IPR systems and promote SMME innovation, thereby fostering economic growth.

The two day seminar effectively brought together a network of parties, with a total of 92 participants; 12 APEC delegates, 35 attendees from the public sector, 20 attendees from the private sector, including SME business leaders, and 30 participants from Kenan Institute Asia and the Office of the Small and Medium Enterprises Promotion (OSMEP).

The seminar’s agenda was designed to synergize communication and cooperation between SMEs and IP policy makers. The seminar speakers and moderators were professionals in various industries including key IP and SME policy-making agencies, government, and SMME leaders who brought together expertise, knowledge, and lessons learned on promoting innovation through smart IPR policies. The seminar agenda was as follows below.

Seminar Agenda



Promoting APEC SME Innovation through Smart IPR Policy Sofitel Sukhumvit, Bangkok, September 17-18, 2014

Day 1: Policies to Assist SMMEs in IP		
09:00-09.15	Welcome Speech and Opening remarks	Dr. Wimonkan Kosumas , Acting Director General of the Office of Small and Medium Enterprise Promotion, the Prime Minister's Office
09:15-10.00	Keynote Address: SMEs and IP in APEC	Mr. Raguraman Gurusamy CEO/Founder Global IP Ventures
10.00-10.15	Coffee Break	
10.15-11.15	Panel: SME and IP Agencies Intersection and Cooperation for SMEs + Q&A What can IP agencies do to facilitate legal aid for SMMEs? + Q&A	Ms. Nisachol Sasanon Head of Encouraging Utilization group Intellectual Property Management Office Department of Intellectual Property, Ministry of Commerce Mr. Jin Uk Lee Director of Measurement & Analysis Patent Examination Division, Korea Intellectual Property Office, Mr. Jakub Ramocki IP Business Advisor ASEAN IPR SME Helpdesk Moderator: Mr. Raguraman Gurusamy CEO/Founder Global IP Ventures
11.15-12.00	Help for Innovative SMEs	Mr. Desarack Teso Legal and Corporate Affairs Director Microsoft Thailand
12.00-13.00	Lunch	
13.00-13.30	Success Case: Black Canyon (Thailand) + Q&A	Mr. Pravit Chitnarapong Beantrepreneur & CEO Black Canyon
13.30-14.00	Success Case: ASAVA + Q&A	Mr. Polpat Asavaprapha , Chairman of the Bangkok Fashion Society, Founder, Asava
14.00-14.30	Presentation: IP, Innovation, and the Digital Horizon+ Q&A	Mr. Kris Nalamlieng Managing Director 2Spot Communications
14.30-14.45	Coffee Break	
14.45-15.15	Presentation: IP and Traditional Knowledge + Q&A	Ms. Yayus Mak Managing Partner, Brillantive
15.15-16.00	Presentation: IP and Traditional Knowledge + Q&A	Ms. Catherine Saez Senior Writer Intellectual Property Watch

Day 2: Practical Support to Assist SMMEs in IP		
8.30-9.00	Presentation: IP and Technology Commercialization	Mr. Chalernpol Tuchinda Director, Software Park Thailand
9.00-10.00	Panel: Protecting Your Brand: The APEC Cross-Border Legal Environment+ Q&A	Mr. Franck Fougere, Managing Partner, Ananda IP, Thailand Mr. Jakub Ramocki IP Business Advisor ASEAN IPR SME Helpdesk, Ms. Azlina Aisyah Khalid, Senior Legal Counsel, Henry Goh, Malaysia/Brunei. Moderated by Mrs. Puangrat Asavapisit, former Director General of Department of Intellectual Property
10.00-10.15	Coffee Break	
10.15-11.00	Educating SMEs on IP: Australia's experience+ Q&A	Professor Mark Davison Advisory Council on Intellectual Property (ACIP), Australia
11.00-11.45	Presentation: Regional Integration: IP in AEC – A Model for APEC? + Q&A	Mr. Suebsiri Taweepon, Senior Associate, Tilleke and Gibbins
11.45-12.15	Presentation: University research and SMME innovation: Benefits and Obstacles+ Q&A	Prof. Emeritus Dr. Montri Chulavatnatol, Chairman of The Institute for the Promotion of Teaching Science and Technology (IPST) Governing Board
12.15-12.30	Closing Remarks and Next Steps	Ms. Luckana Tangchitnob, Director, International Affairs Bureau, the Office of Small and Medium Enterprise Promotion, the Prime Minister's Office
12.30-13.30	Lunch	

Policy Recommendations

The goal of the Promoting APEC SME Innovation through Smart IPR Policy seminar was to foster discussion among stakeholders and beneficiaries about the needs of SMMEs with regards to national IPR systems, so that future IP policies will further promote SME innovation and growth. Such issues were addressed at length by academics, legal experts, SME innovators, and policy-makers during the various seminar presentations and panel discussions. These recommendations were derived from all seminar-related activities and are aimed at improving IP policy initiatives through the APEC region, so that governments are better able to improve their IPR systems and promote SMME innovation, thereby fostering economic growth. The recommendations are intended for SME policy-makers and promotion agencies, industry associations, lawyers, entrepreneurs, governmental agencies, and SMMEs in developed and developing APEC economies.

The recommendations have been divided into three sections: 1. Recommendations on government policy measures to assist SMMEs with IP registration and educate them on the importance of IPR, 2. Recommendations for APEC economies to create a supportive and nurturing environment for IPR, and 3. Recommendations for SMMEs on IP registration, accessing IPR information, and IPR protection.

1. Recommendations on government policy measures to assist SMMEs with IP registration and educate them on the importance of IPR.

Rules and Regulations

IP registration and protection involves a tremendous amount of legal and bureaucratic complexity, the cost of which, in terms of time, money, and effort, is often simply too high of a hurdle for SMMEs to overcome. There should be **clear, transparent, and understandable laws** regarding IPR. This is an essential point for SMMEs, who more often than not lack the resources of larger firms.

Policy-makers need to understand and recognize the different needs of large firms and SMMEs when it comes to IP. There is a need for **IP policies tailored for SMMEs** that will increase business competitiveness, avoid waste through redundant R&D, boost branding, improve access to financing, and increase company value.

An avenue for SMME input into IP legislation is a key element to creating smart IPR policies that benefit both large firms and SMMEs. SMMEs should be able to provide feedback and ideas to policy-makers, and, in turn, policy-makers should seek out SMMEs for their contributions.

One of the most important factors in strengthening and promoting IP policies is the availability of **a clear, accessible, and powerful avenue for legal recourse in the case of IP infringement**. Without the plausible option of legal recourse, most SMMEs do not see the point in spending their resources on IP registration and protection.

Public Policy

Government policies must **clearly communicate the benefits of IP registration**. This involves fully understanding the IP impact on SMMEs in order to fully sell them on IP registration. Governments must also **know/understand who their target SMME audience** is and tailor their message to best suit each group. This begins with how governments define, identify, and communicate with SMMEs.

Measures should be put in place to **assist SMMEs in IP registering and protection, both domestically and internationally**. This also means communicating IP information across borders, including educating local SMMEs on foreign IP rules and regulations, and vice versa.

Governments should have specific IP policies in place regarding **Traditional Knowledge (TK) and Traditional Cultural Expressions (TCEs)**. This will ensure that local SMMEs are best able to protect their use of TK and TCEs, and it will decrease the likelihood that foreign companies exploit those same resources.

There must be a **strong IP infrastructure** in order to entice SMME participation. Practical training and information should be provided to SMMEs. Moreover, governments should foster a culture of IPR that promotes IP ideals and practices.

Recommendations Made to Specific APEC economies

Along with protection level and enforcement capability, a major concern for expanding SMMEs is the length of time and the cost it takes to complete IP registration in different economies. **Thailand** and **Indonesia** were both singled out as economies where registration took a relatively long time to complete.

2. Recommendations for APEC economies to create a supportive and nurturing environment for IPR.

Education

Economies should work to increase the capacity of their **national IP and SMME agencies**, whose job it is to educate their clients on the IP process and its importance, assist with registration, and extend protection domestically and beyond their borders.

It is important for economies to focus on agencies that are multipliers, that is, agencies that have the ability to reach and impact a wide range of clients, because they are the ones who most often actually communicate IP information to SMMEs. Additionally, economies should stress the link between IPR and innovation when educating such agencies, so that they too can fully understand the connection.

Transparent, Clear, and Transferrable Rules and Regulations

There is a need to establish and promote a clear system of **international standards** that will remain closely linked with infringement and enforcement. Economies should continue to actively promote the Trade Related Aspects of Intellectual Property (TRIPS) Agreement under the administration of the World Trade Organization, which compels WTO members to establish and enforce appropriate IP-protection systems nationally. Additionally, APEC economies should press for the inclusion of TK and TCEs in standard IP definitions. The World Intellectual Property Organization (WIPO) Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC) has made strides in this direction, and APEC economies should support their efforts nationally and internationally.

Promote Collaboration within APEC

The SMEWG should continue and deepen their **collaboration with the Intellectual Property Rights Experts' Group (IPEG)**. The IPEG is an excellent resource for the SMEWG, and member economies should study, learn from, and communicate the IPEG's best practices with their local SMMEs. In addition, there are many opportunities for APEC economies to collaborate with each other on IPR issues, including everything from research to seminars to policy initiatives.

Business Environment

APEC SMMEs need to keep **looking abroad** in today's market to stay competitive, and both APEC and national IP policies should promote that. IP policies should always aim to create a supportive business environment rather than a discouraging one.

3. Recommendations for SMMEs on IP registration, accessing IPR information, and IPR protection.

Self-Educate and Collaborate

SMMEs need to understand the importance of IPR and work to **self-educate** themselves. They should strive to understand the details and benefits of IP

registration and enforcement mechanisms, and they should actively seek out and participate in government programs aimed at promoting/communicating IPR policies. They should provide feedback on relevant policies whenever applicable.

SMMEs should work with **other SMMEs, SMME agencies, and APEC bodies** to access information and help inform IP policies. They should strive to build regional and international networks that can influence IP policy.

There is a need to create an **IPR culture** among SMME employees. This involves educating employees on the importance of IP to their work (employees are of course possibly future entrepreneurs themselves). The utilization of IP is not relevant to an SMME unless they have a workforce trained so as to understand and generate IP.

Register Early

SMMEs seeking protection for IP should do so sooner rather than later, as it may save them from unnecessary stress and costly legal disputes later on about who is the legitimate owner of IP. **Early registration** also clears the way for SMMEs to profit on their innovations and reinvest that capital into future R&D, thus further promoting innovation.

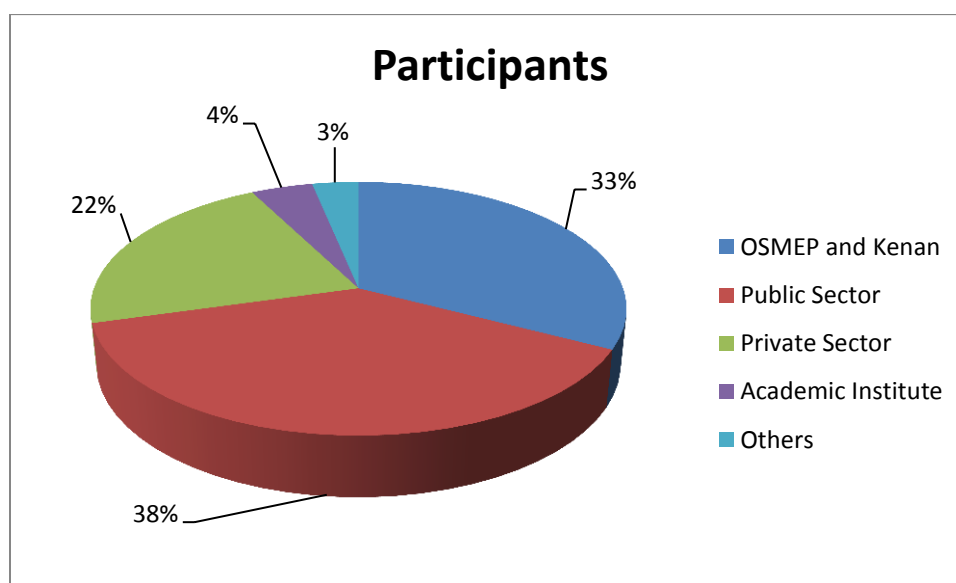
Seminar Evaluation Results

During the two day seminar, there were a total of 92 participants; 30 from the public sector, 35 from the private sector, 4 from academic institutes, 30 from the Kenan Institute Asia and the Office of the Small and Medium Enterprises Promotion (OSMEP), and 3 from other sectors.

Table 3: Seminar participants

Participants	Number
OSMEP and Kenan	30
Public Sector	35
Private Sector	20
Academic Institute	4
Others	3
Total	92

Figure 1: Participant breakdown



Remark: APEC funding was allocated for a total of 12 participants to receive reimbursement for attending the seminar. The rest of the participants were self-funded.

Participants were asked to complete an evaluation survey and to comment on IPR and SME market trends in APEC. A total of 41 surveys were completed. The evaluation survey shows an above average overall satisfaction rate.

Table 4: Evaluation survey results

	Disagree	Agree	Strongly Agree
1. The objectives of the training were clearly defined.	-	26 (63%)	15 (37%)
2. The project achieved its intended objectives.	1 (2%)	28 (68%)	12 (30%)
3. The agenda items and topics covered were relevant.	-	26 (65%)	14 (35%)
4. The content was well organized and easy to follow.	-	22 (55%)	18 (45%)
5. Gender issues were sufficiently addressed during implementation.	7 (18%)	66%	6 (16%)
6. The trainers/experts or facilitators were well prepared and knowledgeable about the topics.	-	19 (48%)	21 (52%)
7. The materials distributed were useful.	-	23 (59%)	16 (41%)
8. The time allotted for the training was sufficient.	2 (5%)	29 (66%)	12 (29%)

Comments:

- Some participants wanted the seminar discussions to stick closer to its two main goals.
- Some participants would have liked a clearer list of objectives to go along with the seminar’s main goals.
- Some participants found that there was too large of a focus on issues like Traditional Knowledge, which did not apply to a majority of SMEs.
- Some participants would have liked more time to sufficiently cover the material.

Apart from the rating score, the evaluation survey was also asked participants to answer the following questions:

1. How relevant was this project to you and your economy?

Very high	16	(41 %)
Mostly	16	(41 %)
Somewhat	6	(15 %)
A little	1	(3 %)

Explain: A majority of participants found the information presented to be very relevant to their current work. Many were either involved in the IP business or in forming IP policy, and therefore found the information highly relevant.

2. In your view what were the project’s results/achievements?

Explain: The most important result from this seminar was bringing together a wide variety of economies to share their IP experiences and knowledge at both the national and international level. From Thailand’s perspective, it was especially important to bring together policy makers and SMEs so they could find common ground.

3. What new skills and knowledge did you gain from this event?

Explain: Results showed that participants gained a clearer understanding of the IP situation in APEC and how SMEs can better access and influence IP protection. In particular, many gained a better understanding of the legal landscape and the resources available to them.

4. Rate your level of knowledge of and skills in the topic prior to participating in the event.

Very high	1	(3 %)
High	10	(27 %)
Medium	23	(62 %)
Low	2	(5 %)
Very low	1	(3 %)

5. Rate your level of knowledge of and skills in the topic after participating in the event.

Very high	4	(11 %)
High	24	(65 %)
Medium	9	(24 %)

Explain: Participants were able to raise their level of IP knowledge significantly due in large part to the case studies, which exposed participants to practices in different economies and taught them about both legal and policy issues.

6. How will you apply the project's content and knowledge gained at your workplace? Please provide example (e.g. develop new policy initiatives, organize training, develop work plans/strategies, draft regulations, develop new procedures/tools etc.).

Explain: The results can be divided into two points of view. Policy makers and SME agencies said that they would work to disseminate the information they learned at this seminar to the SMEs they helped to advise. SMEs, on the other hand, said that they would by and large work to prioritize IP issues in their business, and that they would continue to seek out more information regarding IPR.

7. What needs to be done next by APEC? Are there plans to link the project's outcomes to subsequent collective actions by fora or individual actions by economies?

Explain: Participants said that APEC could provide more information about SME agencies in various economies and they work that they do in relation with IPR. APEC could also do more work to ensure harmonization of IPR policies across different economies, including registration, protection, and enforcement.

8. How could this project have been improved? Please provide comments on how to improve the project, if relevant.

Explain: Participants thought that while the success stories were helpful, they could have better structured so as to provide more specific recommendations to policy makers and other SMEs. Some participants would also have liked to see more Thai government agencies, and other government agencies participate in the seminar.

Appendix – See Attached Appendix Report

APEC Project: SME04 2013A

Produced by

1. Dr. Saisawan Vadhanapanich
2. Dr. Denwood Holmes
3. Mr. Daniel Grossberg
4. Ms. Pornpimol Jarunnarumol

Kenan Foundation Asia
Queen Sirikit National Convention Center
2nd Fl., Zone D, Room 201/2,
60 New Ratchadapisek Road
Klongtoei, Bangkok 10110 Thailand
Telephone: +66 2229 3131
Fax: +662-229-3130

For
Asia-Pacific Economic Cooperation Secretariat
35 Heng Mui Keng Terrace
Singapore 119616
Tel: (65) 68919 600
Fax: (65) 68919 690
Email: info@apec.org
Website: www.apec.org

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