



**Asia-Pacific
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Best Practices on Brand Development and IP Protection for Micro, Small and Medium Enterprises (MSMEs)

APEC Intellectual Property Rights Experts Group

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and IP Protection for Micro, Small and Medium Enterprises (MSMEs)**

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Best Practices on Brand Development and IP Protection for Micro, Small and Medium Enterprises (MSMEs)

The project is aimed to accelerate participation of MSMEs in the global economy through brand development. The seminar discussion focused on sharing information on best branding practices to help MSMEs in the region develop and strengthen their brands and make their businesses competitive through intellectual property (IP) protection and management. Participating member economies shared experiences on brand development and provided information on the following -

- Recommendations for the effective utilization of the IP System (specific to Branding) by MSMEs
- Interventions and participation of government and/or trade or business associations on Brand Development

Proponent shared Brand Development Strategy Programs currently implemented by some economies based on the pre-workshop survey forms submitted. Resource persons and experts discussed the following topics to branding models and practices which are intended to raise the awareness of participants on the role of brand development in empowering MSMEs for growth and competitiveness:

- Brand archetypes strategies and methods in developing the right brand
- Common branding mistakes of SMEs and entrepreneurs
- Key ways to revamp or revitalize a brand, what to do and what not to do
- Best practices on commercialization brand strategies for entrepreneurs, promotion of marks, importance, strategy
- Trends in branding
- Brand practices of startups
- Challenges in implementing brand strategies from developing economies
- Developing a brand strategy in the digital era

Member economies expounded on their respective programs during the seminar proper and other participants were encouraged to discuss their experiences for benchmarking on best practices. Below are the highlights of the discussion for brand development catering to MSMEs by member economies -

- Brand Development Program Strategy for Wine - Chile
- IP Office Incentive program for MSMEs – Indonesia
- IP Office (MyIPO) IP CONNECT program for SMEs - Malaysia
- Free consulting through government/brand protection for entrepreneurs - Mexico
- Market development and trade assistance project and Development of a national IP Strategy - Papua New Guinea
- Brand Design Program (2 years) and Intellectual Property Services: Platform Collective Marks and CEPI-Center of Development of the Intellectual Property - Peru
- Government's IP Protection for their MSMEs program - Russia
- "How to do Trademark Registration and Brand Creation for Business" campaign - Thailand
- Brand Development Strategy under the National IP Strategy – Viet Nam

Discussions on Best Practices in Brand Development by Member Economies

Chile

Seminar participants from Chile shared their brand development program strategy via a film showing of the latest commercial of Chile Wine, which is protected as a collective mark and a geographical indication by Chile.

The Chile wine, according to the government representative from the Ministry of Foreign Affairs is known all over the world as one of the best wines in the world compared to Spain, France, and Italy.



The representative informed the panel that the commercial has three (3) versions which are shown in the USA, China and Brazil where the Chile Wines are highly exported. The picture shown is a snap shot of the Chile wine commercial for USA with the slogan (title) "Love Wine Love Chile"

The representative from IP Department of Chile Ministry of Trade detailed the integration promotion efforts for Chile's goods and services. The representative cited the government collaborative efforts with the various associations of an industry to come up with a collective brand of Chile available to key markets and exports. Prior to implementation of a program, the government will conduct thorough research and study of a product they are about to launch in the market. Brand development and management is most crucial before the launch of the marketing campaign.

According to the Ministry of Trade official working closely with MSMEs in a unified effort is considered as the most challenging part of the business development. It was mentioned that Chile has already identified the unification of sector players as the most crucial part of the program implementation. This step is followed by the:

- Development of tactical plans to address the issue through various engaging activities
- Training for MSMEs and providing assistance and basic guidance on IP System to change the perception about intellectual property. The fundamental of IP is included in all business development programs to retain and sustain knowledge about intellectual property as a business tool. The IP System is introduced to MSMEs in a way that they will understand the IP System to be very beneficial for their business. Chile will consider the success of the program when they achieve the collective mark of the product. The ownership of the collective mark is shared between the association and the government of Chile.

Indonesia

The representative from the IP Office of Indonesia reported that an incentive program for MSMEs is already in place since 2011. The program, she said, provides certain application fees and consultation for free. Policies and regulations are being developed aligned with the Directorate General of Intellectual Property's strategies. Due to costly application and registration, the government decided to reduce the cost of fees to 1/3 and is similar to business registration incentives. Along with the consultation program, SME business strategies include assistance in preliminary research to minimize refusal of application. Apart from these, she added that the Ministry of Trade in MSMEs assistance aims to sustain the development programs that will boost the SME Sector. Assistance from APEC is requested in the very near future.

Malaysia

Malaysia reported that the Malaysia IP Office (MyIPO) is making best efforts to incorporate all IP channels in one universe. She said that the MyIPO aims to create a cycle of activities for the benefit of their stakeholders. MSME sector in Malaysia is one of the beneficiaries of MyIPO's on-going IP development program which includes Trademark filing duo for business and echo-push Trademark awareness to SMEs. Without banking on the legal aspect of IP, she reported that branding awareness sessions both for private and public sectors are held simultaneous with Protecting IP Sessions per sector or industry.

Malaysia mentioned IP CONNECT, which is a major program of MyIPO and a University in collaboration with private companies. IP CONNECT comprises three (3) stages: (1) IP Talk, a forum or session with probable IP owners of a brand or Trademark; (2) IP CLINIC; and (3) Entrepreneurs Filing. The MyIPO representative further shared the following:

- During the IP talk, the entrepreneur is specifically guided in brand management, marketing, and in growing the business.
- At the IP Clinic, one-on-one consultations are held with companies. It is generally observed that companies are reluctant to ask questions to avoid making commitments on the spot. The program provides pro bono services of IP Agents to help them out in applying their IP registration.
- The third and last stage is the Entrepreneur Filing where the university involvement comes in the form of funds to cover the cost of application and registration.

Malaysia stressed that the IP CONNECT integrates all programs in collaboration with other companies under the CSR for funding and at the same time increases IP filings in Malaysia. Malaysia reported that the program showed successful trend and will be sustained by MyIPO in collaboration with industry players.

Mexico

Mexico reported that, for decades, MSMEs in their economy are empowered through branding and TM awareness programs. To expound on the preceding, Mexico shared the following:

- A 10-year old IP Summer school that connects people from all over the world with the opportunity to share IP experiences and to encourage creativity and innovativeness, and other IP educational activities that are interesting and challenging.
- A 3-day branding Program for business development, promotion of future innovation as the centrifugal force for the constant change in an environment or economy and as a tool that generates development. Under the Program, IP Groups are created across industries to foster better business cooperation and IP Awareness Programs of the youth is promoted at an early stage of their education.
- Digital Platforms and direct channels are maximized for promotions and information dissemination on IP.

Mexico said the above existing programs are sustained and are still being implemented. However, it was mentioned that Mexico is seriously looking into new opportunities for IP awareness as a way for the economy to improve on intellectual property protection.

The representative from the Universidad Autonoma de Nuevo Leon of Mexico reported that the university is the first school which won in the mass application on Trademarks. It was further reported that:

- Sustainable IP programs of the university are diversified to provide IP information to specific sectors.
 - IP Office in Mexico gives trainings about business management and links it to the university.
 - Researchers and inventors are tapped by the academy to further innovation and creativity where they are provided with free mentoring, preparation of a business plan, and IP protection.
 - The government funds 4 million pesos (US\$ 230,000) for one-year training on capacity building which includes marketing strategies with focus on brand management, gives a 50% discount on application for the micro enterprises, provides seed money to start their business and holds coaching sessions.
- For three successful years in providing education for entrepreneurs, the university provides investment sourcing and business matching activities that in return the university benefits from the program by capturing these methodologies for implementation in universities. The program captivated more entrepreneurs because of the government program for the university as it gave them good results for their business.

Papua New Guinea (PNG)

PNG's major source of food and export earnings-the coconut industry has been receiving trade assistance projects from the PNG government which focused on product concept and design, packaging and branding. PNG's MSMEs are duly guided and provided with technical assistance on production and marketing activities that will produce quality goods and come up with a brand name that will identify their product according to function and demand of the market. The two seminar participants from PNG represented the MSMEs coconut industry and PNG government.

The representative from the PNG government shared that the PNG government is starting the development of a National IP Strategy/Policy aimed for full economic benefits and will create an enabling environment for SMEs to grow by steering innovative activities that will foster Research and Development initiatives from the industry players and SMEs. Another strategy is the brand development that will create a collective brand or trademark for PNG products as high value high quality products. She added that during the project implementation, challenge, ownership, and unification are very crucial as they will usher a total shift in the business norms of the SMEs.

Amidst the assistance being provided on product label design and details and brand for marketing purposes, the MSME sector have yet to seriously consider IP protection. The PNG seminar participant who represented the MSME coconut industry realized the importance of having IP protection in place in business and re-structuring and aligning work activities to come up with a brand value. Moving forward after the workshop, the PNG participants hope to have certifications in terms of production operations, logistics, policies and procedures, intervention on the need for an IP protection for the coconut industry.

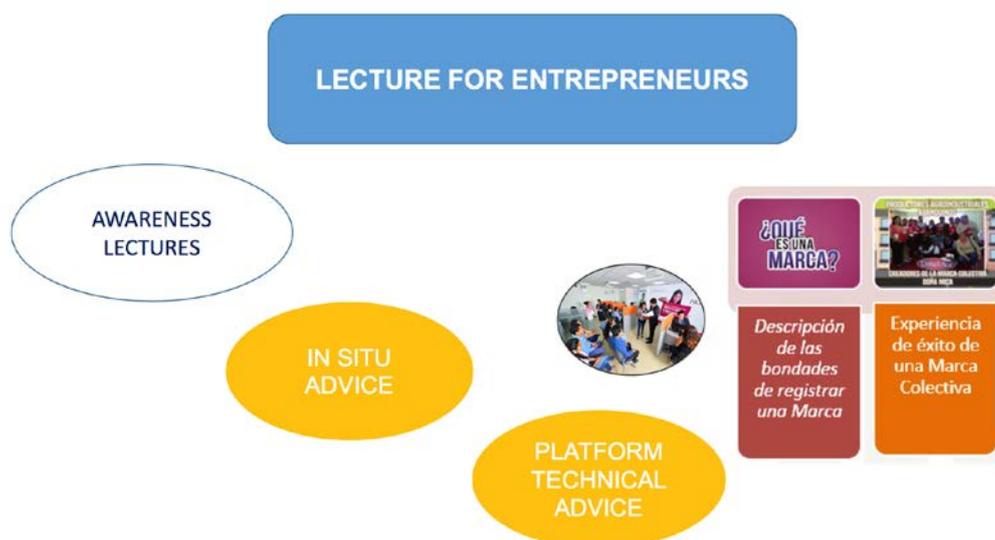
The seminar participants from the PNG government seconded the programs identified by the previous speaker from the PNG coconut industry and added that technical assistance through industry associations is in collaboration with the PNG government.

She said that intellectual property is a huge field and the IP offices alone cannot be able to address all IPR-related issues. The PNG websites cites that there are cross-cutting issues in IPR administration that require stakeholder participation, especially by relevant government bodies and IP right owner groups.

It was further mentioned that in moving forward, the PNG government may come up with a roadmap that will bring all players to develop a brand strategy for numerous PNG SMEs. It will also expand IP awareness campaigns about trademarks to the sector players that will create a ripple effect to micro enterprise sectors. A tailor-fit IP knowledge management by industry shall be in place to encourage them in protecting their brand.

Peru

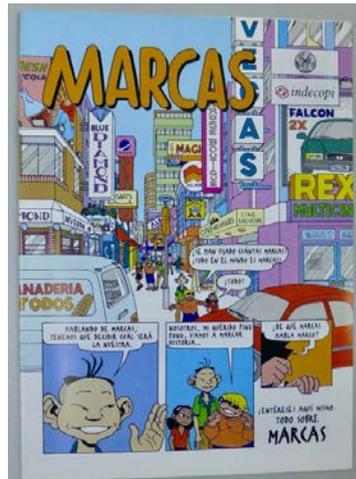
Peru delivered a presentation on INDECOPI's IP Services and Development Programs for intellectual property owners, specifically on trademarks. Peru shared that INDECOPI provides assistance in phonetic and figurative search including interpretation and in filing a trademark application. According to the INDECOPI representative, as of September 2016, they were able to assist 30,184 clients for phonetic search and 6,036 for figurative search. In addition, the representative said that INDECOPI also conducts lecture for entrepreneurs on IP Awareness, On-site Advice, and Platform technical advice.



INDECOPI's requirements for the collective use of mark as presented are as follows:

- Start an association process
- Standardize quality of services and goods to maintain the value of the brand
- Conditions to face the market will be given by self-control mechanisms established in their own regulations
- All members should advertise and promote the brand
- It should be registered in all countries where protection is sought

INDECOPI likewise distributed their Trademark promotional collaterals to all participants which consisted of a comic book illustration about Trademarks, brochure on brand consultancy service and an information booklet guide to register a trademark, all in their own language.



Philippines

The Philippines conveyed that all APEC member economies have the same aspirations. The Director General of Intellectual Property Office of the Philippines (IPOP), Atty Josephine Santiago, relayed the recently released Geographical Innovation Index (GII) 2017 by WIPO and Cornell University. The Philippines got one score higher from the previous year, from 74 to 73 ranking which may be a little improvement but she considered these as baby steps for the Philippines. Stating the importance of the pillars, she said that the workshop is important because Philippine MSMEs compose of 99% of the industry contributing 1/3 to the entire GDP, hence more programs for the SMEs will be embarked under the IPOP's 7 point development agenda: S.M.E.L.T.I.P. covering:

1. **S**ervices
2. **M**ind-to-Market
3. **E**nforcement and Adjudication
4. **L**earning or Education
5. **T**echnology
6. **I**nfrastructure
7. **P**artnerships

Russia

Russia reported that their government has always considered the best benefits of IP Protection for their MSMEs as a priority. Russia said that organizing workshops for MSMEs resulted in information build up as participants shared their experiences on business challenges and other information on current IP issues. Russia further cited that the government is considering implementing programs which will include IP in the universities as students are deemed potential entrepreneurs. It was also mentioned that as the MSMEs find registration of trademarks expensive, the Russian government plans to give discounts on registration fees for the MSMEs. The government is currently looking forward to developing new programs on the promotion of intellectual property which can become part of an integrated APEC IP commercialization system.

Thailand

The national government has been very active in MSME development and have included brand equity and trademark seminar as one of their major programs to incentivize MSMEs. Thai people are consistently informed about branding and trademark's dual benefits for the owner and the consumer.

Viet Nam

Viet Nam's National IP Strategy included programs for Brand Development aimed at encouraging local SMEs to register their IP rights for protection and maximize the use of the internet/social media to campaign awareness about IP Protection (like Facebook) as a digital platform. Viet Nam's National IP Strategy advances the provision of assistance for business start-ups, inclusion of IP in the university module, conduct of creative competition for students and professionals, talk shows on television to inform the general public about Intellectual Property, and development of seminar modules on a per industry basis. With a diversified client base, Viet Nam partners with other entities to organize IP Protection Awareness.

Discussions: Resource Persons and Panelists

Ms Mary Jade Rojas-Divinagracia of Isla Lipana & Co., for her part on brand valuation, stressed that there are no language barriers despite standards of brand valuation having huge disparities. One recognized brand valuation could be valued higher or differently by brand valuation experts. Ms Divinagracia encouraged IPOPHL to develop valuation standards and structures to pave the way for commercialization and valuation. This, she said, will not only help the MSMEs but encourage them to embrace the IP System in their businesses.

Ms Maria Jose Pineirua of Kidzania emphasized the business growth in having a Trademark. She advised MSMEs to take it step by step, know the market and find out where the business wants to go. Search platforms for trademarks are available online where one can identify the type of product class an MSME may need to register. It is important to distinguish a business' goods and services from competition. Kidzania is looking forward to making a contribution to all kids, to help them understand about entrepreneurship.

Mr Alan Ng of ABBA Consulting recommends having MSMEs talk to many experts as much as possible. Based on business trend, IP has not been taken seriously decades ago but the situation is different now with more financing scheme for IP valuation. Innovation has led to the rise of IP, the new wave is coming and MSMEs must change their thinking towards IP as a forefront in business decisions. There are various business models taking place especially on the digital platform and MSMEs must be able to realize the opportunity it has opened.

Mr. Ron Layton of Light Years IP imparted the three important attributes of a successful business for MSMEs. First is to rethink and try the very best to understand the business. Second is to accept change as everything has to change because the world changes. Lastly, is to find every way and means to create and recreate.

A representative of a local association of franchisers expressed that the workshop made him realize the importance of IP for the business and that the knowledge, learning and lessons from the workshop have to be cascaded to the association members. He said that a change of a mindset on the importance of protecting and registering the brand of the members of the AFFI will be beneficial. Another representative requested AFFI to start auditing the brands and entrepreneurs who are members, to recommend applying for the registration of their trademarks as it adds value to the business.