

ASIA-PACIFIC

CHINA

Guideline for enhancing IPR protection

The general offices of the Communist Party of China (CPC) Central Committee and the State Council have jointly issued a directive calling for intensified protection of intellectual property rights (IPR). Titled "The Guideline on Strengthening Intellectual Property Rights Protection," the document aims to implement decisions and plans of the CPC Central Committee and the State Council on stepping up IPR protection and improve related systems and mechanisms. "Strengthening IPR protection is the most important content of improving the IPR protection system and also the biggest incentive to boost China's economic competitiveness," reads the document.

The document said China will make comprehensive use of the law, technology and social governance policies to step up IPR protection. According to the document, by 2022, China will strive to effectively curb IPR infringement, and largely overcome challenges including high costs, low compensation and difficulties in providing evidence for safeguarding intellectual property rights. By 2025, social satisfaction with IPR protection in China will reach and maintain a high level.

Meanwhile, China will strengthen the punishment for infringements and counterfeiting, and improve the protection system for new business forms.

The document calls for speeding up the introduction of a punitive compensation system for infringements of patents and copyrights, and strengthening the protection of trade secrets, confidential business information and their source codes. China will also make greater efforts to step up international cooperation in IPR protection, facilitate communication between domestic and foreign rights holders, and provide support in overseas IPR disputes.

<http://www.xinhuanet.com>

Patents, royalty income rise

China granted 453,000 invention patents last year, up almost 5% year on year, as

the country vows to step up regulations to protect intellectual property. The total import and export of IP fees from January to November 2019 exceeded US\$37 billion, already topping the US\$35 billion for all of 2018, according to a statement from China's National Intellectual Property Administration (CNIPA), as reported by state-run media *Science and Technology Daily*.

Exports, or the amount foreign companies paid for use of Chinese IP, grew 19.2% year on year to US\$6 billion, signaling an improvement in the country's IP quality, according to the CNIPA. Chinese applications for international patents are also on the rise with 61,000 submissions last year, up 10.4% from 2018.

Apart from new inventions, around 1.6 million utility model patents were issued last year for minor improvements on existing products, while 557,000 design patents were granted for ornamental product designs. "China will continue to improve the legal system for intellectual property [...] and step up international cooperation in the protection of IP rights as key tasks in 2020," according to a statement from the patent office on Monday.

<https://www.techinasia.com>

Royalty payments for technology transfer

The Government is considering to re-introduce restrictions on royalty payments for technology transfer in view of excessive outflow of such funds to overseas companies, sources said. A proposal in this regard will soon be circulated by the Department for Promotion of Industry and Internal Trade (DPIIT) for inter-ministerial consultation, sources said.

According to the proposal, limits could be imposed on royalty payments in case of technology transfer or collaboration involving foreign entities either directly or indirectly through any firm in India. A similar proposal was mooted by the department last year. That time it had proposed that royalty payments should be capped at 4 percent of domestic sales and 7 percent of exports for the first four years; and for the

next three years the limit should be 3 percent of local sales and 6 percent of exports.

Proposing these restrictions, the department had argued that the curbs would help increase the profits of domestic companies, mainly in the automobile sector, prevent depletion of foreign exchange reserves, protect the interest of minority shareholders and increase revenue for the government.

Before 2009, royalty payments were regulated by the government and capped at 8 percent of exports and 5 percent of domestic sales in the case of technology transfer collaborations. They were fixed at 2 percent of exports and 1 percent of domestic sales for use of trademark or brand name. Auto major Maruti Suzuki pays an average royalty of around 5.5 percent of its net sales to its parent Suzuki.

<https://www.firstpost.com>

Innovative solutions sought to fight Covid-19

The Department for Promotion of Industry and Internal Trade (DPIIT) and Startup India have launched a competition for budding entrepreneurs and companies to come out with innovative solutions to fight against Covid 19 crisis. "Help us fight the Covid 19 hurdle together by participating in the United Against COVID-19-Innovation Challenge," Startup India has said in a tweet. Startup India is an initiative of the DPIIT to promote innovation in the country.

It said that the challenge is open to all startups, companies, and innovators - whose innovation can plug the gap between the demand and supply of essential medical items to fight the Covid-19 outbreak. The competition can also innovate technology for applications such as motion tracking, geo-fencing and fake news detection.

"As the world is currently looking at a serious healthcare challenge caused by the pandemic Covid-19, DPIIT with Startup India is scouting for innovative technologies and solutions for precautionary as well as treatment-related interventions. "We are building a one-stop repository of innovative solutions for ready access by the government and the private sector for further development and deployment," Startup India said.

It also said the top solutions will be referred to the government and private stakeholders for further funding and deployment. The solutions will also be published on the Invest India Business Immunity Platform, which is an interactive resource for investors, the business community, and other stakeholders to access all relevant information about India's fight against COVID-19.

Citing examples, it said solutions can be in the areas of low-cost masks which can capture virus from the air and absorb respiratory droplets; cost-effective thermal scanning devices and rapid diagnostic kits, critical-care equipment -- including portable oxygenators and home-based ventilators to monitor and control the spread of the new coronavirus, among others.

<https://economictimes.indiatimes.com>

INDONESIA

Boosting pharma innovation

The government is planning to relax rules on drug patents in the omnibus bill on job creation to boost the nation's pharmaceutical industry and encourage patent-sharing, a top minister has said. Coordinating Economic Minister Airlangga Hartarto said that current legislation obliged companies to register their patents in Indonesia in hopes of driving the local pharmaceutical industry, but that the industry had not grown as expected. Instead, the patent rule created difficulties for the industry in providing the needed medication during a health emergency.

"We are pushing [so] companies do not have to register their patents in Indonesia," Airlangga said during a media briefing in Jakarta. Allowing pharmaceutical companies to apply for patents abroad might expedite patent sharing for developing the needed vaccine or antiviral during an outbreak, such as the ongoing COVID-19 outbreak, he said.

Article 20 of the Patent Law stipulates that the patent holder must manufacture its products or process them in Indonesia, which would require technology transfers, investment and/or creating new jobs. The article has been deleted in the omnibus

bill on job creation. Instead, the bill stipulates that pharmaceutical companies only need to obtain licenses from the government for operating their business and developing medicines and medical devices.

The government is authorized to revoke the licenses if a company's drugs and medical devices do not meet standards, with further provisions to be regulated in government regulations (PP). Meanwhile, Law No. 36/2009 on health states that medical supplies may be distributed only after a distribution license is granted and must adhere to distribution objectives.

<https://www.thejakartapost.com>

ADB supports human capital, infrastructure development

The Asian Development Bank (ADB) will provide around US\$2.7 billion in loans this year to support Indonesia's human capital, infrastructure and green energy development. ADB president Masatsugu Asakawa said the bank planned to provide Indonesia with more loans this year than the \$1.7 billion it provided in 2019. The bank plans to provide Indonesia with \$500 million for a competitiveness enhancement program and another \$500 million for a financial inclusion program this year.

"This is an increase of \$1 billion but it is still a forecast amount," Asakawa said during a news conference in Jakarta on Tuesday after a meeting with President Joko "Jokowi" Widodo. "We want to expand ADB's support for human capital development and infrastructure connectivity."

In his inaugural speech at the beginning of his second term, Jokowi announced that his administration would prioritize human capital and infrastructure development. The administration's goal is to set Indonesia on the path to becoming one of the world's five largest economies by 2045, with a near zero percent poverty rate and an average per person monthly income of Rp 27 million.

After meeting with Jokowi, Asakawa said the bank would focus on providing support in a range of areas including clean energy, higher education and skills development as well as innovative green

and blue financing. The ADB has also committed to funding several projects in South Sulawesi including the Mamminasata toll-road project, low-cost apartment developments and a clean water program. The bank plans to finance priority projects of the Indonesian government and the private sector, Asakawa said.

Asakawa added that the bank's proposed Country Partnership Strategy for Indonesia for 2020-2024 would support the government's development priorities and seek to catalyze private sector financing, promote innovation and new technologies. Between 1966 and 2018, the ADB committed \$36.68 billion in sovereign and nonsovereign loans, equity investments and guarantees. Furthermore, the ADB provided \$460.5 million in technical assistance and \$449.98 million in grants to Indonesia.

<https://www.thejakartapost.com>

PHILIPPINES

Innovation focus on agriculture, water

The Department of Science and Technology (DoST) said its plan to further improve the Philippines' global innovation ranking involves research in key agricultural sectors like coconut and livestock, as well as improving the environment for water resources. Science and Technology Secretary Fortunato T. dela Peña said at a news conference that the Philippines should focus on fields of research like "alternatives to pork meat and... chicken research." The Philippines rose 19 places in the 2019 Global Innovation Index to 54.

He said research resources should also be devoted to biomedical devices, mass transportation systems, machinery design, and energy storage and conservation. "This is the reason why we have modified our monitoring and evaluation system... because we would like to invest in those that will give the best returns," he said.

In addition to the output of university, industry, and research centers, DoST is also looking at the research of senior high school students, drawing in research from experts who have traditionally not

THAILAND

Aid package for SMEs

To help small and medium-sized enterprises (SMEs) stay afloat as the economy flails, the government is poised to raise the state-owned Thai Credit Guarantee Corporation's (TCG) credit guarantee coverage to 40% from 30%. Deputy Prime Minister Somkid Jatusripitak said a higher credit guarantee ratio will be a key component in the new aid package for SMEs that is scheduled to go before the cabinet today. The higher coverage will help SMEs access credit from banks, said Mr Somkid. "The country's economic slowdown has triggered higher non-performing loans among SMEs. Without any aid measures, these SMEs will eventually be pushed into collapse, which will be a great blow to the economy," he said.

On Aug 20, the cabinet approved an SME stimulus package that included a credit guarantee by TCG and credit lines from state banks worth a combined 100 billion baht. The Office of Small and Medium Enterprises Promotion was also ordered to help SMEs and micro-SMEs access funding sources. According to Mr Somkid, the latest credit guarantee measure would be allotted based on SMEs' characteristics. SMEs will be classified into three groups: those who want to access financial sources but cannot, those whose debts have turned sour, and those who can access financial institution lending but need additional liquidity.

TCG will offer a 10-billion-baht credit guarantee facility to the first group for up to 50,000 SMEs, while a debt restructuring programme will be granted for the second group, covering about 20,000 SMEs. For the third group, Krungthai Bank is offering low-rate loans worth 50-60 billion baht to SMEs, while Government Savings Bank is extending 40 billion to boost financial liquidity.

As part of the new package, the Finance Ministry will also propose the cabinet tweak the requirement by extending the debt restructuring negotiation period for SMEs whose loans are guaranteed by TCG to seven years from five years at present.

received grants before. He also cited the need to pay more attention to the work of small businesses, including start-ups. "Start-ups... come up with innovations, even without R&D support," he said, noting that the DoST is eager to provide research support at the prototype development stage via business incubators.

The Philippines performed well in indicators related to innovation linkages, high-tech imports, and research talent in the global innovation index. Other bright spots were categories like firms offering formal training, productivity growth, ICT services exports, and creative goods exports.

The identified weaknesses were in ease of starting a business, ease of getting credit, expenditure on education, the presence of global R&D companies, the volume of scientific and technical articles and new businesses.

<https://www.bworldonline.com>

SINGAPORE

Help for SME retailers

Retailers that are new to e-commerce can have 90 per cent of their costs of selling online covered. The E-Commerce Booster Package was launched to help small and medium-sized enterprise (SME) retailers which are new to, or have little experience in, e-commerce to diversify their revenue streams beyond the traditional bricks-and-mortar model, Enterprise Singapore (ESG) said yesterday. This is especially relevant amid the Covid-19 situation, ESG said.

Retailers can sign up with one of four e-commerce platforms - Amazon, Lazada Singapore, Qoo10 or Shopee - and have 90 per cent of qualifying costs waived. The one-time support is capped at \$9,000 and the e-commerce platforms will offset their fees directly. Qualifying costs refer to the services provided by the platforms, including content development services, product listing and advertising.

The platform providers will work with retailers to curate and list products for up to six months, participate in promotional campaigns, fulfil orders and analyse sales data. Those looking to expand their

reach overseas can also tap ESG's existing Multichannel E-Commerce Platform Programme and list their products on overseas marketplaces with more qualifying costs covered.

<https://www.straitstimes.com>

SRI LANKA

Science, technology and innovation

Sri Lanka will lead the Science, Technology and Innovation sector in the Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation (BIMSTEC). The Foreign Relations Ministry said this was agreed during the finalization of areas of cooperation among BIMSTEC Member States during the 20th Session of the Senior Officials' Meeting (SoM) Chaired by Foreign Secretary Ravinatha Aryasinha on 3 March 2020, the BIMSTEC. Accordingly, a BIMSTEC Facility for Technology Transfer is planned to be opened in Sri Lanka in the future. Sri Lanka will also appoint a Director to the BIMSTEC Secretariat in June this year. The SOM was preceded by the 3rd Permanent Working Committee Meeting (BPWC) Chaired by Additional Secretary (Economic Affairs) P.M. Amza, from 1 to 2 March 2020 at the Ministry of Foreign Relations.

Sri Lanka is mandated to lead the sector on Science, Technology and Innovation under which cooperation in Technology, health and human resource development is also included. Bangladesh was mandated to lead Trade, Investment and Development, Bhutan - Environment and Climate Change, Myanmar - Agriculture and Food Security, India - Security (Counter Terrorism and Transnational Crime, Disaster Management & Energy), Nepal - People to people contact (culture, tourism, forums of Think Thanks, Media etc.) and Thailand - Connectivity.

BIMSTEC Charter which is the institutional mechanism to effectively steer the process of regional cooperation under BIMSTEC was also finalized and is expected to be adopted at the 5th BIMSTEC Summit.

<http://www.colombopage.com>

At present, TCG is required to file lawsuits against SMEs that default and complete debt restructuring talks within five years. An estimated 10,000 SMEs with a combined debt of about 10 billion baht are in this group.

<https://www.bangkokpost.com>

VIET NAM

Innovative economy index

Viet Nam has moved up on the Bloomberg Innovation Index of the world's 60 most innovative economies, but lags far behind Asian peers. With an overall score 47.64 out of 100, Vietnam has jumped three places from last year to 57th on the annual index released by Bloomberg, the U.S.-based financial, software, data, and media company.

The ranking measures the world's 60 most innovative countries using seven criteria: research and development intensity; productivity; patent activity; concentration of researchers, tertiary efficiency; hi-tech density; and value-added manufacturing.

Vietnam's highest scores were 37th in hi-tech density, 40th in tertiary education efficiency and 42nd in patent activity. It ranked 52nd and 53rd in terms of value-added manufacturing and research and development intensity, respectively. The country did not do well researcher concentration, standing 55th, while productivity ranking was lowest at 60th.

Vietnam's productivity continues to lag behind many of its Southeast Asian neighbors, and use of outdated technology and a low-skilled workforce is widening the productivity gap, said Nguyen Bich Lam, general director of the General Statistics Office.

Based on purchasing power parity (PPP) at 2011 constant prices, the GSO estimateed Vietnam's overall labor productivity in 2018 at \$11,142, lower than Singapore, Malaysia, Thailand, Indonesia and the Philippines.

<https://e.vnexpress.net>

"Youth and Innovation for Ocean" Initiative

UNESCO in partnership with the Coca-Cola Foundation launched the "Youth and

Innovation for Ocean" Initiative in Hanoi on June 8 with the aim of empowering students and young professionals to devise solutions to reduce and recycle plastic waste in coastal regions in Vietnam on the occasion of the World Oceans Day.

The initiative will call on young talent and juniorscientists to develop innovative and practical solutions for plastic waste management with the focus on the three "Rs": Reduce, Reuse and Recycle, contributing to the development of a circular economy. Young talent will be provided with technical support from top experts through a mentorship scheme during the framework of the Initiative.

The most innovative ideas will be piloted in UNESCO Biosphere Reserves, specifically the Cu Lao Cham - Hoi An Biosphere Reserve. The initiatives are expected to support communities in coastal regions to deal with plastic waste, improve the environment and enhance their living standards.

In addition, the Youth and Young Professionals on Innovation, Science and Technology Platform for Resiliency (U-INSPIRE) will be launched within the framework of the Initiative which will serve as a national hub for supporting knowledge sharing and innovative ideas from young Vietnamese citizens to address environmental and development issues in the country.

<https://en.nhandan.org.vn>

Investment incentives for SMEs

As the outbreak of COVID-19 hampers business activity, Vietnam introduced Decree No. 37/2020/ND-CP (Decree 37) on March 30 to update the list of sectors and industries access to investment incentives under Decree 118/2015/ND-CP. The move underlines the government's efforts to support businesses and particularly small and medium-sized enterprises (SMEs) affected by COVID-19.

The regulation expands the list of business lines eligible for investment incentives. This includes four types of SME business lines which are:

- Small and mediums sized enterprises (SMEs) supply chains;
- Business incubators for SMEs,

- Technical support facilities for SMEs; and
- Co-working spaces of SMEs.

The aforementioned businesses will now be eligible for import duty exemptions on fixed assets as well as other exemptions based on location.

SMEs continue to play a major role in Vietnam, accounting for 98 percent of all enterprises, 40 percent of GDP, and 50 percent of employment or 1.2 million jobs. As per the Ministry of Finance, Vietnam has more than 600,000 firms, with nearly 500,000 private and 96 percent being small and micro-enterprises.

Vietnam considers SMEs as an important driving force for its economy While concerns remain, the government introduced the Law on Support for Small and Medium Enterprises No 04/2017/QH14 which took effect in January 2018 which seeks to support SMEs. Later in May 2019, the government issued *Circular No 06/2019/TT/BKHDT* on network consultants for SMEs and *Circular No 05/2019/TT/BKHDT* on subsidies for training courses for women-owned SMEs. There are also several government and private funded programs and organizations lending support to SMEs.

Despite this, SMEs continue to face challenges due to unclear guidelines, vague supporting policies, and implementation of the laws by local authorities. To address these issues the government has proposed a draft to the new Law on Investment, but this is likely in early 2021. *Decree 37* aims to fill this gap and help SMEs during the pandemic. Decree 37 is also likely to further help startups by attracting more investment including by foreign investors. In *Vietnam's Innovation Ecosystem 2019* report by the Australian Trade and Investment Commission, the report stated that Vietnam has the third-highest rate for startups in Southeast Asia.

The Decree will make it easier to access incentives such as access to land and credit support initiatives. In addition, the regulation will help SMEs aid in recovering the economy as Vietnam looks to restart its economy after COVID-19..

<https://www.vietnam-briefing.com>