



POWERING THE INNOVATION CYCLE THROUGH INTELLECTUAL PROPERTY

A note from Indranee Rajah S.C., Senior Minister of State for Law

IP Week @ SG 2016

IP Week 2016 was held in Singapore on 22-24 August 2016 at Marina Bay Sands Convention Centre. The conference theme was “Powering the Innovation Cycle through Intellectual Property (IP)”.

I delivered the opening address which can be viewed at www.mlaw.gov.sg.

The theme is in line with our vision of an IP-driven economy, where intangible assets and IP make up the bulk of companies’ value.

In such an economy, IP will be critical to companies in bringing their technology, brands and content to the world. Businesses will need the relevant expertise, including legal and accounting expertise, to help them translate their innovations and IP into a strong competitive edge and market share.

BUILDING ON THE IP HUB MASTER PLAN

In 2013, I circulated a Note on our IP Hub Master Plan - a roadmap to develop Singapore as a global IP Hub in Asia. As highlighted in that Note, the Master Plan is a living document, and the initiatives would be refined and adapted along the way, as the IP landscape evolves.

Today, three years on, it is timely to do a quick stock-take.

- Our IP regime has consistently maintained a high international ranking.
 - › World Economic Forum’s Global Competitiveness Report 2015 to 2016 ranked Singapore as having the best IP protection in Asia.
- IPOS has developed strong in-house patent search and examination capabilities.
 - › Today, IPOS is one of 20 International Authorities in Patent Search and Examination, and the only Authority in ASEAN.

- › IPOS is also capable of cutting-edge technology forecasting and patent analytics, which can enable better upstream R&D decisions.
- IPOS is a global partner for IP and innovation.
 - › IPOS has established a representative office in the Guangzhou Knowledge City. The office links our IP services providers to Chinese enterprises.

We have also advanced many other initiatives under the IP Hub Master Plan.

OUR PLANS FOR THE FUTURE

Moving forward, MinLaw and IPOS will be focusing on three areas:

- Shaping and administering a robust IP regime.
- Building a vibrant IP ecosystem and marketplace.
- Growing our pool of innovation and IP management expertise.

Shaping and administering a robust IP regime

In the last three years, we have made significant enhancements to our Patents regime.

- Most notably we have moved from a self-assessment system to a positive grant system, where only patent applications which fully meet patentability criteria can be granted.
- We also completed the review of our Registered Designs regime in March 2016. My earlier Note on the reforms to our Registered Designs regime can be accessed at www.mlaw.gov.sg.

We are now reviewing our Copyright regime, to ensure that it continues to support a creative economy while enabling legitimate users to use and appreciate creative works.

Singapore's Copyright Act was enacted in 1987, with the last major overhaul being in 2004.

Technological developments since 2004 have led to immense changes in how copyrighted works are created, distributed, accessed and used. For example, learning now involves large amounts of content sharing and interaction via online portals. Copyright law must keep up to date, or risk becoming irrelevant, or worse still, obstructive.

Some of the changes we are considering include:

- allowing text and data mining for the purposes of data analysis. This will support the growth of the data analytics business sector. Lawyers should also find this useful for legal research.



- providing creators of commissioned works ownership rights over their creations unless they agree otherwise.
- allowing everyone to use “orphan works” where the owner cannot be identified and contacted for consent, subject to certain conditions.

The public consultation is now underway, and we would welcome views from the legal and accounting sector. You can view the full public consultation document at www.mlaw.gov.sg.

Building a vibrant IP ecosystem and marketplace

More will be done to help businesses develop a strong competitive advantage through IP.

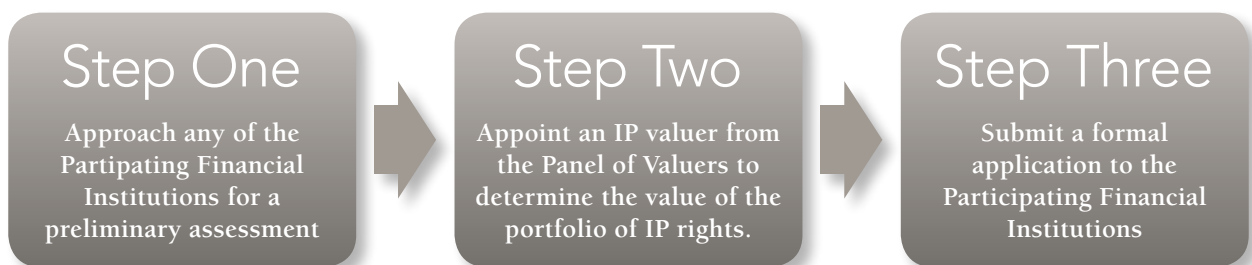
IP Financing

It is important that companies can effectively use their IP for financing. The government has introduced the IP Financing Scheme to help Singapore-based IP-rich companies monetise their IP for business growth and expansion.

Under this scheme, the Singapore Government shares the risk of the IP loan with the Participating Financial Institutions (PFIs)¹ to encourage financial institutions to accept IP assets² as collateral in support of the loan. The PFIs will undertake the due diligence process in assessing the credit worthiness and business case of the applicants.

The first successful loan application using IP as collateral was secured by Masai Group International from DBS Bank in June 2016. In addition, UOB has a strong pipeline of IP financing cases to help companies capitalise on the value of their intangible assets.

The three steps to apply for the IP Financing Scheme are as follows:



A valuation subsidy is available to defray the cost of IP valuation. IPOS will provide this subsidy to successful applications of the scheme.

If you or clients have enquiries on the application process, you can contact IP ValueLab³ at <https://www.ipos.gov.sg/AboutUs/ContactInformation.aspx>.

IP Valuation

Business investment into intangible assets has surpassed investment into tangible assets.⁴ As the market value of companies’ intangible assets and IP grows, reliable valuations of intangible assets and IP will be increasingly necessary for business transactions, including M&A and restructuring.

¹ The Participating Financial Institutions are AFC Merchant Bank, The Development Bank of Singapore (DBS), Overseas-Chinese Banking Corporation (OCBC) Ltd and United Overseas Bank (UOB) Ltd.

² IP assets accepted as collateral include granted patents, registered trade marks as well as copyrights.

³ IP ValueLab is a wholly owned subsidiary of IPOS.

⁴ “Accounting’s 21st Century Challenge: How to Value Intangible Assets”, Wall Street Journal (March 21, 2016), Source: Carol Corrado and Charles Hulten.

MinLaw and IPOS will be strengthening our ability to provide quality IP valuation. Plans in the pipeline include:

- forming a working committee to develop IP valuation best practices.
- working with relevant agencies, including the Institute of Valuers and Appraisers of Singapore and the Singapore Accountancy Commission, to foster industry-wide adoption of IP valuation practices as well as develop curriculum for training and certification.

Growing our pool of IP management expertise

IP management expertise is critical to enable companies to effectively monetise and capture value from their IP. IP management requires multi-disciplinary skillsets – a combination of law, business and technology.

IPOS is partnering Workforce Singapore to develop IP management expertise. Upcoming plans include:

- developing dedicated skills-based training programmes;
- support schemes for employers in hiring; and
- schemes for individuals in up-skilling competencies.

At IP Week @ SG, we launched the UniSIM Graduate Programme in IP and Innovation Management. This programme aims to develop industry-ready and globally competitive professionals in IP and Innovation Management.

The Programme includes core modules in IP Law and IP management. Electives include: intellectual assets management, IP business and strategy and IP monetisation and technology assessment.



RELEVANCE FOR THE LEGAL AND ACCOUNTING SECTOR

In an innovation-driven economy, intangible assets and IP will be key for all companies.

Every enterprise, big or small, will need expertise to help protect, use and monetise their intangible assets and IP.

Legal and accounting service providers capable of meeting this need will benefit.

Opportunities will be further bolstered by Singapore's growing prominence as an IP hub.

Lawyers and accountants should encourage and support their professionals in developing these relevant multi-disciplinary skillsets to thrive in the future economy.

– Indranee Rajah S.C., Senior Minister of State for Law
6 September 2016