

Committee on Development and Intellectual Property (CDIP)

Twenty-Fifth Session
Geneva, May 18 to 22, 2020

PROJECT PROPOSAL SUBMITTED BY THE REPUBLIC OF INDONESIA AND THE UNITED ARAB EMIRATES ON PROMOTING THE USE OF INTELLECTUAL PROPERTY IN DEVELOPING COUNTRIES FOR CREATIVE INDUSTRIES IN THE DIGITAL ERA

prepared by the Secretariat

1. In a *Note Verbale* dated March 16, 2020, to the Secretariat, the Permanent Mission of the Republic of Indonesia to the United Nations, World Trade Organization, and other international organizations at Geneva submitted a project proposal on Promoting the Use of Intellectual Property (IP) in Developing Countries for Creative Industries in the Digital Era, for consideration at the twenty-fifth session of the CDIP.
2. The *Note Verbale* and project proposal are contained in the Annex hereto.
3. *The Committee is invited to consider the Annex hereto.*

[Annex follows]



PERMANENT MISSION
OF THE REPUBLIC OF INDONESIA
TO THE UNITED NATIONS, WTO AND
INTERNATIONAL ORGANIZATIONS IN GENEVA

No. 30/POL.1/111/2020

The Permanent Mission of the Republic of Indonesia to the United Nations, World Trade Organization, and Other International Organizations in Geneva presents its compliments to the World Intellectual Property Organization (WIPO) and has the honour to convey, attached herewith, a new Development Agenda project (DA project) proposal for consideration at the upcoming 25th Session of the Committee on Development and Intellectual Property on 18-22 May 2020.

The Government of the Republic of Indonesia is of the view that the proposed project *"Promoting the Use of Intellectual Property in Developing Countries for Creative Industries in the Digital Era"* will help strengthen and cultivate the creative industries by improving the quantitative and qualitative use of the intellectual property system by local businesses, as well as increase the capacity of intellectual property authorities of participating countries in this digital era.

In this regard, the Permanent Mission of the Republic of Indonesia would also like to seek the good offices of the WIPO Secretariat to review and complement the above-mentioned proposal, including with a budgetary requirement plan, to ensure its expedient adoption by WIPO Members at the Committee on Development and Intellectual Property.

The Permanent Mission of the Republic of Indonesia to the United Nations, World Trade Organization, and Other International Organizations in Geneva avails itself of this opportunity to renew to the World Intellectual Property Organization the assurances of its highest consideration.

Geneva, 16 March 2019



World Intellectual Property Organization (WIPO)
In Geneva, Switzerland

Cc: Chair of the Committee on Development and Intellectual Property

PROJECT PROPOSAL FROM THE DELEGATIONS OF INDONESIA AND THE UNITED ARAB EMIRATES

PROJECT PROPOSAL

1. SUMMARY	
<u>Project Code</u>	DA_1_4_10_12_19_24_27_01
<u>Title</u>	<i>Promoting the Use of Intellectual Property (IP) in Developing Countries for Creative Industries in the Digital Era</i>
<u>Development Agenda Recommendations</u>	1, 4, 10, 12, 19, 24 and 27
<u>Brief Description of Project</u>	The proposed project aims at strengthening and cultivating the creative industries through improving the quantitative and qualitative use of the IP system by local businesses, as well increasing the capacity of IP authorities of participating countries in light of changes in the digital era. In particular, the project aims at: (1) enabling creative industries players to protect, manage, exploit, and enforce intellectual property rights to support the marketing of creative and cultural products and services, and (2) building networks between local creative industries in order to facilitate transfer of information, cooperation, and growth.
<u>Implementing Program</u>	tbd
<u>Links to other related Program(s)/ DA Project(s)</u>	DA_8_01, DA_8_02, DA_19_30_31, DA_16_20_01 and DA_16_20_02, DA_16_20_03

<p><u>Links to Expected Results in the Program and Budget</u></p>	<p>III.2 Enhanced human resource capacities able to deal with the broad range of requirements for the effective use of IP for development in developing countries, LDCs and countries with economies in transition.</p> <p>IV.2 Enhanced access to, and use of, IP information by IP institutions and the public to promote innovation and creativity.</p> <p>III.6. Increased capacity of SMEs, universities and research institutions to successfully use IP to support innovation.</p>
<p><u>Project Duration</u></p>	<p>30 months</p>
<p><u>Project Budget</u></p>	<p><i>Total non-personnel costs: tbd</i></p>
<p>2. PROJECT DESCRIPTION</p>	
<p>2.1. <u>Introduction to the issue</u></p>	
<p>The creative industries are among the most rapidly growing industries in many economies, especially in developing countries. In 2018 alone, creative industries contributed around US\$ 8.8 trillion to the world’s combined GDP and saw a growth of 3.9%¹.</p> <p>Creative industries grow and thrive as liaison among culture, economy, and technology. Innovation in these industries is often a collective process that involves many different actors and stakeholders with specific IP needs. The intellectual property system has always been identified as one of the key policy instruments for the governance of creative industries activity. Both industries, which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property, need to be able to fully utilize the intellectual property system. Actors in the industry consistently generate products that involve one or a combination of different types of IP rights, including copyright, patents, designs and trademarks.</p> <p>Certainly, one of the most pressing challenges existing today in the creative economy is how to promote the role of intellectual property in the development of creative economy sectors for sustained socio-economic development, especially in educating and training relevant stakeholders on how to protect, manage, exploit and enforce intellectual property rights within the creative industries. The creative industries require much fostering and may see large knowledge gaps; the creative industries consist of many, and highly diverse, stakeholders, from traditional cultural and craft industries that are dominated by Micro, Small, and Medium Enterprises – (MSMEs) to new businesses in the digital era.</p> <p>This need to be able to fully utilize the intellectual property system has become even more critical in the digital era. Digitalization and the advancement of information technology have opened more opportunities and challenges for the creative industries, as well as changed the</p>	

¹ World Travel & Tourism Council, “Travel & Tourism continue strong growth above global GDP”, 27 February 2019, <https://www.wttc.org/about/media-centre/press-releases/press-releases/2019/travel-tourism-continues-strong-growth-above-global-gdp/>.

way creative products and services are being marketed, distributed, and consumed. Increased digitization has lowered barriers to entry and more equal opportunities for all people of all nations to work in the creative industries. Online access to information and research, increase in interconnectivity, and the participation of the creative industry itself in the digital era, has allowed creative businesses to market goods and services to a wider and more diverse audience. The digital age has also enable talents from all around the world to work together and generate more ideas and products than ever.

However, the digital era also presents its own unique challenges to creative businesses, especially in the field of intellectual property. The prevalence of online platforms, particularly those relating to e-commerce, have increased the need for brand name and design recognition, which require the use of trademarks and industrial designs. Furthermore, the increased opportunities for cooperation brought about by digitization has created a pressing need for the creative sectors to understand how to protect ideas and innovation as well as how to share it through licensing agreements or other means of collaboration. Another critical challenge that is presented by the digital era is the need to ensure strong enforceability of intellectual property rights. Increased connectivity may pose risks to stakeholders who have low digital literacy and/or unprotected intellectual property. Infringements and counterfeits of brands, trademarks, and product designs, for instance, would cause loss of profits, and have more intangible but real effects such as loss of reputation.

Meanwhile, opportunities presented are often underused by such businesses, especially those in developing countries. Both local governments and private businesses in developing countries generally have lower digital literacy compared to their peers in developed countries, still rely on offline marketing and physical distribution with almost non-existent branding strategies, which limits the accessibility of potential markets and information.

There are therefore two interrelated primary objectives that need to be improved to safeguard the creative industries in developing countries. The first is building the capacity of local businesses involved in creative industries and of national authorities, including IP offices, to use and leverage IP tools and strategies to add value that differentiates their products and services, and to diversify their economic activities in the digital era. The second, which is needed to support the first, is building networks between local creative industries in order to facilitate transfer of information, cooperation, and growth.

For the purpose of the implementation of this project, the creative industries cover the following sectors: applications and games, architecture, interior design, visual communication design, product design, fashion, film, animation & video, photography, craft, culinary, music, publishing, advertising, performing arts, fine arts, radio broadcasting, and tourism services.

As an illustration of an area where the concept of creative industries might apply is tourism. Tourism, as an example, is an important sector of the creative industries as it valorizes cultural and creative assets, expands the audience for creative products, supports innovation, improves the image of countries and regions, opens up export markets, and supports professional networks and knowledge development. In turn, the creative industry allows for the development and diversification of tourism products and experiences, revitalizes existing tourism products, provides the creative technology necessary for the development and enhancement of the tourism experience, adds atmosphere to tourism locations, and helps overcome the limitations of traditional cultural tourism models.²

² OECD (2014), *Tourism and the Creative Economy*, OECD Studies on Tourism, OECD Publishing, <http://dx.doi.org/10.1789/9789264207875-en>.

2.2. Objectives

The proposed project aims at strengthening and cultivating the creative industries of participating countries. In particular, it aims to:

- (a) Gain an understanding of the extent and reasons for the underutilization of the IP system in the creative industries in participating countries;
- (b) Formulate how the IP system can be utilized to support the unique creative industries' ecosystems in each participating country, in particular in relation to IP protection, management, exploitation, and enforcement;
- (c) Create regional and national Centers for Creative Industries ("CCIs") which, if possible would be composed primarily government agencies (IP Office, Creative Economy Agency, and other relevant agencies) as well as businesses and talents with the primary responsibilities to, among others:
 - (i) Help coordinate initiatives and joint public-private projects relating to IP awareness for creative industries;
 - (ii) Become the primary coordinator and initiator of events, including seminars and workshops, aimed at educating, empowering, and strengthening networks between local governments and creative businesses for IP management and exploitation strategies; and
 - (ii) Disseminate information, especially those relating to changes in the regulatory or business climates, to businesses in the creative industries;
- (d) Strengthen inter- and intra-industry networks among members of the creative industries to increase ease of collaboration and facilitate transfer of knowledge, including through the organization of networking events and gatherings, as well as training and educational events;
- (e) Establish training and educational programs, including but not limited to seminars and workshops, to the raise awareness on issues such as:
 - (i) The role the IP system can play in generating creativity and innovation of ideas;
 - (ii) The IP registration processes, costs involved, and pathways to increasing ease of use of the IP system;
 - (iii) The need to respect and enforce intellectual property as the main assets for the creative industries.
- (f) Establish regional and national pathways connecting creative businesses with lawyers for legal support and training, among others.

2.3. Delivery Strategy

The project objectives will be achieved through the following outputs and activities:

Output 1 – Better understanding of the extent and reasons for the underutilization of the IP system in the creative industries.

Activities:

- (a) Undertake a literature review of the situation of creative businesses on their access to and use of the IP system for purposes of assets calculation, management, and protection, etc.;
- (b) Collect good practices, models and examples of programs and initiatives designed to support creative businesses using good management and enforcement of IPR;

Output 2 – Established national baselines in four participating countries.

Activities:

- (a) Gather data on issues that the creative industries are facing with regards to IP protection, especially those relating to their access to and use of the IP system, as well as protection and commercialization of creative IPs in the four countries;
- (b) Gather data and map existing IPR registration processes and potential obstacles at each stage for the creative industries in the four countries;
- (c) Gather data on existing issues with national IP management by national authorities, including but not limited to IP offices;
- (d) Identify national focal points, stakeholders, leading creative producers and marketing businesses, leading businesses, lawyers willing to provide legal support, etc.

Output 3 – Materials for training relevant stakeholders on IP protection, management, exploitation, and enforcement, that are tailored for the creative industries.

Activities:

- (a) Develop materials for governments on ways in which IP management and enforcement can be used to enhance the creative industries, policy strategies to increase accessibility of IP system usage, and improved management of IP systems;
- (b) Develop materials for creative businesses in identifying, managing, and enforcing their IP rights as business asset.

Output 4 – Increased awareness of businesses in the creative industries on the importance of utilizing the IP system and capacity to make informed strategic choices relating thereto.

Activity:

(a) Engage with national industry associations or organizations, and/or government agencies, with the aim of creating joint programs for the dissemination of knowledge concerning collaboration opportunities, IP protection, and IP management;

(b) Hold three national events for businesses in the creative industries aimed at increasing awareness on the importance IP protection, IP management, and IP strategies for businesses;

Output 5 – Established networks and mentorship opportunities between industry players in the creative industries.

Activities:

(a) Create a database of names, portfolios, and contacts of mentors and potential mentees which are accessible online and offline at the local businesses in the creative industries;

(b) Hold two networking and training events connecting members of said networks to potential mentor businesses.

Output 6 – Established national and regional platforms for creative businesses focusing on IP management.

Activities:

(a) Create a database of names, portfolios, and contacts of creative marketing businesses which are accessible online and offline at the local CTCIs;

(b) Established national coordinator and regional hubs for business industries.

Output 7 – Improved awareness and management of the IP system by national authorities, including but not limited to IP offices.

Activity:

Create a training program on ways in which IP management and enforcement can be used to enhance the creative industries, policy strategies to increase accessibility of IP system usage, and improved management of IP systems.

Four (4) developing countries and/or LDCs with substantial growth of creative industries will be chosen for the pilot project. The selection of three pilot countries, in addition to Indonesia, will be based on the following criteria:

1. Existence of a national framework for IP protection;
2. Existence of access to the internet by 50% or more of the population;
3. Existence of a large number of creative businesses whose products fit into the IP criteria;

4. Existence of national or local associations or organizations dedicated to supporting creative businesses, and/or government institutions government bodies responsible for said industries;
5. Demonstrated interest and ability of stakeholders, including businesses and the aforementioned associations, organizations, or government institutions to engage effectively in the implementation of the project;
6. Existence of substantial contribution of creative industries to the regional and/or national economies;
7. Availability of resources to continue the work after the conclusion of the project.

In addition, the pilot countries will be selected with a view to ensuring geographical balance and diversity in socio-economic development.

Member States interested in participating in the project as pilot countries will submit a proposal containing, at minimum, the following elements:

- (a) Information on national IP protection and access to the internet, preferably with data on digital literacy;
- (b) Indication of national and/or local associations or organizations, and/or government institutions specifically dedicated to IP protection and management as well as to business support for creative industries and which are capable of coordination with the WIPO Secretariat;
- (b) Indication of laws and supporting institutions dedicated to the protection of IP in line with WIPO standards;
- (c) Capacity of the lead agency/institution and other stakeholders to continue with the implementation of the proposed strategies, once the current project is concluded.

The above-mentioned selection process will enable the project team (lead agency/institution at country level and WIPO project management team) to assess the commitment and the actual capacities of prospective candidates to invest time and resources in the process.

2.4. Potential risks and mitigating measures

Risk 1: There may be no established national network of the creative industries that is linked with the IP system

Mitigation 1: The project manager will engage with relevant government agencies and integrate the implementation of the project along with government's current priorities in the development of creative industries;

Risk 2: Businesses may see no real benefit from utilizing the IP system

Mitigation 2: Thorough assessment should be done of the type of businesses done by local players as well as market conditions prior to choosing countries.

3. REVIEW AND EVALUATION	
3.1. <u>Project Review Schedule</u>	
The project will be reviewed twice a year with a progress report submitted to the CDIP and national associations/organizations/government institutions. At the end of the project, an independent evaluation will be carried out and its report will be submitted to the CDIP.	
3.2. <u>Project Self-Evaluation</u>	
<i>Project Outputs</i>	<i>Indicators of Successful Completion (Output Indicators)</i>
1. Better understanding of the extent and reasons for the underutilization of the IP system in the creative industries.	i. Comprehensive reports from each of the four countries based on interviews, surveys, and other means of preliminary data gatherings.
2. Established national baselines in four participating countries	i. Compilation of data on issues faced by businesses in the creative industries relating to IP protection and management; ii. Mapping of IP registration process and potential obstacles faced by businesses in the creative industries; iii. List of identified national focal point(s) and stakeholders as the main beneficiaries of the project implementation.
3. Developed materials for training relevant stakeholders on IP protection, management, exploitation, and enforcement, that are tailored for the creative industries	i. Meaningful IP tools that could be used for businesses in the creative industries, identified.
4. Increased awareness by local governments and creative businesses on the importance of utilizing the IPR system and digital marketing, and capacity to make informed strategic choices relating thereto.	i. Significant percentage of participants to the national events reported a better understanding about the importance IP protection, IP management, and IP strategies for businesses.
5. Established networks and mentorship opportunities between industry players and creative producers.	i. Significant percentage of participants to the national events reported a better understanding about the importance collaboration in the development of the creative industries. ii. Established a list of creative industries association and identified potential mentors for future national activities after the completion of the project.

<p>6. Established platforms for businesses and creative producers to connect with creative marketing businesses.</p>	<p>i. Established national coordinator and regional hubs that will be maintained by government agencies in participating countries to ensure the impact-sustainability of the project after the completion of the project.</p>
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<i>Project Objective</i>	<i>Indicators of Success in Achieving Project Objective (Outcome Indicators)</i>
<p>1. Build the capacity of local businesses involved in creative industries and of national authorities, including IP offices, to use and leverage IP tools and strategies to add value that differentiates their products and services, and to diversify their economic activities in the digital era</p>	<p>i. Number of local businesses in the creative industries that, after the project, have started plans to use and leverage IP tools to add value to their product or service.</p> <p>ii. Number and relevance of capacity building activities conducted by national authorities, including IP offices, to provide advisory services on the use of IP tools in the creative industries sector.</p> <p>iii. Percentage of participants reported a better understanding of the potential contributions of IP for the creative industries.</p>
<p>2. Build networks between local creative industries in order to facilitate transfer of information, cooperation, and growth.</p>	<p>i. Number of participants in national events and networks created in the implementation of the project.</p> <p>ii. Level of access and use of the compilation of main outputs and conclusions of the projects by other interested Member States and stakeholders.</p>

[Annex II follows]

4. IMPLEMENTATION TIMELINE

Year 2020

Out put	Activity	Quarters 2020	
		3 rd	4 th
1	Undertake a literature review of the situation of business in the creative industries on their access to and use of the IP system.	x	x
2	Collect good practices, models and examples of programs and initiatives designed to support businesses in the creative industries.	x	x
3	Undertake an assessment of each participating country to identify the challenges and obstacles faced businesses in the creative industries in their access to and use of the IP system/	x	x
4	Identify national focal points, stakeholders, relevant institutions, organizations and individuals active in the field, as well as potential mentors, leading local business in the industries, etc.	x	x

5	Develop appropriate awareness raising programs adapted to the needs and requirements of the different categories of stakeholders.	-	x
6	Develop relevant presentation materials for use in workshops and/or national events in the implementation of the project	x	x
4	Collect existing material in WIPO that could be relevant for creating a training package.	x	x

Year 2021

Output	Activity	Quarters 2021			
		1 st	2 nd	3 rd	4 th
1	Undertake an assessment of each participating country to identify the challenges and obstacles faced by businesses in the creative industries in their access to and use of the IP system.	x	-	-	-

2	Select one institution, center or organization in each participating country and create a unit or establish a focal point dedicated to supporting local businesses in the creative industries	x	x	x	x
3	Undertake capacity building programs through trainings for the identified centers to provide support to businesses in the creative industries	-	x	-	x
4	Create a roster of leading businesses in the creative industries.	-	x	x	x
5	Establish, as needed, partnerships with universities or other stakeholders so as to expand the pool of potentially available partners in the implementation of the project.	-	x	x	x

6	Organize networking events to create opportunities for businesses in the creative industries as well as potential investors to meet and share experiences, identify common problems and discuss solutions.	-	x	x	x
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Year 2022

Outputs	Activity	Quarters 2022			
		1 st	2 nd	3 rd	4 th
1	At the end of the project, develop a toolkit including: (i) the methodology followed in the implementation of the project, (ii) the lessons learned, and (iii) the materials developed during the project, for use in other similar projects.	x	x	x	-
2	Evaluation Report	-	-	-	x

[End of Annex II and of document]