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Opening address by Ms Indranee Rajah at the launch of Applied Research Centre for Intellectual Assets and the Law in Asia (ARCIALA)

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Singapore Management University. Opening address by Ms Indranee Rajah at the launch of Applied Research Centre for Intellectual Assets and the Law in Asia (ARCIALA). (2015).

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OPENING ADDRESS FOR GUEST-OF-HONOUR MS INDRANEE RAJAH,
SENIOR MINISTER OF STATE FOR LAW
AT THE LAUNCH SEMINAR OF THE APPLIED RESEARCH CENTRE FOR
INTELLECTUAL ASSETS AND THE LAW IN ASIA (ARCIALA) ON
MONDAY, 25 MAY 2015 AT MOCHTAR RIADY AUDITORIUM,
SINGAPORE MANAGEMENT UNIVERSITY (SMU)

The Honourable Justice George Wei

Professor Arnoud De Meyer, President of Singapore Management University

Professor Yeo Tiong Min, Dean, SMU School of Law

Distinguished Guests

Ladies and Gentleman

I. Introduction

1. Good morning and a very warm welcome. Thank you for having me here at the launch seminar of this exciting new institution – the Applied Research Centre for Intellectual Assets and the Law in Asia, ARCIALA. Over the next one and a half days, we will have the opportunity to hear from academics, researchers and practitioners who are on the cutting edge of intellectual property.

II. Intellectual property as business assets

2. Intellectual property is all around us. Your smartphones, for example, are protected by numerous patents and registered designs. This morning, you might have recognised your favourite coffee chain by its registered trademark and purchased a drink along the way.

3. In today's increasingly globalised and competitive knowledge-based economy, companies value intellectual property not simply as legal rights but also important business assets. Intellectual property is playing a bigger role in business strategies, as companies look for an edge over their competitors.
4. Consider first the importance of patent portfolios. In the last quarter of 2011, Google's licensing revenue stood at US\$420 million. In the third quarter of 2013, after Google purchased Motorola and its accompanying patent portfolio the year before, this figure grew to US\$1.23 billion¹. Other companies with large patent portfolios like IBM and Qualcomm also generate more than US\$1 billion a year in licensing revenue. Closer to home, Creative Technology received US\$100 million from Apple in 2006, for the use of its patents in Apple products².
5. It is not just about patents. Trademarks help us to identify products that we know and love, and help companies stand out from the crowd. According to Forbes, the Apple brand is valued at US\$145 billion, Microsoft at US\$69 billion and Google at US\$66 billion. Besides these tech giants, the brands of beverage maker Coca-Cola and luxury goods conglomerate LVMH Moët Hennessy Louis Vuitton are worth more than US\$56 billion and US\$28 billion respectively³. These are astonishing numbers, and demonstrate that the value of businesses extends beyond their physical products, to the experience that customers associate with their brands.
6. Gamers among us would also be familiar with the home-grown Razer range of computer gaming products. Their successful business strategy includes patenting their innovations,

¹ Bershidsky, L. (2014, January 30). *Google's Brilliant, Money-Losing Motorola Deal*. Retrieved from <http://www.bloombergview.com/articles/2014-01-30/google-s-intellectual-gain-from-motorola>

² Apple Press Info (2006, August 23). *Apple & Creative Announce Broad Settlement Ending Legal Disputes Between the Companies*. Retrieved from <http://www.apple.com/pr/library/2006/08/23Apple-Creative-Announce-Broad-Settlement-Ending-Legal-Disputes-Between-the-Companies.html>

³ Forbes' The World's Most Valuable Brands List. Retrieved from <http://www.forbes.com/powerful-brands/list/>

protecting the unique designs of their products, and building up their brand recognition to an almost cult-like status.

III. Growing importance of IP in Asia

7. Looking at the Asian environment, the region is evolving from being users and importers of intellectual property to being creators. In 2013, Japanese company Panasonic, and ZTE and Huawei from China were first, second and third in the world respectively in terms of patent applications through the Patent Cooperation Treaty. In that same year, China had the most resident patent applications in the world, more than the next two countries combined.
8. There has also been an explosion of intellectual property activity in the region. In 2013, China and Korea were among the top five patent offices in the world with the highest number of applications and fastest rates of growth, and were the two trademark offices with the fastest rates of growth⁴.
9. You may have heard of China's Guangzhou Knowledge City project. It will have an "IP Model Zone", a state-level IP hub located close to hi-tech industries such as ICT and biotechnology. In that area, Singapore is playing an active role – we signed an MOU in August last year with the State Intellectual Property Office (SIPO) to, among other things, establish stronger cooperation in the formulation and implementation of intellectual property laws⁵. With the opening of specialist intellectual property courts in Shanghai, Beijing and Guangzhou, China is sending a strong signal about its commitment to a robust intellectual property regime.

⁴ World Intellectual Property Indicators, published by WIPO December 2014

⁵ IPOS Press Release (2014, October 28). *Singapore and China to Establish Sino-Singapore Guangzhou Knowledge City as IP Model Zone*. Retrieved from <http://www.ipos.gov.sg/MediaEvents/Readnews/tabid/873/articleid/292/category/Press%20Releases/parentId/80/year/2014/Default.aspx>

10. Asia is emerging as the focal point of intellectual property activities, and this is likely to gather more momentum. One reason is the rise in spending power as the size of its middle class grows. It is estimated that by 2030, Asia will be home to 3 billion middle class people, 5 times more than Europe and 10 times more than North America⁶. Consumers in Asian developing countries, including Vietnam, Thailand and Malaysia, spent US\$4.3 trillion in 2008, a third of the OECD total. By some estimates, this will reach US\$32 trillion and account for 43% of worldwide consumption in 2030⁷. In future, Asia will become an even more important market for consumer products as its population becomes richer and savvier. This will drive greater demand for high-end, sophisticated products with greater intellectual property content.
11. Besides spending power, we are also seeing shifts in manufacturing trends. A good case in point is Vietnam – Nokia, Fuji, Samsung and LG Electronics all have manufacturing bases there. Vietnam's exports consist increasingly of high-value products^{8,9}. As ASEAN and China continue to be the manufacturing hub of the world, intellectual property protection will rise in importance as firms aim to stop counterfeiting and competitors from imitating their products.

IV. Singapore well-positioned to leverage these developments

13. With the unlocking of Asia's vast economic potential, these are exciting times for the region. Singapore in particular is well-positioned to leverage opportunities arising from these developments, thanks to our strategic location, robust intellectual property laws and legal infrastructure.

⁶ Yueh, L. (2013, June 19). *The rise of the global middle class*. Retrieved from <http://www.bbc.com/news/business-22956470>

⁷ Key Indicators for Asia and the Pacific 2010 published by Asian Development Bank August 2010

⁸ Leong, P. (2014 February 24). *Vietnam's High-Tech Boom*. Retrieved from <http://www.vietnam-briefing.com/news/vietnams-high-tech-boom.html/>

⁹ Do, A. (2013 January 16), *Vietnam is Asia's New Tech Manufacturing Hub*. Retrieved from <https://www.techinasia.com/vietnam-asias-tech-manufacturing-hub/>

14. Singapore has maintained relatively high international rankings amongst jurisdictions with strong intellectual property protection. The latest Global Intellectual Property Centre Index ranks Singapore fifth in the world and first in Asia for the strength of our intellectual property regime. The 2014/2015 World Economic Forum Global Competitiveness Report similarly ranks us second in the world for the protection of intellectual property rights.
15. Singapore also offers a suite of dispute resolution solutions. We recently launched the Singapore International Commercial Court. As international commerce increases, transborder disputes can also be expected to rise. The Singapore International Commercial Court is in a good position to serve as a neutral forum to parties in such disputes. There is also the Singapore International Mediation Centre which offers an alternate, more amicable route of dispute resolution. More relevant to the arena of intellectual property, the World Intellectual Property Organization's Arbitration and Mediation Centre in Singapore, the only such office outside Geneva, allows parties to tap on experts with deep knowledge and expertise in intellectual property and technical areas.
16. Singapore's IP Hub Master Plan, which aims to establish Singapore as a global IP hub in Asia, is also designed to assist businesses with their growing intellectual property needs in Asia. I will give an example of how the Intellectual Property Office of Singapore (IPOS) has taken advantage of the extensive connectivity that Singapore has with the region. Under the ASEAN Patent Examination Cooperation programme, companies are able to fast-track patent applications in the ASEAN region using an initial examination report from any member country's patent office. A patent application that used to take upwards of five years in some countries to process can now be completed in under two. So a company with a patent examination report from IPOS can use it to speed up its patent application in other ASEAN countries. Apart from ASEAN, Singapore also has similar fast-track arrangements

under the Patent Prosecution Highway programme with more than 20 patent offices worldwide.

V. Launch of ARCIALA and its research agenda

17. The launch of this research centre will be a further step towards establishing Singapore as a regional thought leader on intellectual property matters. ARCIALA is a timely endeavour as it will facilitate research on the multiple facets of intellectual property, with a view to developing a progressive and forward-looking approach in the way intellectual property is perceived and managed, particularly in the Asian region.
18. ARCIALA will be able to bring together multiple disciplines – for example, economics, law, business and technology. It will also be able to tap on the network of intellectual property practitioners, lawyers and innovative companies in Singapore to create a rich discourse.
19. ARCIALA will complement the existing intellectual property research ecosystem in Singapore with its strong vision of multi-disciplinary research rooted in Asia. Despite the economic progress and growing influence of Asia, there is not enough Asian-focused intellectual property research and literature. Asian society is not only distinct from the West in culture and values; it is also far from homogenous. Countries vary greatly in language, demography, development, legal systems and governance. All these make for fertile ground for research, which ARCIALA is well-positioned to undertake.
20. Possible research areas include the interaction of intellectual property and competition law, intellectual property dispute resolution in Asia and intellectual property integration in ASEAN. These are topics of pressing relevance as intellectual property awareness in Asia, and ASEAN in particular, increases. The intellectual property issues that confront policy-

makers, businesses, intellectual property offices, consumers and practitioners will become increasingly complex, and ARCIALA's research can help to shed light into many of these areas.

VI. Conclusion

21. With Asia's increasing prominence on the global stage, it is unsurprising that the spotlight is firmly on the protection, utilisation and treatment of intellectual property in the region. Businesses are finding tremendous opportunities in Asia, and the intersection between intellectual property and business strategies will come to the fore greatly.
22. ARCIALA can play a meaningful role in contributing to this area of research, and I look forward to developments at the research centre in years to come.
23. On this note, I wish ARCIALA every success, and may you all have a fruitful and thought-provoking seminar. Thank you.