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THE IMPACTS OF THE PROS AND CONS OF INTELLECTUAL PROPERTY RIGHTS PROTECTION ON THE SMALL & MEDIUM ENTERPRISES, FROM A COMMERCIAL POINT OF VIEW

Mr. Stanley Au, Chairman of the Small & Medium Enterprises Association of Macao
A PREAMBLE

Intellectual property rights protection is a very controversial issue. From the ethical and cultural points of view, the protection of intellectual property rights should undoubtedly be undisputed and advocated. However, from the economic and commercial points of view, many people oppose it with an argument that it is a pretext by means of which the developed countries are using to suppress the developing countries and to capture the global market.

They also argue that, in the early stage of economic development of today’s most developed countries such as the United States of America in the 19th century, Italy And Japan in the 1950s after the second World War, they coped with the modernisation of their industries by means of copying others’ products and manufacturing procedures through re-engineering and infringing intellectual property rights as well.

Since the beginning of the 21st century, China has grown to become the 5th largest trading nation in the world and Hong Kong the 10th largest. Macao, even though not a significant trading power, yet is a quite well developed economy with a GDP per capita of US$16,000. Now that all these three territories are members of the World Trade Organisation, we should all observe intellectual property rights protection intensively; otherwise we might face boycotts and lose partly the annual inflow of our foreign direct investments.

THE IMPACTS OF INTELLECTUAL PROPERTY RIGHTS PROTECTION ON THE SMALL & MEDIUM ENTERPRISES (SMEs)

Under the present circumstances, the small and medium entrepreneur in the three aforesaid territories should learn how to use intellectual property rights protection as a means to build up their own businesses and wealth. This is especially important to those manufacturers who are emerging from OEM manufacturing to OBM and ODM manufacturing.

As a matter of fact, many success stories of from rags to super-riches can be cited and the most notable ones are the success stories of Microsoft in the United States and Panasonic in Japan, whose founders were extremely small entrepreneurs and they made their fortunes through inventions and intellectual property rights protection.

OPPORTUNITIES THROUGH INTELLECTUAL PROPERTY RIGHTS PROTECTION

There are many ways by means of which the small and medium entrepreneurs can legally access to intellectual property rights. Following are some of the examples:-

1. SMEs can establish their own research and development facilities even though in a small scale.
2. SMEs can use the service of Design and Development Consultants to design their products and to build up band names.
3. SMEs can buy others’ inventions and property rights and franchises to expand their businesses.
4. SMEs can form partnerships with scientists and inventors to produce under licence.

WHAT GOVERNMENTS CAN DO TO HELP THE SMEs?

1. Governments should promote the concept of intellectual property rights protection to the SMEs.
2. Governments should encourage SMEs, scientists and artists to register their rights by simplifying the registration process and by making it user-friendly and by subsidising the registration fees.
3. Governments should offer tax incentives to the SMEs so as to encourage them to spend on research and development.
4. Governments should help to form Intellectual Property Rights Exchanges in the principal cities so as to facilitate transactions between the inventors, franchisors, and the SME users.

The Macao Special Administrative Region government is maintaining adequate laws and regulation for the registration and protection of intellectual property rights and it is a strong enforcer of intellectual property rights protection since the turn of the century. For intellectual property rights registration, the service is rendered by the Macao Economic Department; and for intellectual property rights protection, the enforcement by the Macao Customs Department.
A DECLARATION

Concerning the speaker, Mr. Stanley Au, even though he is the Chairman of the Small and Medium Enterprises Association of Macau, yet his profession is a banker and is a user of intellectual property rights. The context of his speech is made from an absolute neutral ground and there should not be any element of conflict of interest.