

## Indonesian-Swiss Intellectual Property Project – ISIP Phase 2

*The objective of the second phase of the ISIP project was to strengthen the use of intellectual property rights in Indonesia in order to contribute to higher competitiveness, add more value to Indonesian products, and positively impact Indonesia’s economic development.*

### Project background and context

The integration of Indonesia into the international system of intellectual property rights (IPRs) is well advanced. The country is a party to most – yet not all – important treaties relevant to IPRs, including the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) since its accession to the World Trade Organisation (WTO) in 1995. While Indonesia’s legal and institutional framework in the field of IPRs is well developed, challenges still remain. As in many other emerging economies, institutional constraints continue to impede the effective enforcement of IPRs. Furthermore, the holders of IPRs have not yet fully exploited the potential of these rights. Both are partly the result of limited public awareness of IPRs. Promoting the use of those types of IPRs that allow Indonesia to capitalise on its internal strengths, such as geographical indications (GIs), or its creative industry, is of particular interest to the Government of Indonesia. The ISIP project was thus initiated at the request of the Indonesian Government to the Swiss Confederation, and its first phase was successfully implemented from 2012 to 2016. An effective IPR system in Indonesia is also in the interest of Switzerland. Only an efficient Indonesian intellectual property office (the DGIP) is able to provide solid protection for patents, trademarks and GIs to Swiss companies. The free trade agreement between Switzerland/EFTA and Indonesia underlines the importance of this emerging market. Due to clearly positive results of the first phase of ISIP, and ongoing need for support, all parties agreed on entering into a second phase of the project after the completion of the first phase that lasted from 2017 until 2021.

### Goals and objectives

While the core focus areas of the second phase were the same as in the first phase, the second phase put more emphasis on making geographical indications economically sustainable, and on supporting Indonesia’s creative industry. **Selected thematic areas of high relevance** included:

- Further support the intellectual property **expertise of the DGIP** in examining patent applications and preventing IP disputes;
- **Provide advice** to the revision of IPR policy frameworks;
- Strengthen the **capacities of the DGIP** to provide internal trainings and external information to IPR users;
- Provide advice on the use of IPRs for exports of **creative industry SMEs**, in cooperation with BEKRAF;
- Support **producers of GI value chain products** with tailor-made trainings on market access, quality control, and organisational development; and
- Build capacities of **Collective Management Organizations**



*The second phase of the ISIP project supported market access and a quality control of traditional products such as Ikat woven textiles of Flores*

Picture: Reto Meili (IPI)

### Quick project facts

#### Project duration

May 2017 – May 2021

#### Total budget

CHF/USD 1,850,000

#### Donor agency

Swiss State Secretariat for Economic Affairs – **SECO**

#### Implementing partners

Swiss Federal Institute of Intellectual Property – **IPI**;

Indonesian Directorate General of Intellectual Property – **DGIP**;

#### Indonesia country context 2016

Population: 260 million

Area: 1,811,570 km<sup>2</sup>

Annual GDP growth: 5%

Annual income per capita:

USD 3,450

## Activities

In light of the relatively advanced stage of Indonesia's intellectual property system, the niche approach of the second phase of ISIP addressing specific needs and requests added the most value and appeared to be the best strategy for achieving sustainable results. The project provided **specialised advice and support in selected areas** where Switzerland is able to offer strong expertise and achieve a tangible impact. Within these thematic areas, the intervention strategy (activities) mainly consisted of **technical capacity building through training**, workshops, and **expert input**, which was always lead by a national and an international consultant. These activities **increased the capacity** of the DGIP, BEKRAF, and other IP-related organisations in delivering professional services. Furthermore, the project supported the concrete **implementation of GI activities** in different Indonesian regions, e.g., Amed specialty salt in Bali and Ikat woven textiles and Bajawa coffee in Flores, (see photos). The certification of these local specialty products with the GI logo contributed to **increase the income of local producers**. Thereby, the project also supported community development and product marketing activities.

## Alignment with Indonesia's general development priorities

A strong and well-balanced intellectual property system encourages investment in modern technologies, the building of strong local brands and technological innovation, all of which are needed to make Indonesian companies more competitive internationally. The second phase of the ISIP project was aligned with the **key socio-economic development priorities of the Government of Indonesia**, in particular with the aims of modernising its industry and of narrowing the income gap between its rural and urban population.

## Beneficiaries

The main beneficiary of the project was the Indonesian government agency **DGIP** through direct technical capacity building. In addition, **local small and medium enterprises (SMEs)** and **relevant associations** such as Collective Management Organizations benefitted from tailor-made workshops and training programmes, while other economic actors as well as the wider Indonesian public benefitted indirectly through improved IPR services and increased quality and **competitiveness of Indonesian goods and products**. The impact of the second phase of the ISIP project also extended to more vulnerable segments of the population, such as rural communities, mainly through the use of GIs to market local specialties (support to GI producer associations).

### More information and contact

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