

PRESS RELEASE

IP AS NEW GROWTH AREA – GOVERNMENT ACCEPTS IP HUB MASTER PLAN RECOMMENDATIONS; ROLLS OUT INITIATIVES TO DEVELOP SINGAPORE AS A GLOBAL IP HUB IN ASIA

1. Intellectual property (IP) has become a key driver of economic growth globally. There is a rise in patent and trademark filings worldwide, especially within Asia. Global royalty and licensing revenue has also risen significantly. Against the backdrop of the increasing importance of IP in the knowledge economy, the Government has identified IP as a new growth area for Singapore. We see a window of opportunity to develop Singapore as an IP hub with a vibrant IP industry sector that will help to grow our economy further, and create opportunities for Singaporeans and Singapore companies.

2. To this end, the Government convened the IP Steering Committee, chaired by Mr Teo Ming Kian, Chairman of MediaCorp Pte Ltd, in May 2012 to formulate the Master Plan to guide Singapore's development into a global IP hub in Asia. More than 200 IP professionals from over 100 local and foreign companies and organisations were consulted. The Master Plan was formally submitted to the Government in early March 2013, and the Government has accepted the recommendations made by the Committee.

Recommendations by the Committee

3. The Master Plan is a 10-year plan which sets out the vision of Singapore as a global IP hub in Asia. It identifies three strategic outcomes that Singapore should work towards, and two supporting enablers that are essential to achieve them:

Strategic Outcomes:

Singapore should aim to be a hub for:

- **IP transactions and management**, where companies use Singapore as a base to manage and transact IP internationally;
- **Quality IP filings**, where companies register their IP in Singapore, utilise our IP services and infrastructure, and leverage Singapore as a gateway to secure IP protection in key markets all over the world; and

- **IP dispute resolution**, where IP disputes are brought to Singapore for expeditious and effective resolution through litigation or alternative dispute resolution.

Supporting Enablers:

To achieve these outcomes, Singapore should develop:

- **Skilled manpower resources networked to the region and beyond**, to effectively serve the international needs of companies; and
- **A conducive and progressive environment for IP activities**, to strengthen international acclaim of Singapore as a vibrant IP hub and establish Singapore as a thought leader in IP.

4. The executive summary of the Master Plan is in the **Annex**. The full Master Plan report is available on the Ministry of Law's (MinLaw) website (www.mlaw.gov.sg).

5. Singapore's development as a global IP hub in Asia will create high value job opportunities for Singaporeans and generate benefits for the legal and IP service sectors, as well as IP owners. These include:

- A greater demand for services from the legal and IP service sectors (e.g. law firms, patent firms, IP intermediaries, IP valuation firms);
- Greater job opportunities for Singaporeans, such as IP strategists, IP valuation analysts, IP lawyers, and patent agents. These professionals can look forward to more continuing professional development training to acquire new value-added skills; and
- Greater availability of services and avenues for IP owners, such as our SMEs, to protect, manage and maximise value from their IP assets.

Initiatives to be rolled out

6. To follow up on the Committee's recommendations, the Government and industry partners will be rolling out several initiatives in the near term. These are aimed at developing our IP infrastructure and skilled manpower, and enhancing the current slate of services offered. At the same time, they will help attract top IP firms and owners to transact and manage their IP in Singapore.

7. The initiatives are set out in the table below:

OUTCOME / ENABLER	KEY STRATEGY	INITIATIVE
<p>Outcome 1: A hub for IP transactions and management</p>	<p>Develop a vibrant IP marketplace by attracting top IP intermediaries, and supporting promising initiatives to catalyse the development of the marketplace</p>	<p>1. An Economic Development Board (EDB)-MinLaw Joint Programme Office will be set up to develop the IP and legal sectors. It will seek to promote quality IP marketplace players such as IP owners and service providers to Singapore.</p>
	<p>Facilitate IP transactions by increasing access to IP financing, and enhancing transparency and certainty in IP transactions</p>	<p>2. The Government will introduce an IP financing scheme, where it partially underwrites the value of patents used as collateral in event of default. The intention is to encourage banks to recognise IP as an asset class, build IP financing capabilities among our financial institutions, and allow IP-rich companies to raise capital more easily using their IP assets.</p> <p>3. Financial institutions undertaking IP financing-related courses (such as IP valuation) may be eligible for support under the Financial Training Scheme administered by the Monetary Authority of Singapore (MAS).</p> <p>4. The Intellectual Property Office of Singapore (IPOS) will establish a new Centre of Excellence for IP Valuation, which will work with industry stakeholders to undertake a range of activities, including research on IP valuation methodologies, training and certification for IP valuation professionals, and establishing industry-wide best practices.</p> <p>5. The Singapore Exchange (SGX) will encourage listed companies to disclose their IP rights. A clear and structured disclosure of IP rights of material importance can provide investors with better insights into the company's strengths and potential growth.</p>

OUTCOME / ENABLER	KEY STRATEGY	INITIATIVE
<p>Outcome 2: A hub for quality IP filings</p>	<p>Create a strong value proposition to attract IP filings by offering world-class services, and strengthening international collaborations with other IP offices</p>	<p>6. IPOS will invest \$50 million to build up patent search and examination (S&E) capabilities in technology areas of strategic importance to Singapore. This will draw companies to register IP in Singapore. IPOS has started its S&E team in September 2012, and will be expanding this team progressively. The team is expected to be operational in mid-2013, after completing training by the European and Japan Patent Offices.</p> <p>7. IPOS will forge stronger cooperation with other national IP offices, and establish a comprehensive network of Patent Prosecution Highways (PPHs)¹ building on our existing network with the US, Japan and South Korea. A strong network of PPHs will allow applicants to expedite the patent filing process in other jurisdictions from Singapore.</p>
<p>Outcome 3: A hub for IP dispute resolution</p>	<p>Develop Singapore as a choice venue for IP dispute resolution, through a strong IP Court and deep IP alternative dispute resolution capabilities</p>	<p>8. The Supreme Court is establishing a specialised docket system for all cases. For the IP Court, in addition to the current practice of assigning an assistant registrar to each IP case after it is filed, an IP Judge will also be assigned earlier. This will allow judges of the IP Court to build greater familiarity with IP cases and enhance the efficiency of case disposal. To support the IP Court's adjudication functions, the Supreme Court will promote the use of assessors (for technical expertise) and amicus curiae (for legal expertise).</p> <p>9. MinLaw will work with the Singapore International Arbitration Centre (SIAC) to establish a panel of top</p>

¹ A PPH enables the sharing of search and examination results between partner IP offices so as to accelerate the grant of a patent application in either of the partner IP offices.

OUTCOME / ENABLER	KEY STRATEGY	INITIATIVE
		<p>international IP arbitrators in Singapore. This will enhance the international profile of Singapore's IP alternative dispute resolution capabilities and attract such cases to Singapore.</p> <p>10. IPOS will collaborate with the World Intellectual Property Organization's Arbitration and Mediation Centre (WIPO AMC) to offer parties in patent disputes a new expert determination² option. This option allows parties to select a trusted third party expert with the relevant expertise and experience from WIPO AMC's panel, and will be implemented by Q2 2013. Benefits of this option include cost and time savings, as well as autonomy in the selection of their arbiter.</p>
<p>Enabler 1: Skilled manpower resources networked to the region and beyond</p>	<p>Build a globally competitive IP workforce that is equipped with specialised IP skill sets and networked to other markets, and support the continued professional development of IP professionals</p>	<p>11. IPOS will launch the IP Competency Framework (IPCF) to define the competencies required for key IP job roles in the industry, accredit training providers and their programmes offered under the framework, and to certify the attainment of these competencies into industry-recognised qualifications. 45 competency units under the IPCF will be rolled out in April 2013.</p> <p>12. IPOS will invest \$15 million to strengthen IP Academy to be the central agency to orchestrate the delivery of IP education and training for Singapore.</p>
<p>Enabler 2: A conducive and progressive environment for IP activities</p>	<p>Enhance the tax environment to attract and anchor IP portfolios and substantive</p>	<p>13. The Productivity and Innovation Credit scheme, introduced by the Ministry of Finance (MOF) and administered by the Inland Revenue Authority of Singapore (IRAS),</p>

² Expert determination is an alternative dispute resolution avenue where disputes involving technical or factual issues between parties are submitted to and determined by an expert in the field.

OUTCOME / ENABLER	KEY STRATEGY	INITIATIVE
	management activities	covers activities such as the acquisition and registration of IP. From years of assessment 2013 to 2015, the scheme will be enhanced to include IP in-licensing for innovation or productivity improvements.
	Nurture a progressive environment that shapes and promotes IP thought leadership, and builds international perception	14. We will leverage flagship events to create a nexus for the exchange of views among the international IP community. Examples include the Global Forum on IP and the IP Business Congress Asia Conference which Singapore will host in 2013.

Conclusion

8. With the emerging global IP landscape, MinLaw believes that the Master Plan will generate opportunities for Singapore to position itself as a global IP hub for IP transactions and management, quality IP filings and IP dispute resolution. We continue to welcome views that will help Singapore in this next phase of development.

**MINISTRY OF LAW
INTELLECTUAL PROPERTY OFFICE OF SINGAPORE**

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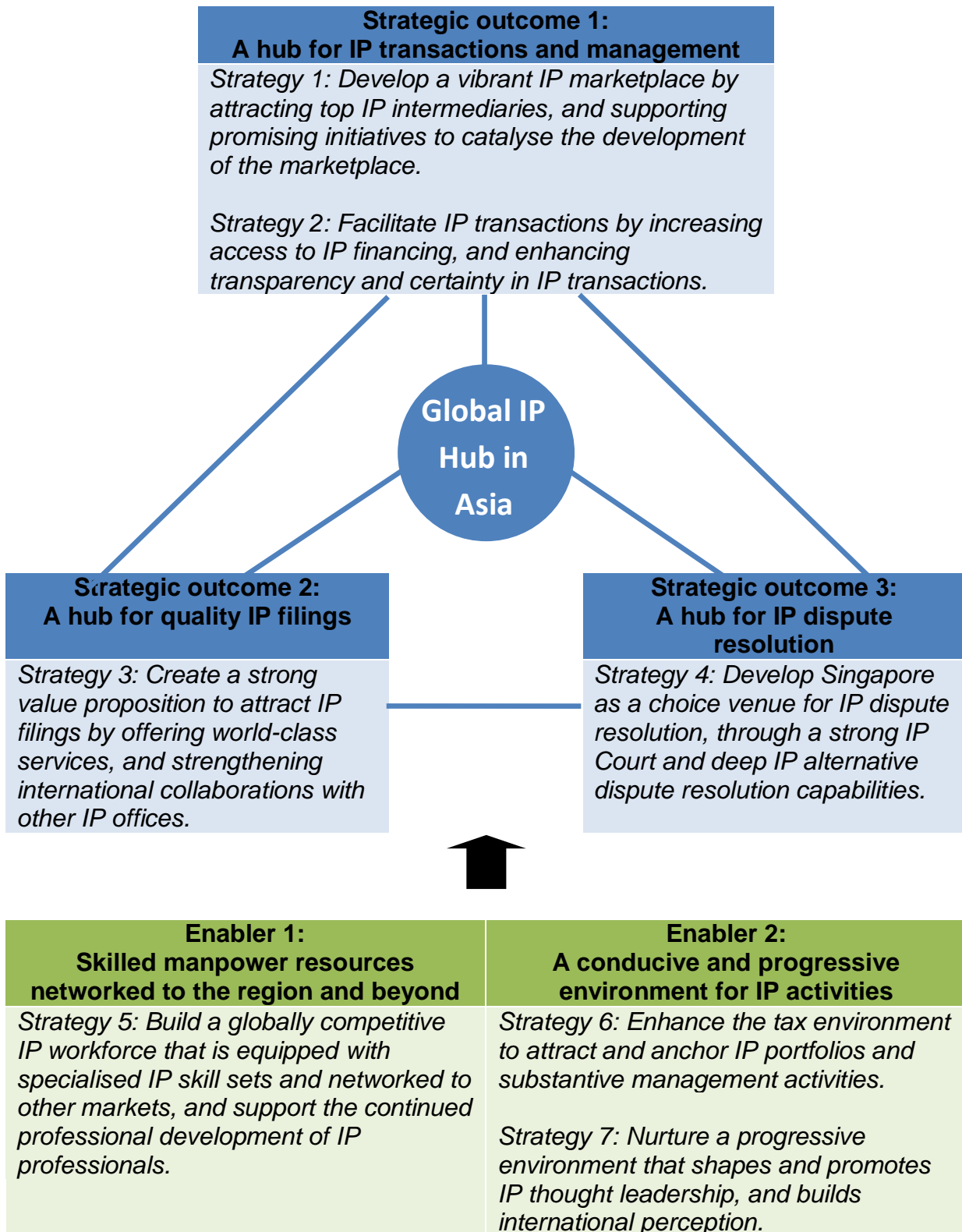
IP HUB MASTER PLAN: EXECUTIVE SUMMARY

1. Intellectual Property (IP) is increasingly recognised as a key driver of business performance and economic growth in the global knowledge-based economy. Intangible assets, of which IP is a major component, have become a significant contributor to the value of companies. This has, in turn, fuelled the rapid growth in demand for IP rights worldwide.
2. Notably, Asia is emerging as a new hotbed for IP activities. Since 2010, East Asia has overtaken North America and Western Europe in the number of applications filed under the Patent Cooperation Treaty (PCT), which is used for the filing of patents in multiple jurisdictions. IP activities in Asia are growing rapidly across the various components of the IP value chain (viz. IP creation, IP protection, IP exploitation and IP enforcement), as evidenced by the rise in Gross Domestic Expenditures on R&D (GERD), IP filings, royalty and licensing fees, and IP disputes. There have also been increasing cross-border transactions and a greater confluence of IP activities between the East and the West.
3. These changes are generating opportunities for Singapore to position itself as a Global IP Hub in Asia – to play a facilitative, bridging role for regional and international transactions; and to provide a trusted, neutral platform to support the development and growth of the IP landscape in Asia. Singapore is well-poised for these opportunities by virtue of its world-class legal and financial infrastructure, high quality workforce, and strategic geographical location.

Recommendations to Develop Singapore as a Global IP Hub in Asia

4. In May 2012, the Government set up an IP Steering Committee to formulate an IP Hub Master Plan that will guide Singapore as it seeks to capitalise on this window of opportunity. The Committee's recommendations have been formulated with the overarching aim of looking at both existing and future opportunities and challenges for Singapore as a Global IP Hub in Asia.
5. The Committee identified three strategic outcomes that Singapore should work towards: (i) a hub for IP transactions and management; (ii) a hub for quality IP filings; and (iii) a hub for IP dispute resolution. Two supporting enablers are necessary for the achievement of these three strategic outcomes, namely: (i) skilled manpower resources networked to the region and beyond; and (ii) a conducive and progressive environment for IP activities. The Committee also proposed seven key strategies for achieving these overarching objectives. The following schematic provides the strategy map of the IP Hub Master Plan.

Singapore as a Global IP Hub in Asia: Strategy map



Strategic Outcome 1: A Hub for IP Transactions and Management

6. The Committee envisions a vibrant, self-reinforcing and sustainable IP marketplace ecosystem for Singapore, underpinned by robust marketplace

infrastructure and services, to support the transaction and management of IP in Asia. IP intermediaries connecting IP buyers/licensees with IP sellers/licensors are pivotal to IP transactions, and Singapore should attract top, international IP intermediaries to strengthen the transactional capabilities here. Other key elements would include marketplace platforms (e.g. IP bulletin boards, auctions, exchanges), and emergent marketplace functions (e.g. defensive patent aggregators, patent pools, patent acquisition syndicates). Given the still nascent and evolving state of the IP industry, Singapore should adopt an open, supportive approach for a diverse array of initiatives across the entire marketplace ecosystem. Instead of “picking winners”, the Government should seed the growth of promising projects by providing a nurturing environment, even if some do not eventually succeed.

7. There is tremendous potential for the value of IP assets to be unlocked and better monetised. Various instruments like IP securitisation and IP funds already exist to leverage IP assets to raise funding, but these will take time to grow. The Government should support and attract these activities to Singapore where appropriate. For a start, Singapore should undertake an IP financing scheme where the Government partially underwrites the value of IP used as collateral, to increase the ease with which IP-rich companies in Singapore can access capital for growth and expansion.
8. IP valuation lies at the core of the marketplace and strengthening the quality of IP valuations will encourage more IP transactions. The Committee recommends establishing a Centre of Excellence for IP Valuation, to undertake research into IP valuation methodologies, develop and foster industry-wide best practices, and deliver training. Industry should also be encouraged to enhance the level of transparency with regard to information pertaining to their IP transactions.

Strategic Outcome 2: A Hub for Quality IP Filings

9. To develop Singapore into a hub for quality IP filings, the Government should ensure that our IP regime not only meets international standards, but is also progressive, world-class and supportive of the needs of IP owners. We need to stay abreast of international trends and developments, and regularly review our various IP regimes.
10. IP owners primarily file their IP in markets where there is commercial interest. Given Singapore’s small domestic market, there is a need to provide companies with a strong value proposition to file their IP in Singapore. We should build a strong patent search and examination (S&E) team capable of generating quality S&E reports in an expeditious and cost-efficient manner to encourage more first filings in Singapore. In addition, Singapore should forge stronger cooperation with other national IP offices, e.g. through Patent Prosecution Highways (PPHs), especially within Asia. An extensive network of PPHs coupled with strong S&E capabilities will allow Singapore to grow as a choice venue for quality patent filings, where applicants can obtain cost-effective and quality S&E reports quickly to expedite patent prosecution in other national IP offices. This would add to

the appeal of filing first in Singapore, and to use Singapore as a gateway to secure IP protection in other countries. Singapore's patent regime already shares similar features and advantages of the provisional patent application system, including the ability for applicants to file quickly and at a low cost. We should market our various IP regimes – for patents, trademarks and designs – more actively.

11. It is also important for Singapore to build a larger core of Singapore-qualified patent agent professionals who are capable of providing high quality patent services. Our patent agents should have the expertise and experience in wide and diverse areas of technologies to cater to the needs of international companies which have global operations, so as to attract work from the region to Singapore as well as to serve the growing number of local enterprises with aspirations to become globally competitive companies. This will further support our ambition to be a hub for IP filings.

Strategic Outcome 3: A Hub for IP Dispute Resolution

12. Singapore is in good stead to position itself as a choice location for IP dispute resolution, given its international reputation for quality judgments and efficiency of its Courts. Singapore should raise international awareness of its IP Court and IP Judges to attract more IP litigation cases to Singapore. In addition, given the degree of complexity of IP cases, the efficiency and adjudication function of the IP Court can be strengthened even further, through the adoption of a specialised IP docket (or case management system) and more active appointments of assessors and amicus curiae.
13. Singapore should also promote the use of alternative dispute resolution (ADR) routes, including arbitration, mediation and expert determination, to resolve IP-related disputes, particularly contractual and licensing disputes. We should establish a panel of top, international IP arbitrators in Singapore to enhance the international profile of Singapore's IP ADR capabilities and attract more IP-related ADR cases to Singapore. Greater publicity of Singapore's IP ADR capabilities should also be undertaken, in close collaboration with the various ADR institutes in Singapore such as the World Intellectual Property Organisation Arbitration and Mediation Centre (WIPO AMC) and Singapore International Arbitration Centre (SIAC). Singapore as the venue for ADR should be actively promoted and, where practicable, included in IP-related contracts.

Enabler 1: Skilled manpower resources networked to the region and beyond

14. Manpower capabilities are a crucial element for knowledge-based industry sectors like IP. To fuel and sustain the growth of the IP industry, Singapore must be able to build world-class IP manpower capabilities – experts in strategic, market-relevant areas, who are knowledgeable about the IP environment and plugged into the network of Asian markets and beyond. Since the building of critical IP expertise will take time, Singapore should start investing in IP manpower expertise now, even ahead of demand.

15. The Committee supports IPOS' effort in developing the IP Competency Framework (IPCF), and recommends the continued development and implementation of the IPCF to map out structured multi-disciplinary pathways for IP professionals. In particular, emphasis should be placed on highly sought-after, specialised skill sets that will give Singapore a competitive edge such as that of Patent Agents, IP Management Directors, IP Strategists, and IP Valuation Analysts. We should also leverage the IPCF to facilitate broader manpower capability growth across the region, and open up a range of possibilities for synergistic regional training collaborations and networks supported from Singapore. In line with this, we should encourage the setting up of IP offices of other countries in Singapore to strengthen this network.

Enabler 2: A conducive and progressive environment for IP activities

16. Singapore must offer a conducive environment to encourage companies and professionals from around the world to bring their IP activities to Singapore. The congregation of various stakeholders – key decision makers shaping corporate IP strategies; established IP service providers; eminent IP academics and researchers; IP investors and creators – will create a thriving community of IP players. They will, in turn, interact and collaborate in a complementary and synergistic way to create a hive of IP activities. Such a rich ecosystem will contribute significantly towards increasing Singapore's international visibility and reputation as a vibrant IP Hub.
17. Singapore is already one of the top locations in the world for ease of doing business. We should exploit this to incentivise companies to site their IP portfolios and management teams in Singapore. The Committee recommends that an "IP Box" or equivalent tax regime be adopted, even for IP not created in Singapore, so as to enhance Singapore's tax environment for IP management activities. Tax deductions for IP activities across the value chain are also recommended.
18. Our environment must be one that reflects a progressive, forward looking approach in the way IP is perceived and managed. IP service providers in Singapore must be dynamic and innovative in adapting to new business trends to serve the needs of IP owners. Singapore should seek to be the global nexus for discourse on IP trends and developments, especially those related to Asia, and how IP regimes, businesses and services need to evolve. To achieve this, we should establish flagship international IP and innovation-related conferences with the Singapore brand name, and host other major global IP conferences. We should also convene an international advisory panel of eminent IP strategists and thinkers to guide Singapore's development as a Global IP Hub in Asia. Lastly, Singapore must originate its own research to contribute actively to the global body of IP knowledge, and position itself as an IP thought leader.

Conclusion

19. With the emerging global IP landscape, Singapore is well-placed to leverage its strengths and provide a unique value proposition as a Global IP Hub in Asia for IP transactions and management, quality IP filings, and IP dispute resolution. If Singapore can act swiftly and decisively, we can capitalise on the opportunities in Asia, and attract valuable IP work that will contribute to our economy and create high-value employment opportunities in Singapore and for Singaporeans in years to come.

Summary of Key Recommendations

	Recommendation
	Strategy 1: Develop a vibrant IP marketplace by attracting top IP intermediaries, and supporting promising initiatives to catalyse the development of the marketplace.
1-1	Attract top, international IP intermediaries to facilitate IP transactions through incentive schemes.
1-2	Collaborate with industries to establish a one-stop licensing platform that allows users to easily obtain licenses for relevant forms of copyrighted works in Singapore, and grow it over time to potentially support the licensing markets in the region.
1-3	Support and co-fund a diverse array of projects across the entire IP marketplace ecosystem.
	Strategy 2: Facilitate IP transactions by increasing access to IP financing, and enhancing transparency and certainty in IP transactions.
2-1	Introduce an IP financing scheme, where the Government partially underwrites the value of IP used as collateral.
2-2	Support IP securitisation activities in Singapore where appropriate.
2-3	Attract IP fund management activities to Singapore, to enhance the slate of IP financing avenues and create spin-off demand on other sectors.
2-4	Set up a Centre of Excellence for IP Valuation to promote excellence in the research and practice of valuation so as to support IP transactions.
2-5	Work with industry to encourage positive practices that would enhance the transparency of IP transactions.
	Strategy 3: Create a strong value proposition to attract IP filings by offering world-class services, and strengthening international collaborations with other IP offices.
3-1	Build a search and examination (S&E) team capable of producing quality S&E services expeditiously within publicised target timeframes, which should be equal to or better than that offered by the best in the world, and cost-efficiently.
3-2	Build comprehensive international networks and collaborations with other IP offices to develop Singapore as a gateway to other markets.
3-3	Grow a larger pool of Singapore-qualified patent agents with the necessary expertise to cater to the needs of international companies and attract more patent work to Singapore.

	Recommendation
	Strategy 4: Develop Singapore as a choice venue for IP dispute resolution, through a strong IP Court and deep IP alternative dispute resolution (ADR) capabilities.
4-1	Enhance the profile and strengthen the capabilities of Singapore's IP Court to attract more IP litigation to Singapore.
4-2	Establish a panel of top international IP arbitrators in Singapore to enhance the international profile of Singapore's IP ADR capabilities and attract more IP-related ADR cases to Singapore.
	Strategy 5: Build a globally competitive IP workforce that is equipped with specialised IP skill sets and networked to other markets, and support the continued professional development of IP professionals.
5-1	Develop strategic areas of expertise under the IP Competency Framework (IPCF), with specific focus on, but not limited to Patent Agents, IP Management Directors, IP Strategists and IP Valuation Analysts, and to serve as a training hub for IP professionals in the region to better create a strong network of IP skills and expertise across jurisdictions.
5-2	Seed interest in various IP career paths and develop understanding of IP from an early stage, so as to position the IP profession as a rewarding one.
	Strategy 6: Enhance the tax environment to attract and anchor IP portfolios and substantive management activities.
6-1	Implement an IP Box or similar tax regime to provide greater transparency and certainty in Singapore's IP tax regime.
	Strategy 7: Nurture a progressive environment that shapes and promotes IP thought leadership, and builds international perception.
7-1	Establish flagship IP and innovation-related conferences and host international IP conferences in Singapore, to advance and enrich IP discourse in Asia.
7-2	Convene an international advisory panel to guide the development of Singapore as a Global IP Hub in Asia.
7-3	Encourage more Asia-centric, multi-disciplinary IP research in Singapore.