

Vietnam's Policy For Development Of Intellectual Property With Innovation Activities Of Enterprise

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Abstract: Intellectual property (IP) development plays an important role in the innovation activities of businesses. Through innovation, IP will be brought to market quickly, contributing to promoting national economic and social development based on science, technology and innovation. This article aims to determine the role and importance of IP development policies for enterprise innovation activities; clarify the current status of laws and policies on intellectual property development for enterprises' innovation activities; provide directions and solutions to enhance the position and role of IP development policies in the innovation activities of enterprises.

Keywords: Intellectual property development policy; innovation

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I. Research Overview

Intellectual property indicators are one of the constituent elements of the global innovation index (GII) and province innovation index (PII). In 2023, Vietnam's GII index will increase 2 places compared to 2022, ranking 46/132 countries and economies, 2nd in the group of low-middle income countries, 4th in the ASEAN region. Vietnam has coordinated with the World IP Organization (WIPO) and related organizations to develop a set of PII indexes to measure innovation capacity and innovation results of each locality. In addition, Vietnam has also organized research to develop a set of measurement indicators on IP as a basis for evaluating the performance of research institutes, universities and enterprises.

Intellectual property activities are governed by the legal system and policies on IP and they have an important meaning and role, play a guiding role, creating a favorable legal corridor for enterprises' innovation activities, thereby enhancing the ability to spread knowledge, IP, and technology dissemination, improving technological capacity and IP management based on national resources to support and promote innovation activities. Exploiting IP rights will accelerate the application and use of IP in practice to create benefits and advantages for enterprises. Exploitation of IP depends on the capacity and level of interest of the enterprise. In Vietnam, the number of small and medium-sized enterprises is 857,551 enterprises, accounting for more than 98% of the total number of operating enterprises (Ministry of Planning and Investment, 2022). Among small and medium-sized enterprises in Vietnam, only 18% of enterprises are interested in and have a proper understanding of IP, only 6% have a department/person in charge of IP rights (Nguyen Thi Thu Ha, 2016). IP plays a particularly important role in the development of small and medium-sized enterprises. Small and medium-sized enterprises that own 01 protected property have 20% higher revenue than enterprises that do not have a protected property.

Policies on developing IP creates motivation and stimulation in creating IP, creating benefits from IP through innovation, promoting the creation of new products and new processes to apply in practice. production and business practices, contributing to improving production and business capacity of enterprises (Figure 1). At the same time, it plays a key role in controlling and regulating activities to create IP, innovate, and develop technology to promote innovation-oriented thinking capacity and maintain a foundation. strong knowledge, while ensuring the transformation of technological knowledge into economic and social benefits.

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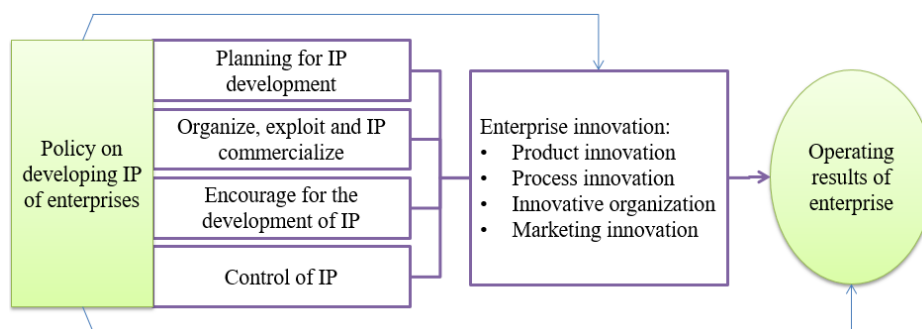


Figure 1: Relationship between IP development policy and innovation activities of enterprises

Intellectual property development policies strongly promote innovation, improve labor productivity, product quality, and lower costs of goods and services, and is associated with the business's strategy. According to the National Office of IP (NOIP, 2023), in 2023, there were 84,753 applications for registration of industrial property rights filed at the state management agency on industrial property (an increase of 8.5% compared to 2022); 36,977 industrial property protection titles of all types were granted. In the field of copyright and related rights, in 2023, the Ministry of Culture, Sports and Tourism issued 11,111 copyright registration certificates and copyright registration certificates. In the field of plant variety rights, as of December 31, 2023, there were 2,350 applications for plant variety protection. IP development policy promotes the process of creating, exploiting, protecting and developing enterprise IP. The purpose of IP management policy is for enterprises to establish ownership of IP, exploit economic value from those IP and protect the business's IP rights.

II. Research Methods

The article mainly uses secondary data and the innovation system approach to clarify IP development policy and innovation activities of enterprise. From there, analyze the data to identify achievements, limitations/existences in IP development policies with innovation activities at the enterprise. Research methods used:

- Use document synthesis method to obtain secondary data (This is a limitation of this study): search, synthesize, evaluate and use legal documents on innovation, IP, reports, and published research on science, technology, innovation, and IP management.

- Interview method: conduct in-depth interviews with 03 businesses to deepen the innovation activities of the businesses. At the same time, consultations with 03 experts were conducted to clarify theoretical and practical issues on IP management and corporate innovation.

In addition, the article also uses the method of synthesizing and analyzing data to clarify advantages and limitations, thereby proposing solutions to enhance the position of IP development policies with innovation activities of enterprise.

III. Research Results

General policies and laws on IP of Vietnam:

After the Law amending and supplementing a number of articles of the IP Law was promulgated by the 15th National Assembly of Vietnam (Law No. 07/2022/QH15 dated June 16, 2022), was a document detailing the IP Law, there have been 03 Decrees and 02 Circulars issued to guide the implementation of the IP Law, including:

- Decree No. 17/2023/ND-CP dated April 26, 2023 of the Government detailing a number of articles and measures to implement the IP Law on copyright and related rights.

- Decree No. 65/2023/ND-CP dated August 23, 2023 of the Government detailing a number of articles and measures to implement the IP Law on industrial property and protection of industrial property rights, rights to plant varieties and state management of IP.

- Decree No. 79/2023/ND-CP dated November 15, 2023 of the Government detailing a number of articles and measures to implement IP law on rights to plant varieties.

- Circular No. 08/2023/TT-BVHTTDL dated June 2, 2023 of the Minister of Culture, Sports and Tourism regulating forms for registration of copyright and related rights.

- Circular No. 23/2023/TT-BKHCHN dated November 30, 2023 of the Minister of Science and Technology detailing a number of articles of the IP Law and measures to implement Decree No. 65/2023 /ND-CP dated August 23, 2023 of the Government.

Ministries and branches have actively disseminated and organized the implementation of the IP Development Program (Decision No. 2205/QĐ-TTg dated December 24, 2020 of the Prime Minister.) By the end of February 2024, there are 32 tasks being implemented from the Central Program and 150 tasks from the Program managed by localities, using local budget sources, focusing on supporting capacity building for businesses, supporting protection for OCOP products, and in localities, 146 IP training courses have been organized with the

participation of nearly 11,000 people. In addition, promoting the creation, exploitation and development of IP is always focused on by all levels and sectors. In localities, in 2023, 10 documents on implementing the Strategy and Program for developing IP in localities have been issued (03 Resolutions of the People's Council, 04 Decisions and 03 Plans of the People's Committee) and 13 documents in related fields incorporating IP content were issued (05 Resolutions of the People's Council, 07 Decisions and 01 Plan of the People's Committee People) (NOIP, 2023). Locally, state management of IP is implemented more and more extensively, the specialized state management agencies on IP all arrange management staff to take charge. Activities to support the creation and exploitation of IP continue to be actively implemented. In 2023, there will be more than 4,500 individuals and organizations consulted and guided by the Departments of Science and Technology on IP, including 4,141 turns on trademarks, 168 turns on industrial designs, and 172 turns on patents.

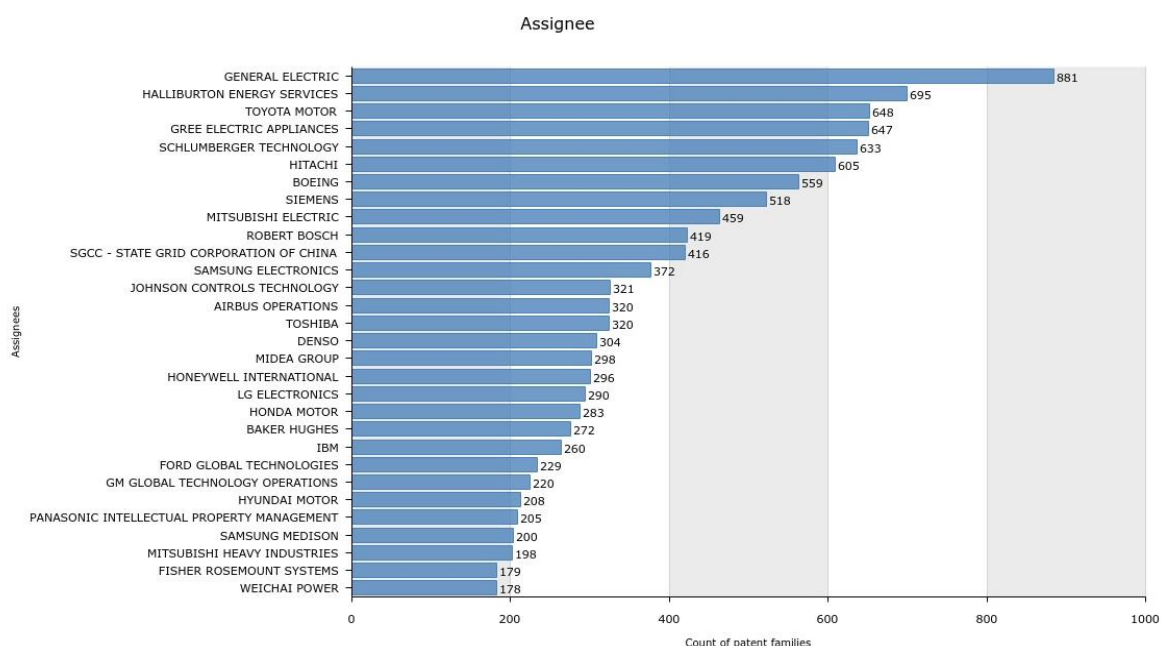


Figure 2: Many registered applicants in the field of smart manufacturing

Nguồn: Orbit Intelligence, Questel (2022)

IP development policies have a positive impact on business innovation activities. For example, in the smart manufacturing sector, according to Questel (2022), the top applicants have applied in the smart manufacturing sector (figure 2), which is a good indicator of the level of innovation of businesses when investing and researching. Accordingly, the top 3 applicants include GENERAL ELECTRIC (GE) with 880 patent families, HALLIBURTON ENERGY SERVICES with 695 patent families and TOYOTA MOTOR with 648 patent families. Currently, the leading applicant is GE (GE is operating 40 smart factories in the world, GE Hai Phong factory, Vietnam is one of the smart factories). GE Hai Phong factory is built on four elements: Lean Manufacturing, Digital Maturity; Advanced Manufacturing; Additive Manufacturing.

Some basic advantages:

Intellectual property has become an important tool to promote innovation, contributing to improving national competitiveness and economic, cultural and social development. IP registration applications tend to increase (Table 1). For example, in 2022, the National Office of Intellectual Property (NOIP) received 140,903 applications of all types of industrial property (an increase of 7.1% compared to 2021), including 78,086 applications to establish ownership rights industrial property (up 3.3% compared to 2021) and 62,817 other types of applications (up 12.1% compared to 2021). NOIP has processed 113,906 applications of all types, including 65,466 applications to register IP rights (down 12.2% compared to 2021) and 48,440 other applications/requests (up 3.4% compared to 2021); granted 42,279 industrial property protection certificates (an increase of 8.3% compared to 2021).

Table 1: Number of industrial property registration applications received, processed and granted protection titles in 2022

No.	Application type	Protection registration application	Application processing	Protection certificate is granted
1	Patent/utility solution	9.308	7.868	4.111
1.1	Patent	8.707	7.280	3.868
1.2	utility solution	601	588	243
2	Industrial Designs	3.344	2.909	1.819
2.1	National application	2.992	2.909	1.819
2.2	International application (filed under the Hague System)	352	-	-
3	Brand	65.118	54.398	36.339
3.1	National application	56.050	45.071	36.339
3.2	International application (filed under the Madrid System)	9.068	9.327	-
4	Geographical indication	22	10	10
5	International registration application of Vietnamese origin	294	281	-
5.1	Patent	11	11	-
5.2	Brand	283	270	-
	Total	78.086	65.466	42.279

Source: National Office of Intellectual Property (NOIP, 2023)

Intellectual property policy system continues to be reviewed and improved to meet the requirements of economic development and international integration. IP indicators are an important element in the national and local innovation index. IP development has received the attention of state management agencies and businesses, with more and more certification marks, collective marks and geographical indications for specific products and products the export potential of localities in Vietnam is protected in Vietnam and aimed at protection abroad. The IP Law has removed many obstacles, creating more favorable conditions for organizations and individuals in establishing and protecting IP rights, creating motivation to promote creative activities of organizations and businesses. State management of IP is well implemented, agencies promote inter-sectoral coordination, central and local coordination in promoting IP rights protection at home and abroad.

International integration and cooperation on IP has been maintained and many results have been achieved, thereby enhancing the capacity of the national IP system in promoting businesses to innovate and keep pace with emerging technologies progressive trends and international levels, while contributing to enhancing Vietnam's reputation, image in the international arena. Vietnam has participated in negotiations on IP content within the framework of new generation free trade agreements; preside over developing a plan for negotiating documents on genetic resources and traditional knowledge; Participate in working groups of Agreements: Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), Vietnam - EU Free Trade Agreement (EVFTA), Free Trade Agreement new generation with high standards and strong level of liberalization (UKVFTA). In addition, training activities on IP have been actively implemented, making an important contribution to creating high-quality human resources on IP.

Some difficulties and barriers:

Awareness of the role of IP in innovation activities is still limited, not meeting the requirements for economic development. IP development policies have not had a strong impact on businesses' innovation activities. For example in the agricultural sector: Survey results in the period 2017-2019 (Phan To Uyen et al., 2020) show that the rate of granted patents, technical know-how, useful solutions and innovative newly applied innovations are still very limited. Of the 463 businesses surveyed, up to 87.8% of businesses do not have granted patents, 84.1% of businesses do not have recognized innovations; 82.3% of businesses do not have technical know-how and 73.2% of businesses do not have useful solutions. Limited innovation results will lead to increased productivity of enterprise also being affected. Besides, According to the results of expert interviews, the contribution of IP to growth, economic restructuring and increased social labor productivity is not high.

Intellectual property policies and laws have not created a driving force in encouraging businesses to innovate and in creating, exploiting and disseminating IP, thereby affecting the process of putting IP into operation. production activities (Dinh Huu Phi, 2022). The innovation capacity of Vietnamese businesses is still low, which affects the introduction of new ideas and new products to the market, especially SMEs are not really the center of the innovation system, and not many technology products have been commercialized. However, there are a number of corporations such as Vingroup, Viettel, CMC,... that have in-depth investment policies in the fields of IP and innovation to create new sources of motivation in the long term. for sustainable development.

Intellectual property policies have been supplemented and amended, but they are not systematic enough, so implementation faces many difficulties. There is no strong and satisfactory policy to motivate researchers and politicians. The policy of attracting and appreciating talented people is not really appropriate, that has a negative impact on the innovation activities of enterprise. The situation of IP rights infringement has complicated developments, many new and more sophisticated trends have appeared, and acts of IP rights infringement in the digital environment have not been detected and handled promptly.

The exploitation of IP rights has not been focused and promoted, there is no sustainable development solution for protected products, so the efficiency is not high, and the country's key products have not been upgraded. through innovation. Registration of IP rights protection abroad, especially for key, specific, and strong products of Vietnam, is still limited. Although there have been many policies to develop IP, these policies are considered by businesses to be inconsistent, not really consistent with the situation of international integration, and not keeping up with the pace of development. of enterprises in the exploitation and application of IP and innovation (business interview results). Furthermore, information and propaganda activities on IP development and innovation policies are still ineffective, most businesses do not really know whether there are support and incentive policies, and if they know, it is difficult to do so applied in innovation activities.

In addition, there is a lack of appropriate priorities and strong policy solutions to create breakthroughs in the fields of IP and innovation in which Vietnam has advantages, so capable science and technology fields have not yet been formed. competitiveness with the region and the world; At the same time, priority orientations on science and technology are still scattered (Ministry of Science and Technology, 2021), there is no close connection between goals and strategic solutions in IP development; the supply of Vietnamese IP is still limited, not meeting the requirements for the development of an innovative economy.

IV. Conclusion and recommendations

Firstly, raise awareness of the position, role, and importance of intellectual property development policies in the innovation activities of businesses; continue to improve the legal environment, encourage linkages and cooperation in exploiting and commercializing IP to serve innovation; support businesses in building appropriate IP exploitation roadmaps. Reality shows that building a roadmap for exploiting IP is considered an important factor affecting the sustainable competitiveness of businesses, and has become a useful and decisive tool to the success or failure of businesses and national development in a market economy. Therefore, the State needs to continue to increase investment from the State Budget for the development of Science, Technology and Innovation, including IP, ensuring at least 2% or more of the total annual state budget expenditure, striving to reaching 4% in 2030 and 6% in 2045 as stated in the Documents of the 13th National Congress. In addition, IP development policies need to be consistent with international practices, encourage creativity, and ensure stability, consistency, and synchronization of IP rights that are protected and enforced effectively and simultaneously. simultaneously improve the effectiveness and efficiency of state management of IP, especially facilitating the process of implementing copyright registration procedures, related rights, and procedures for establishing industrial property rights according to simple, compact, fast, convenient and transparent direction.

Secondly, create and develop IP to serve innovation in the direction of converting IP into economic value. Therefore, it is necessary to encourage the creation, exploitation and dissemination of IP created from the state budget. Continue to accelerate support for procedures and processes for scientists, science and technology organizations, especially universities and research institutes, to register and establish ownership of research results. Research to form a supply of IP for innovation such as support for searching relevant technical documents, support for completing patent protection registration dossiers, support for preparing invention descriptions, declaration and instructions for submitting patent protection applications. Every year, science and technology organizations and businesses that use budget capital to carry out research topics and projects are responsible for reporting on the results of the topic and project after acceptance. From there, it will provide necessary information about the prospect of IP registration, technical status and commercialization capabilities. This is a valuable source of information to increase IP resources in the future.

Thirdly, institutionalize the Party's guidelines into specific policies on IP development; linking IP development with innovation activities and economic restructuring; Complete policies on inspection, examination and supervision in science and technology research activities and IP development. In particular, it is necessary to have a policy to control post-acceptance science and technology tasks to encourage the application of research results, contribute to creating a supply of IP goods for the science and technology market, and promote connections between the science and technology market and the market. goods and services markets, labor markets and capital markets. Promoting the role of science and technology development funds in promoting research, application and transfer of technology and IP. Continue to improve the technology absorption capacity and innovation capacity of businesses, promote digital transformation and smart production

activities, and support businesses to assimilate, adapt, and master technology to develop. develop new products and new services; develop the digital economy on the basis of innovation.

Fourth, there needs to be policies to support the formation and development of intermediary organizations such as IP exchanges, consulting organizations, appraisals, and technology and IP appraisals to promote Activities connecting supply and demand of IP for innovation; At the same time, encourage the formation and development of consulting organizations that support the assessment and valuation of IP. These organizations need to be independent and objective in the evaluation and pricing process to provide reference prices that are close to market prices. In particular, this valuation needs to be accepted by credit institutions and banks to grant credit and loans with collateral assets such as IP and technology. This will help businesses create financial resources for IP exploitation and innovation.

In addition, it is necessary to strengthen the capacity to enforce IP rights, expand the scope of applying administrative enforcement measures for acts of IP rights infringement; comply with IP commitments in new generation FTAs; associate IP development policy with the goal of becoming a modern industrial country according to international standards on the basis of research, acquisition, mastery, transfer, and application of advanced technology to develop a green economy, circular economy, environmental protection; At the same time, strengthen the exploitation and analysis of patent information to serve the selection and exploitation of appropriate technology; encourage the use of technologies that have expired or are not protected by IP rights in Vietnam but are suitable for the production capacity of domestic enterprises.

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