

# **The role of Intellectual Property Rights in attracting Foreign Direct Investment to ASEAN countries**

**Do differences in Intellectual Property Right enforcement across ASEAN  
countries have a significant impact on Foreign Direct Investment?**

**Bachelor Project submitted for the degree of  
Bachelor of Science HES in International Business Management**

by

**Natalia BERG**

Bachelor Project Mentor:

**Ludivine DELALOYE, Lawyer**

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# Executive Summary

This Bachelor Project investigates the impact of Intellectual Property Rights protection on Foreign Direct Investment in the ASEAN region, specifically focusing on Singapore and the Philippines. The objective is to understand how different Intellectual Property Rights frameworks can affect Foreign Direct Investment decisions and to provide insight for fostering economic growth and innovation.

An analysis of the Intellectual Property Rights policies and their enforcement in both countries has been conducted. Selecting those countries enabled to compare the impact of Intellectual Property Rights on Foreign Direct Investment in two different economies, one that is already established in the sector versus an evolving system.

Singapore has a well-established Intellectual Property Rights system, enhanced by the Singapore Intellectual Property Strategy (SIPS) 2030. The country consistently ranks high in the International IP Index, particularly in patents protection. A positive correlation was found between the Overall IP Score and the amount of Foreign Direct Investment, indicating that improvements in Intellectual Property protection attracts Foreign Direct Investment. However, due to the already high and stable Intellectual Property scores in the country, further improvements have limited impact to attract additional investments.

The Philippines also has done a lot towards a better Intellectual Property Rights protection, as it developed its National Intellectual Property Strategy (NIPS) 2020-2025. The main challenge in the country is the counterfeiting and digital piracy. All individual International Intellectual Property Indexes also have a positive trend, which means that Intellectual Property Rights protection in the country is evolving. Foreign Direct Investments also directly correlate with copyrights and enforcement scores showing the relevance of these two indicators.

The argument is that stronger Intellectual Property Rights systems ultimately helps to increase Foreign Direct Investment. The example of Singapore shows that sustainable economic systems increase investors' confidence, while the Philippines shows that the development of Intellectual Property system directly influences Foreign Direct Investment level. Therefore, it is relevant to state that ASEAN countries need to strengthen Intellectual Property Rights systems to inspire investors and support economic growth.

# Table of Contents

<b>The role of Intellectual Property Rights in attracting Foreign Direct Investment to ASEAN countries.....</b>	<b>1</b>
<b>Do differences in Intellectual Property Right enforcement across ASEAN countries have a significant impact on Foreign Direct Investment? .....</b>	<b>1</b>
<b>Disclaimer .....</b>	<b>i</b>
<b>Declaration of authorship.....</b>	<b>i</b>
<b>Acknowledgements .....</b>	<b>ii</b>
<b>Executive Summary.....</b>	<b>iii</b>
<b>Table of Contents.....</b>	<b>iv</b>
<b>List of Tables.....</b>	<b>vi</b>
<b>List of Figures.....</b>	<b>vii</b>
<b>1. Introduction .....</b>	<b>1</b>
<b>2. Literature review.....</b>	<b>4</b>
<b>2.1 The link between Intellectual Property Right and Foreign Direct Investment.....</b>	<b>4</b>
<b>2.2 Intellectual Property Right in ASEAN.....</b>	<b>6</b>
2.2.1 Singapore .....	7
2.2.2 Philippines .....	8
<b>2.3 The gap .....</b>	<b>9</b>
<b>3. Methods.....</b>	<b>10</b>
<b>3.1 Comparative analysis approach.....</b>	<b>10</b>
<b>3.2 Secondary data analysis.....</b>	<b>10</b>
<b>3.3 Qualitative interviews.....</b>	<b>12</b>
<b>4. Results.....</b>	<b>14</b>
<b>4.1 ASEAN Intellectual Property Right action plan .....</b>	<b>14</b>
<b>4.2 Singapore .....</b>	<b>14</b>
4.2.1 Patent.....	15
4.2.2 Trade Mark .....	16
4.2.3 Copyright .....	18
4.2.4 International IP index.....	18
4.2.5 Foreign Direct Investment.....	24
4.2.6 Correlation & P-Value.....	26
<b>4.3 Philippines.....</b>	<b>26</b>
4.3.1 Patent.....	27
4.3.2 Trademark .....	28
4.3.3 Copyright .....	30
4.3.4 International IP index.....	31
4.3.5 Foreign Direct Investment.....	35
4.3.6 Correlation & P-Value.....	37

<b>5. Discussion.....</b>	<b>38</b>
<b>5.1 Singapore .....</b>	<b>38</b>
5.1.1 <i>Strategy &amp; Treaties.....</i>	38
5.1.2 <i>International IP Index &amp; Foreign Direct Investment.....</i>	39
5.1.3 <i>Statistics .....</i>	41
<b>5.2 Philippines .....</b>	<b>42</b>
5.2.1 <i>Strategy &amp; Treaties.....</i>	43
5.2.2 <i>International IP Indexes &amp; Foreign Direct Investment.....</i>	44
5.2.3 <i>Statistics .....</i>	46
<b>5.3 Comparative analysis .....</b>	<b>47</b>
5.3.1 <i>Costs.....</i>	47
5.3.2 <i>Statistical analysis .....</i>	48
<b>5.4 Interviews .....</b>	<b>49</b>
<b>5.5 Limits of this research .....</b>	<b>50</b>
<b>6. Conclusion .....</b>	<b>51</b>
<b>References .....</b>	<b>53</b>
<b>Use of Artificial Intelligence-assisted tools .....</b>	<b>57</b>
<b>Appendix 1 - Chatbot conversations used in this research .....</b>	<b>58</b>
<b>Appendix 2 – Interview of Bangkok U.S. Embassy IP attaché Mr. Matthew Kohner .....</b>	<b>60</b>
<b>Appendix 3 – Interview of a Specialist in International Trade analysis Mr. Keith E. Maskus.....</b>	<b>63</b>

## List of Tables

Table 1 International IP Index – 2016 (Pugatch, Chu, Torstensson 2017) .....	19
Table 2 International IP Index – 2017 (Pugatch, Chu, Torstensson 2018) .....	19
Table 3 International IP Index – 2018 (Pugatch, Torstensson 2019).....	20
Table 4 International IP Index – 2019 (Pugatch, Torstensson 2020).....	21
Table 5 International IP Index – 2020 (Pugatch, Torstensson 2021).....	21
Table 6 International IP Index – 2021 (Pugatch, Torstensson 2022).....	22
Table 7 International IP Index – 2022 (Pugatch, Torstensson 2023).....	22
Table 8 International IP Index – 2023 (Pugatch, Torstensson 2024).....	23
Table 9 FDI Singapore – Net inflows ( <i>World Bank Open Data</i> ).....	24
Table 10 FDI Singapore – Percentage of GDP ( <i>World Bank Open Data</i> ) .....	25
Table 11 International IP Index – 2016 (Pugatch, Chu, Torstensson 2017) .....	31
Table 12 International IP Index – 2017 (Pugatch, Chu, Torstensson 2018) .....	31
Table 13 International IP Index – 2018 (Pugatch, Torstensson 2019).....	32
Table 14 International IP Index – 2019 (Pugatch, Torstensson 2020).....	32
Table 15 International IP Index – 2020 (Pugatch, Torstensson 2021).....	33
Table 16 International IP Index – 2021 (Pugatch, Torstensson 2022).....	33
Table 17 International IP Index – 2022 (Pugatch, Torstensson 2023).....	34
Table 18 International IP Index – 2023 (Pugatch, Torstensson 2024).....	34
Table 19 FDI Philippines – Net inflows ( <i>World Bank Open Data</i> ).....	35
Table 20 FDI Philippines – Percentage of GDP ( <i>World Bank Open Data</i> ) .....	36



## List of Figures

Figure 1 Singapore – Overall Score .....	39
Figure 2 Singapore – FDI in USD .....	39
Figure 3 Singapore – FDI in % of GDP .....	41
Figure 4 Philippines - Overall Score .....	44
Figure 5 Philippines - FDI in USD .....	44



# 1. Introduction

The concept of Intellectual Property Rights was officialized in 1883 with the Paris convention (*WIPO — A Brief History*), which was the first international agreement that aimed at protecting intellectual works in foreign countries. However, it does not mean that this concept was new. Indeed, historian found proof of its existence back to the year 1421 with the first patent delivered to an Italian inventor (2021).

On the 15<sup>th</sup> of November 1888, the “Federal Industrial Property Agency” was established. It has then been renamed “Federal Intellectual Property Agency” in 1978.

Strong Intellectual Property regimes grants exclusive rights to the works of producers and innovators, creating incentives for the Research and Developments, which consequently produce new technologies and knowledge. This is thought to attract Foreign Direct Investment due to the creation of a more secure business environment for foreign companies, especially those involved in knowledge-intensive sectors.

Such a relationship between Intellectual Property and Foreign Direct investment could bring value to the policymakers of developing and emerging economies. For this reason, this paper contributes to the debate on how strongly Intellectual Property Rights protection may be considered in attracting Foreign Direct Investment and encouraging technological advancement and economic development, taking the experience of Singapore and the Philippines as examples.

The Association of Southeast Asian Nations has since then emerged as a dynamic region that has attracted massive Foreign Direct Investments, which have ridden on economic growth attributed to the rising middle class, political stability and a strategic location that acts as a gateway to global trade.

In this thesis, we will explore the impact of Intellectual Property rights in the ASEAN region. To this extent, we shall examine the legal framework and enforcement mechanisms of Intellectual Property Rights in the member states of ASEAN to understand the way robust Intellectual Property Right regimes drives Foreign Direct Investment inflows.

The Association of Southeast Asian Nations (ASEAN) is composed of ten different member states (*Member States*): Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

The thesis is organized as follows:

1. Introduction: Problem statement and organization of the report.
2. Literature Review: Review on available literature on Intellectual Property Right and Foreign Direct Investment, theoretical frameworks and empirical evidence.
3. Methodology: Explanation of the analytical methods used.
4. Results: Presentation of findings on Intellectual Property Right and Foreign Direct Investment in Singapore and the Philippines.
5. Discussion: Interpretation of results, recommendations
6. Conclusion: Summary of key findings, limitations of the study, and suggestions for future research.

Ideally, research and analysis should be done on all ten countries in order to come up with a comprehensive study. However, this thesis could not comprehend such a huge and intricate task. Hence, this research will be aimed at the case of two major members of ASEAN: Singapore and the Philippines.

Singapore and the Philippines were chosen for some key reasons. The geographical proximity of both is that they are both located in Southeast Asia, but while Singapore is a more developed economy with a known reputation for the strong protection of Intellectual Property Rights, the Philippines are at another level of development, which provides an interesting contrast to study.

Both have different approaches to Intellectual Property Rights. Definitely the investigation into such differences will allow for a much more nuanced understanding of how Intellectual Property Rights regimes impact Foreign Direct Investments.

Both also attract relatively large number of Foreign Direct Investment, with Singapore currently receiving a higher proportion of knowledge-intensive Foreign Direct Investment. A dismantled composition of Foreign Direct Investment inflows would shed considerable light on the link between Intellectual Property Rights and sector-specific patterns of investment.

This thesis examines three of the most well-known categories of Intellectual Property Rights in knowledge-intensive sectors: patents, trademarks and copyrights. Although there are other forms of Intellectual Property Right, these three categories have the most developed, recognizable and complete protection mechanisms.

As a result, strong Intellectual Property Rights in these three categories plays a pivotal role in creating a supportive environment for innovation and in attracting Foreign Direct Investment.

The following definitions provide essential terminology for a comprehensive understanding of this research:

**Foreign Direct Investment:** “Foreign Direct Investment (FDI) is a category of cross-border investment in which an investor resident in one economy establishes a lasting interest in and a significant degree of influence over an enterprise resident in another economy...Foreign Direct Investment is an important channel for the transfer of technology between countries, promotes international trade through access to foreign markets, and can be an important vehicle for economic development. The indicators covered in this group are inward and outward values for stocks, flows and income, by partner country and by industry and Foreign Direct Investment restrictiveness.” (*Foreign direct investment (FDI)*)

**Safeguards:** “Safeguard measures are defined as “emergency” actions with respect to increased imports of particular products, where such imports have caused or threaten to cause serious injury to the importing Member’s domestic industry (Article 2).” (*WTO | Safeguard measures - Technical Information*)

**Parallel imports:** “Parallel imports typically occur when branded goods are imported into the EEA from countries where those goods are sold at a lower price which, in turn, can be sold at a reduced price in the EEA. The brand owner generally relies on its trade mark rights to prevent parallel imports and may pursue a trade mark infringement claim where it has not consented to such imports, ie where the trade mark rights have not been exhausted.” (*Parallel import Definition | Legal Glossary | LexisNexis*)

**Grey market goods:** “Grey market goods are bought unofficially and then sold to customers at lower prices than usual.” (*GREY MARKET definition and meaning | Collins English Dictionary 2024*)

This thesis tries to explore the impact of Intellectual Property Rights regimes on Foreign Direct Investment inflows into ASEAN countries with special reference to both Singaporean and Philippine case. The findings will offer an important lesson to policymakers as it might provide motivation for more protection of Intellectual Property Rights with aims of attracting increased Foreign Direct Investment, which in turn will improve economic growth.

## 2. Literature review

A literature review is an essential step in this research regarding the role of Intellectual Property Rights in attracting Foreign Direct Investment to ASEAN countries. It will serve some crucial purposes such as establishing a strong foundation in the existing studies on the topic by examining relevant research papers, books and reports. The paper will gain a comprehensive understanding on the theoretical frameworks and empirical evidence that have shaped current knowledge in this area.

### **2.1 The link between Intellectual Property Right and Foreign Direct Investment**

Orkhan Hasanov provides a critical study of the complex effect of Intellectual Property Rights on a range of economic factors in his paper named “Role of Intellectual Property Rights in Economic Growth: Theory and Evidence” (Hasanov 2022). He recognizes that by giving inventors temporary exclusivity over their inventions, Intellectual Property Rights encourages innovation. However, Orkhan Hasanov also points out possible negative effects, such as the potential to restrict access to knowledge and to limit competitiveness, especially in the digital era. Orkhan Hasanov stresses the importance of using carefully Intellectual Property Right regimes to balance these conflicting effects.

He examines arguments for and against the idea that strong Intellectual Property Rights encourage innovation and development, extending his research to the effects of Intellectual Property Right on economic growth. He argues that piracy and counterfeit affect negatively Foreign Direct Investment but also that a too strong regime could limit access to knowledge and information, hindering further innovation and development, especially in collaborative fields like scientific research.

Orkhan Hasanov’s main point is that creating well thought-out Intellectual Property Right regimes is crucial. These regulations should aim to achieve a balance between making knowledge accessible, encouraging innovation and promoting a healthy competition within the market.

Maskus and Matusz’s extensive book “The role of Intellectual Property Rights in Economic Growth and Innovation” offers a critical examination of intricate interactions that exist between Intellectual Property Right, innovation and economic growth (Maskus, Matusz 2000). The authors draw attention to the complex nature of Intellectual Property Rights, recognizing that they have the capacity to both promote and impede technological progress.

Strong Intellectual Property Rights can encourage innovation and draw in Foreign Investments, but too strict Intellectual Property Right laws can hinder the spread of technology and restrict access to information. The authors stress the necessity for a fair and balanced approach to Intellectual Property Rights protection that encourages innovation and equitable access to information and technical progress.

Samuel Adams from the Ghana Institute of Management and Public Administration conducted a research named “Intellectual Property Rights, Investment Climate and Foreign Direct Investment in Developing Countries” (Adams 2010). In his research, he argues that a strong Intellectual Property Right regime is a crucial element of a positive investment climate for attracting Foreign Direct Investment in developing economies. His findings are based on data analysis from several developing countries.

In his study, Samuel Adams states that capital-intensive industries may prioritize maintaining control over production knowledge through Foreign Direct Investment, especially in countries with weak Intellectual Property Right protection. Strong Intellectual Property Rights, on the other hand, can encourage companies with significant research and development expenditures to license their technology to regional businesses. This points to a possible move in the direction of licensing when Intellectual Property Right is strong.

Samuel Adams, however, also recognizes the significance of more various element in determining the investment climate such as infrastructural development and political stability.

In the same line, Keith E. Maskus wrote a book with Carsten Fink, named “Intellectual Property and Development: Lessons from Recent Economic Research” (Fink, Maskus 2005) that delves into the relationship between Intellectual Property Rights and Foreign Direct Investment in developing countries. This comprehensive study provides a multidimensional analysis of the possible effects of Intellectual Property Right regimes on developing economies by combining studies from several academics.

A key strength of Maskus and Fink’s work lies in its focus on policy implications. The book explores the economic effect of shifting Intellectual Property Right environments such as Foreign Direct Investment, global trade and technology access. The book acknowledges the potential benefits of strong Intellectual Property Right, such as incentivizing innovation and attracting Foreign Direct Investment.

However, it also highlights potential drawbacks, including limitations on access to essential knowledge and technologies, particularly for resource-contained developing countries. Eventually, it highlights the need for context-specific approaches, considering the unique circumstances and development goals of individual countries.

## **2.2 Intellectual Property Right in ASEAN**

The research's focus on comprehending the complex relationship between Intellectual Property Right and Foreign Direct Investment which is particularly evident in the situation of ASEAN countries between Intellectual Property Rights and Foreign Direct Investment.

On this topic, WIPO<sup>1</sup> magazine published an article titled "Intellectual property and development: the ASEAN story" (*Intellectual property and development: the ASEAN story* 2017).

This article highlights how strong Intellectual Property Rights laws support innovation by increasing economic expansion and technical breakthroughs. It recognizes the progress ASEAN nations have achieved, especially in recent years, in fortifying their Intellectual Property Rights frameworks. It also highlights the ongoing worries about the effectiveness and enforcement of Intellectual Property Right regulations.

The possibilities and difficulties of protecting Intellectual Property Right in the ASEAN area are examined in this article by the National Bureau of Asian Research (*Intellectual Property Challenges in the ASEAN Region*). The argument is the following: although there have been advancements in the region's efforts to harmonize Intellectual Property standards through the launch of the ASEAN IP Action Plan in 2016, notable disparities persist in the application and enforcement of Intellectual Property laws. Businesses looking to conduct business in ASEAN may find it difficult to protect their Intellectual Property Rights and understand the region's complicated legal system as a result of these inconsistencies.

In 2009, an EU-ASEAN project on Intellectual Property Right has been launched (ECAP III Phase II). This program, named ECAP III, aimed at strengthening the implementation of Intellectual Property Right in ASEAN countries. It was then realigned in 2012 with ASEAN Intellectual Property Right Action plan 2011-2015.

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<sup>1</sup> World Intellectual Property Organization



Even though the ECAP III website may not be a primary source, it may serve as a useful gateway to other pertinent documents from ASEAN or WIPO that examine the relationship between Foreign Direct Investment and Intellectual Property Right enforcement in ASEAN member states.

### **2.2.1 Singapore**

The Lee Kuan Yew School of Public Policy's case study entitled "The development of Singapore's Intellectual Property Rights Regime" (Lee Kuan Yew School of Public Policy 2014) is relevant to my thesis in many points.

It explains the basis of Intellectual Property Right in any countries and how it has been implemented in Singapore. It also explores the evolution of Singapore's Intellectual Property Right framework historically and offers insightful information about the choices made in policy and implementation tactics that have facilitated their success. Moreover, it addresses the question of whether variations in Intellectual Property Right enforcement have a major influence on Foreign Direct Investment inflows.

The examination of how comparable strategies can affect Foreign Direct Investment attraction in other ASEAN countries can be based on my understanding of how Singapore has successfully adopted strong Intellectual Property Right.

This argument can be supported by a specific instance of an effective Intellectual Property Right regime by effectively incorporating the Singapore Case Study.

The International Trade Administration's website has a section named "Singapore – Country Commercial Guide" which has a subsection related to the protection of Intellectual Property Rights (International Trade Administration 2024).

Although the International Trade Administration's website emphasizes Singapore's Intellectual Property Right regime's strengths it points out that there are still issues, especially with the internet infringement and software piracy.

The Lee Kuan Yew School of Public Policy case study provides a historical overview of Singapore's Intellectual Property Right growth, whereas the ITA's website improves our knowledge of the country's current Intellectual Property Right environment.

Eventually, this research would greatly benefit from the official data released by the Singapore Department of Statistics (Department of Statistics Singapore 2022). These statistics shows who are the main investors in Singapore, how investment increased during the precedent years and what the main sectors of investments are.

To go into further details on how Intellectual Property Rights are protected in Singapore, the website “aseanbriefing” provides a detailed overview on each type of protection, patent, trademarks or copyrights (*Intellectual Property Protection - Singapore Guide | Doing Business in Singapore*). For my research, understanding the nuances of Singapore’s Intellectual Property Rights is essential, as I am comparing it to the Philippines’s regime to determine how Foreign Direct Investment might be affected by varying degrees of Intellectual Property Right protection.

### **2.2.2 Philippines**

In order to counterbalance Singapore’s well established Intellectual Property Right regime, we will now turn our attention to the Philippines, a growing Southeast Asian country, working to strengthen its Intellectual Property Right enforcement.

As for Singapore, the International Trade Administration has a commercial guide for the Philippines which has a section named “Protecting Intellectual Property” (International Trade Administration 2024). It gives a state of how Intellectual Property Rights are in the Philippines. It draws attention to the fact that Intellectual Property Right is supported by laws and policies, but it also recognizes the problem of uneven enforcement. Although it does not go into great details on the historical evolution or particular difficulties, it provides a good starting point for this research.

For the historical part, the official website of the Philippines for Intellectual Property Rights has a page explaining the history of Intellectual Property Right (*The intellectual property system: a brief history | IPOPHL*). It describes the founding of the nation’s first patent office and the enactment of important legislation that served as the cornerstone for Intellectual Property Rights protection. It is essential to comprehend this historical background in order to analyze the current status of the Intellectual Property Right framework and how it has changed over time.

Regarding the application of Intellectual Property Right in the Philippines, the article named “Intellectual Property Right in the Philippines: Overview) (Marquez III et al. 2023) provides a very detailed overview of the Intellectual Property Right protection in this country. The details in this article can help me to identify whereas the Philippines Intellectual Property Right system need improvements in order to attract more Foreign Direct Investment in comparison with Singapore.

### **2.3 The gap**

The result of this study can be used to complement the information in the WIPO magazine article, providing a more complex picture of the relationship between Foreign Direct Investment, Intellectual Property Rights and regional economic development.

While the previous literature, including the WIPO article particularly, emphasizes the general positive correlation between stronger Intellectual Property Regimes and increased Foreign Direct Investment inflows, there are still several important gaps to recognize it.

Additionally, most of the research is on developed economies and relatively less attention has been paid to the unique challenges and opportunities for developing countries. This study tries to fill this gap through a detailed comparative analysis of Singapore and the Philippines, both member of the ASEAN, two countries at different stages of economic development and enforcement regimes in the area of Intellectual Property Rights.

An analysis of these two cases will bring some clarity to our understanding of how the varying scope of the Intellectual Property Rights regimes may affect Foreign Direct Investment determinations in knowledge-intensive industries. The research will therefore also consider how the differences in the enforcement do influence the attractiveness of these countries to foreign investors.

## 3. Methods

### 3.1 Comparative analysis approach

This study compares Foreign Direct Investment in Singapore and in the Philippines using a comparative analysis approach. This method, which compares and contrasts both countries, enables a deeper understanding of the variables impacting Foreign Direct Investment.

There are multiple reasons why these countries have been chosen. While Singapore is a mature global hub for Foreign Direct Investment, having a strong legal system and high-quality labor force, the Philippines is a developing nation that has an increasing middle class. Though there still are issues regarding infrastructures and political stability, the latter is being flocked by Foreign Direct Investments.

Since Singapore and the Philippines have different legal system it will help us understand whether the protection of Intellectual Property Right have a significant impact, or not, on Foreign Direct Investment.

### 3.2 Secondary data analysis

In order to examine the correlations between Intellectual Property Right protection and Foreign Direct Investment inflows, data on Intellectual Property Right indicators, such as the International IP Index (IPI) (*2023 International IP Index 2023*), and Foreign Direct Investment inflows for ASEAN countries are selected.

For this purpose, this paper will be referring to the reports published by the U.S Chamber of Commerce named “International IP Index” for the years 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024. The International IP index is a report on the countries across the globe about their Intellectual Property Rights environments on the previous year. It takes into account a broad array of individual indicators from all the major aspects of Intellectual Property protection and enforcement. These involve indicators in patents, trademarks, copyrights, trade secrets, enforcement, international treaties and commercialization.

The International IP index is an annual document and extends all over the world as an authoritative record on the international standards of Intellectual Property Rights. This is also set and revised yearly by the Global Innovation Policy Center, a well-known institution with vast knowledge of Intellectual Property Rights.

It provides scores and ranking to a wide range of countries, serves as a basis for benchmarking and comparative analysis. It allows a deeper comparison between Singapore and the Philippines.

For the data on the Foreign Direct Investment of each countries, the World Investment Reports by UNCTAD (United Nations Conference on Trade and Development 2023) will be relevant to provide a comprehensive overview of global Foreign Direct Investment trends over the years.

The data on Foreign Direct Investment to Singapore and the Philippines have been collected form the World Bank Open data website<sup>2</sup> (*World Bank Open Data*). This is a reputable international organization which provides comprehensive data on Foreign Direct Investment for a wide range of countries. The net inflows in USD and as a percentage of the GDP was kept allowing a comparison between both countries.

The net Foreign Direct Investment inflows have been chosen for this research because it represents real new capital coming into the country by investors from foreign countries. It measure inflows, which keep the level of new investments, expansions and new operations set up by foreign entities in the host country. The attractiveness of a country in terms of Foreign Direct Investments is mirrored in net Foreign Direct Investment inflows.

Correlation and p-value estimations were conducted in this study to test the effectiveness of Foreign Direct Investments related to the level of protection of Intellectual Property Rights.

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<sup>2</sup> Use of AI

These statistical methods, done with the Excel data analysis tool are relevant for several reasons:

1. Correlation analysis enables to check the strength and direction of the linear relationship that exists between two variables. It enables to check how much the Intellectual Property protection score is related to the inflows of Foreign Direct Investment, meaning it would find out if stronger Intellectual Property Rights regimes are associated with higher investments.
2. Through the assessment of correlations, it will be possible to identify patterns and tendencies that will indicate which specific elements in Intellectual Property (patents, trademarks or copyrights) are more dominant in attracting Foreign Direct Investment.
3. A positive and significant relationship would give support to the hypothesis that better Intellectual Property Rights protection attracts more Foreign Direct Investment.
4. The significance of the correlation is based on the p-value. For a confidence level of 95%, a p-value smaller than 0.05 means that the correlation is significant and not a product of random variability.

### **3.3 Qualitative interviews**

For this research, two interviews with experts have been conducted.

To gain deeper insights into the challenges related to Intellectual Property Rights and Foreign Direct Investment in Southeast Asia, a semi-structured interview was conducted with Mister Matthew Kohner, the United States Intellectual Property Attaché based in Bangkok, Thailand.

Because of the depth of his knowledge and experience in the area of Intellectual Property Rights in Southeast Asia, Mister Kohner was designated as a significant informant. He has a unique viewpoint on the relationship between Intellectual Property Rights regimes and Foreign Direct Investment in the region because of his role as the US IP attaché.

The research began with an introductory call with him to discuss the research objectives of the thesis and to explore potential areas of collaboration. Before this initial discussion, a list of questions was shared with Mister Kohner to allow a more focused conversation. To ensure good coverage of the topics, Mister Kohner then shared these questions with his colleagues for their input.

Then, along with his colleagues, Mister Kohner answered all the interview questions in detail in writing. This first response made it possible to have a targeted conversation during the next interview phase.

A second interview was then conducted virtually with Mister Kohner. However, due to embassy approval procedures, Mister Kohner did not consent to have it transcript. Even though the interview is not transcript, a great amount of data was gathered for the pre-prepared questions and the detailed written responses of Mister Kohner.

This method allowed the gathering of high-quality information without compromising the sensitivities of Mister Kohner and embassy procedures. Mister Kohner detailed responses provided valuable insights, leading to a much clearer understanding of the complex interactions between Intellectual Property Rights and Foreign Direct Investment in Southeast Asia.

A second Interview was conducted with Mister Keith E. Maskus, an economist mentioned in my literature review, he is specialized in international trade analysis. After the interview a technical problem occurred and the recording cannot be found, therefore, it cannot be transcript.

This does not impede that the discussion was interesting in terms of insights on the relationship between Foreign Direct Investment and Intellectual Property Rights. Mister Maskus recommended the use of correlation and regression analysis (P-Value) for appropriate statistical analysis. He also gave advice for the selection of data points for analysis. Such learning from Mister Maskus will be incorporated into the discussion and data analysis.

## 4. Results

This part will contain the key findings from our research on the relationship between Intellectual Property Right and Foreign Direct Investment in ASEAN countries.

### **4.1 ASEAN Intellectual Property Right action plan**

ASEAN Intellectual Property Rights action plan is a ten-year program from 2016 to 2025 adopted by ASEAN member states. It was designed as a strategic plan to improve the Intellectual Property environment within the ASEAN region. In line with the general objectives of the ASEAN Economic Community, the target is increasing innovations, competitiveness and economic integration among its members.

We can point out that this action plan has two key objectives. The first one is to strengthen the Intellectual Property Right structure by enhancing the Intellectual Property Right administration capacity and resources at national offices to ensure the best management and enforcement.

The second one is to harmonize Intellectual Property Right Laws among ASEAN member countries. The harmonization of Intellectual Property laws and regulations in ASEAN will make Intellectual Property Rights more predictable in a cohesive environment.

With this action plan, ASEAN member states are encouraged to collaborate with regional and international partners to exchange best practices, resources and expertise in Intellectual Property Rights management. They also aim to assist businesses in creating more Intellectual Property and provides an enabling environment with more tools and resources regarding valuation, financing and commercialization in order to increase businesses competitiveness and innovation.

In 2021, the ASEAN Intellectual Property Right action plan was revised to add, modify or even delete deliverables to fit changing regional dynamics. On this date, 18% of the deliverables were met, 64% were ongoing and 18% were not started yet.

### **4.2 Singapore**

The Singapore Intellectual Property Strategy 2030 (SIPS 2030) is a national strategy designed to set Singapore as the world hub for intangible assets and Intellectual Property Rights (Government of Singapore, IPOS 2021). The strategy is designed to support the country broader goals of becoming a global-Asia node for technology, innovation and enterprise.



SIPS 2030 strives to constantly review and renew Singapore's Intellectual Property regime to confirm that the laws and procedures fit business growth. Indeed, SIPS 2030 is looking forward to an improvement, taking into account laws and conduct best suited for perpetuating the business interests. This includes the maintenance of a strong regime for the protection of Intellectual Property and the need for a system that adapts dynamically to new technological developments and international best practices.

The government is making efforts to support enterprises in the creation, protection, management and commercialization of their assets. Among these are Intellectual Property Rights financing and valuation, as well as the equipment of business with the necessary tools and resources to ensure that they can exploit their Intellectual Property for competitive advantage.

One of the main objectives of SIPS 2023 is job creation opportunities to even further improve Intangible Asset and Intellectual Property among Singaporeans. This is the integration of Intangible Asset and Intellectual Property management as a core skill set throughout the sectors to ensure a valuable workforce.

#### **4.2.1 Patent**

In Singapore, a patent issued by the Intellectual Property Office of Singapore offers exclusive rights to your invention for a period of twenty years (IPOS). This term starts from the filing date, which is defined as the earliest date on which the application was deemed complete and satisfied all the necessary requirements.

To register for a patent in Singapore, there are 8 main steps that are described by the Intellectual Property Office of Singapore. The first one is to check the registration criteria, when applying for a patent the invention must be new, inventive, useful and must be able to be made in an industry (IPOS).

The second step is to apply for the patent. The third one will be a preliminary examination from IPOS, if the filing requirement are met, this is at this moment that they receive the date of filing. After this, the fourth step is the publication of the patent, this will enable the fifth step to begin, where patent examiners search and examine whether the patentability criteria as described in step one are respected.

The sixth step is when the applicant receive the notice of eligibility for grant that is needed for the seventh step, which is to file for the issuance of the certificate within 2 months of the precedent step.

The final step is the reception of the Certificate of Grant from the IPOS that guarantee that the invention will be protected for the next twenty years and provide the inventor with exclusive right to exploit, license or sell the invention in Singapore.

Moreover, the Intellectual Property Office of Singapore has a “Service Commitment” guaranteeing a waiting time of twelve months for the examination of the request, three months for the adjudication of cases and six months for the issuance of grounds of decision.

Applying for a patent imply lots of fees. Indeed, the request only is already SGD 170 (CHF 113,70) but there is also the lawyer’s fees. A patent attorney will usually charge between USD 5'000 and USD 10'000 for a patent application.

In order to maintain it, the applicant must pay annual fees from the 5<sup>th</sup> year that the patent has been implemented:

- 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> year: SGD 165.00 (CHF 110.36)
- 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> year: SGD 430.00 (CHF 287.60)
- 11<sup>th</sup>, 12<sup>th</sup> and 13<sup>th</sup> year: SGD 600.00 (CHF 401.31)
- 14<sup>th</sup>, 15<sup>th</sup> and 16<sup>th</sup> year: SGD 775.00 (CHF 501.36)
- 7<sup>th</sup>, 18<sup>th</sup> and 19<sup>th</sup> year: SGD 945.00 (CHF 632.06)
- 20<sup>th</sup> year: SGD 1'120.00 (CHF 749.11)
- Each year after: SGD 1'380.00 (CHF 882.88)

#### **4.2.2 Trade Mark**

In Singapore, trademark protect your brand identity by granting exclusive rights to distinctive signs used to identify your brand or businesses for ten years. This protection is renewable indefinitely for periods of ten year each time.

Trademarks here are separated in three different categories by the Intellectual Property Office of Singapore :

1. Conventional:        Word mark, any characters  
                              Figurative marks, picture or image  
                              Composite mark, combination of the two precedents
2. Collective:         Badge of origin, particular association  
      Certification:     Badge of quality
3. Non-conventional:  3D Shapes, color, sound, packaging

Compared to patent, the application for a trademark is less complicated, the Intellectual Property Office of Singapore count a total of five key steps.

The first step is to check the registration criteria, by verifying if it meets the registration criteria meaning that it must fits in the above mentioned categories, be distinctive and that there should not be any similar trademarks that exists already.

The second is to apply for the trademark by including five main things, the contact information of the applicant, an explanation of the trade mark itself, a list of goods and services that will be related to it, a declaration of use and to finish, the payment of the application fee. For the third step, this application will then be examined by the IPOS.

Provided there are no concerns, the application will be published for two months on the Trademarks Journal to allow any third party that may want to, to oppose to the trademark if they believe it restrain their rights.

If there is no opposition during this period, the fifth and final step is that the certificate of registration will be delivered granting a protection of the trademark for ten years. All of this process takes approximately 12 months if there is no problem encountered.

As stated before, a trademark can be renewed for another period of ten years. To do so, the applicant must fil a demand six months before or after the expiry of the registration but more than 12 months after expiry the trade mark cannot be restored.

Furthermore, a trademark is way less expensive to apply for and maintain than a patent. The application fee cost either SGD 280 (CHF 187,92) for goods and services that are part of a known database of the Intellectual Property Office of Singapore or SGD 380 (CHF 255,03) for any other items.

The renewal cost are:           SGD 440.00 (CHF 295.24), before the 6 months  
  SGD 645.00 (CHF 432.94), after the 6 months  
  SGD 705.00 (CHF 473.09), less than 12 months after expiry

### 4.2.3 Copyright

On the 21<sup>st</sup> of November 2021, a new Copyright act entered in force in Singapore. This revision modernized copyright law to better handle issues arising from new technologies.

Copyrights in Singapore protects the original expression of ideas in tangible form. This implies that you have the right to manage how someone uses anything you create, the Intellectual Property Office of Singapore made this list:

- Literary work
- Dramatic work
- Cable programs
- Films
- Published editions
- Sound recordings
- Television, broadcasts
- Artistic work
- Performances

There is an exception when the content was created by an employee, in this case the copyright owner is the employer (IPOS 2022).

Copyright enters into effect automatically upon creation and last seventy years after the death of the author. For anonymous works, the protection is still for seventy years but it starts at the date of creation of the work.

To obtain copyright protection, there is no need to register the work. Copyright law is automatically applicable when someone develops something original and represents it in a tangible way. This means that there are no registration fees involved.

For a copyright, no fees are asked in Singapore.

### 4.2.4 International IP index

In this section tables from 2016 to 2023 will display the evolution of the Intellectual Property score according to the U.S. chamber of commerce. These score are calculated with indicators such as the patentability requirements or the ability of trademark owners to protect their trademark. If the country fulfil these indicators points are attributed influencing their final score.

**Table 1 International IP Index – 2016 (Pugatch, Chu, Torstensson 2017)**

<b>Year 2016</b>	<b>Rank</b>	<b>Score</b>
Overall score	8/45	81.77%
Patent	8/45	90.62%
Copyrights	4/45	74.86%
Trademarks	11/45	76.43%
Design Rights	N/A	N/A
Trade secrets	9/45	91.66%
Commercialization	N/A	N/A
Enforcement	9/45	71.86%
Systemic efficiency	N/A	N/A
Membership	15/45	75.00%

**Table 2 International IP Index – 2017 (Pugatch, Chu, Torstensson 2018)**

<b>Year 2017</b>	<b>Rank</b>	<b>Score</b>
Overall score	9/50	83.62%
Patent	1/50	96.87%
Copyrights	4/50	89.14%
Trademarks	15/50	72.50%
Design Rights	N/A	N/A
Trade secrets	16/50	75.00%
Commercialization	14/50	83.33%
Enforcement	12/50	73.00%
Systemic efficiency	5/50	100%
Membership	17/50	75.00%

**Table 3 International IP Index – 2018 (Pugatch, Torstensson 2019)**

<b>Year 2018</b>	<b>Rank</b>	<b>Score</b>
Overall score	10/50	82.48%
Patent	1/50	96.87%
Copyrights	3/50	92.71%
Trademarks	15/50	72.50%
Design Rights	N/A	N/A
Trade secrets	18/50	58.33%
Commercialization	11/50	86.00%
Enforcement	11/50	73.14%
Systemic efficiency	11/50	87.50%
Membership	17/50	75.00%

**Table 4 International IP Index – 2019 (Pugatch, Torstensson 2020)**

<b>Year 2019</b>	<b>Rank</b>	<b>Score</b>
Overall score	<b>11/53</b>	<b>84.42%</b>
Patent	1/53	97.22%
Copyrights	3/53	92.71%
Trademarks	15/53	75.00%
Design Rights	23/53	67.50%
Trade secrets	19/53	58.33%
Commercialization	4/53	91.67%
Enforcement	12/53	73.14%
Systemic efficiency	14/53	85.00%
Membership	18/53	85.71%

**Table 5 International IP Index – 2020 (Pugatch, Torstensson 2021)**

<b>Year 2020</b>	<b>Rank</b>	<b>Score</b>
Overall score	11/53	<b>84.38%</b>
Patent	1/53	97.22%
Copyrights	3/53	92.71%
Trademarks	15/53	75.00%
Design Rights	23/53	67.50%
Trade secrets	<b>21/53</b>	58.33%
Commercialization	4/53	91.67%
Enforcement	12/53	<b>72.87%</b>
Systemic efficiency	14/53	85.00%
Membership	18/53	85.71%

**Table 6 International IP Index – 2021 (Pugatch, Torstensson 2022)**

<b>Year 2021</b>	<b>Rank</b>	<b>Score</b>
Overall score	11/53	84.44%
Patent	1/53	97.22%
Copyrights	3/53	92.71%
Trademarks	15/53	75.00%
Design Rights	23/53	67.50%
Trade secrets	21/53	58.33%
Commercialization	4/53	91.67%
Enforcement	13/53	73.29%
Systemic efficiency	14/53	85.00%
Membership	18/53	85.71%

**Table 7 International IP Index – 2022 (Pugatch, Torstensson 2023)**

<b>Year 2022</b>	<b>Rank</b>	<b>Score</b>
Overall score	11/55	84.94%
Patent	1/55	97.22%
Copyrights	2/55	96.29%
Trademarks	14/55	75.00%
Design Rights	22/55	67.50%
Trade secrets	21/55	58.33%
Commercialization	6/55	91.67%
Enforcement	12/55	73.29%
Systemic efficiency	14/55	85.00%
Membership	18/55	85.71%



**Table 8 International IP Index – 2023 (Pugatch, Torstensson 2024)**

<b>Year 2023</b>	<b>Rank</b>	<b>Score</b>
Overall score	12/55	84.92%
Patent	1/55	97.22%
Copyrights	2/55	96.29%
Trademarks	14/55	75.00%
Design Rights	22/55	67.50%
Trade secrets	21/55	58.33%
Commercialization	6/55	91.67%
Enforcement	13/55	73.14%
Systemic efficiency	15/55	85.00%
Membership	18/55	85.71%

#### 4.2.5 Foreign Direct Investment

In this section we will find two main tables showing the amount Foreign Direct Investment, first in the amount in USD of net inflow and secondly as a percentage of the GDP of Singapore. This will help to have a more global view.

**Table 9 FDI Singapore – Net inflows (*World Bank Open Data*)**

Year	Amount in USD	Year	Amount in USD
1991	4'887'094'440	2007	47'337'947'782.78
1992	2'204'342'221	2008	13'598'298'537.02
1993	4'686'312'017.49	2009	23'436'064'059.75
1994	8'550'165'226.99	2010	55'322'434'161.87
1995	11'942'852'103.36	2011	49'155'657'316.29
1996	11'432'363'956.36	2012	55'310'807'547.70
1997	15'701'783'678.79	2013	64'389'514'904.50
1998	5'958'646'073.69	2014	68'698'472'830.59
1999	18'852'989'358.63	2015	69'774'553'124.94
2000	15'515'295'182.23	2016	65'362'989'166.95
2001	17'006'818'857.27	2017	102'159'784'202.62
2002	6'157'194'143.82	2018	81'160'897'313.13
2003	17'051'420'152.87	2019	105'293'129'463.22
2004	24'390'254'965.55	2020	78'447'583'786.82
2005	19'316'058'814.08	2021	138'544'182'411.39
2006	39'129'332'046.66	2022	140'844'052'224.37

**Table 10 FDI Singapore – Percentage of GDP (*World Bank Open Data*)**

Year	Amount in %	Year	Amount in %
1991	10.74886004	2007	26.16198888
1992	4.228441213	2008	7.023286082
1993	7.732701253	2009	12.07109441
1994	11.60308486	2010	23.06947168
1995	13.60039465	2011	17.59603141
1996	11.872466	2012	18.74352442
1997	15.68237091	2013	20.93448104
1998	6.950624804	2014	21.81848808
1999	21.84920346	2015	22.65418269
2000	16.14889045	2016	20.48803478
2001	18.93986069	2017	29.76051723
2002	6.653665882	2018	21.53554451
2003	17.46241537	2019	27.94124974
2004	21.20272375	2020	22.51703924
2005	15.11335885	2021	32.69115863
2006	26.3271523	2022	30.17299576

Global Foreign Direct Investment fell to its lowest level in 2018 (UNCTAD 2019), dropping by nearly 20% to USD 1.2 trillion from USD 1.47 trillion in 2017. This decline was primarily driven by reduced inflows to developed countries, notably due to U.S. corporate tax reforms leading to repatriation of earnings.

In 2021, South-East Asia grew their Foreign Direct Investment inflows to 44% more than the previous year. Singapore was the country that received the most inflows in this region and it is because of a merger and acquisition deal with Altimeter Growth Corp from the United States and Grap a Singaporean company specialized in software. The deal amounted to USD 34 billions (*World Investment Report 2022: International Tax Reforms and Sustainable Investment 2022*).

#### 4.2.6 Correlation & P-Value

For the first analysis conducted the data taken into account are the overall score according to the International IP index and the Amount of Foreign Direct Investment as a percentage of the GDP:

**Correlation: 0.72741658**

**P-Value: 0.063922**

The second analysis is conducted also with the overall score but with the amount of Foreign Direct Investment in USD:

**Correlation: 0.761083523**

**P-Value: 0.046891402**

Other calculation of correlation and P-Values were conducted with individual indexes such as patent, trademarks, copyrights and enforcement were conducted but no relevant results were found.

### 4.3 Philippines

The Philippines are trying to become a leading player for Intellectual Property Rights, recognizing that innovation and creativity are engines of economic growth. This will delve on the core aspects of the Philippines Intellectual Property Rights regimes, outlining the national strategy, the types of Intellectual Property protection offered and the associated procedures.

In 2020, the Philippines launched the National Intellectual Property Rights Strategy (NIPS) 2020-2025. It serves as the roadmap for the country's Intellectual Property Rights development.

This plan, implemented by the Intellectual Property Office of the Philippines outlines some key goals such as strengthening the legal framework by continuously evaluating and refining Intellectual Property Rights laws to ensure they remain aligned with the current technologies or business models. It also aim at combating Intellectual Property infringement and counterfeiting to protect creators and innovators. Furthermore, the NIPS strategy positions the Philippine as a future competitive player in the global knowledge economy by fostering an environment that encourages creativity, attracts investment and increase economic growth.

### 4.3.1 Patent

In the Philippines a patent is issued by the government, it grants the exclusive right of use of the product to the applicant for twenty years from the filing date of application. The patented product or invention must be new, inventive and industrially applicable as stated by the Intellectual Property Office of the Philippines (*Patent | IPOPHL*).

There are seven main steps to apply for a patent in the Philippines (*Invention Registration Process Overview | IPOPHL*). The first one is to apply for the patent. Then for the second step, the application will be examined by the Intellectual Property Office of the Philippines to see whether it respects the conditions of a patentable invention.

For the third step named “Prior Art Search” they will search if there are any already existing patents, scientific publication or any publicly known product or process similar to the one that was proposed.

Following a successful prior art search, the application will be published for an opposition period of eighteen months. During this time, any third party can formally challenge the patentability of the invention.

The fifth step is a “substantive examination” meaning that the examiners will review one last time the application documents, including the claims and description. They may request additional information or clarification from the application if deemed necessary.

The next step, assumed that the application has successfully passed the earlier stages including the substantive examination, is the issuance of a letter patent certificate. This marks the successful conclusion of the patent process. The document is issued by the Intellectual Property Office of the Philippines and contains usually five main details: the name of the inventor(s), the invention title, the scope of protection, the issued date and the term of protection.

The last step is the publication of granted patents, which means that the patent is made accessible to the public.

The whole process of the application of the patent is thought to take approximately 48 months in the Philippines according to 2019 TAT Statistics as stated on the Intellectual Property Office of The Philippines.

In the Philippines, the cost of applying for a patent differs whether it is a big or small entity. The filing fee for patent application in the Philippines is PHP 2'000 (CHF 31.37) for small entities and PHP 4'320.00 (CHF 67.76) for large entities. The total cost of the process is thought to cost approximately PHP 6'500 (CHF 101.95) to small entities and PHP 11'800.00 (CHF 185.09) to big entities.

In order to maintain it, the applicant must pay annual fees from the 5<sup>th</sup> year that the patent has been implemented:

5 <sup>th</sup> year: PHP 1'550.00 (CHF 24.31)	13 <sup>th</sup> year: PHP 9'770.00 (CHF 40.37)
6 <sup>th</sup> year: PHP 2'000.00 (CHF 31.37)	14 <sup>th</sup> year: PHP 11'900.00 (CHF 48.62)
7 <sup>th</sup> year: PHP 2'580.00 (CHF 40.37)	15 <sup>th</sup> year: PHP 13'970.00 (CHF 64.94)
8 <sup>th</sup> year: PHP 3'100.00 (CHF 48.62)	16 <sup>th</sup> year: PHP 15'980.00 (CHF 81.09)
9 <sup>th</sup> year: PHP 4'140.00 (CHF 64.94)	17 <sup>th</sup> year: PHP 18'050.00 (CHF 40.37)
10 <sup>th</sup> year: PHP 5'170.00 (CHF 81.09)	18 <sup>th</sup> year: PHP 21'670.00 (CHF 48.62)
11 <sup>th</sup> year: PHP 6'670.00 (CHF 104.62)	19 <sup>th</sup> year: PHP 26'040.00 (CHF 64.94)
12 <sup>th</sup> year: PHP 8'280.00 (CHF 31.37)	20 <sup>th</sup> year: PHP 31'222.00 (CHF 81.09)

While the filing fee and annuity fees are the primary costs all applicants encounter, additional fees may apply based on specific requests during the patent process. Such as the lawyer's fees for a patent application (between USD 5'000 and USD 10'000).

### 4.3.2 Trademark

Trademarks are an essential tool for businesses in the Philippines to preserve their brand identity and maintain customer trust. The registration process is administered by the Intellectual Property Office of the Philippines.

A trademark cannot be registered if it is considered “immoral, deceptive or scandalous...” according to the section 123 of the Intellectual Property Code of the Philippines (*Republic Act No. 8293 | GOVPH 1997*).

The fees amount depends on the applicant's entity size, determined by their total assets. Companies with assets valued under PHP 100 million are considered small entities, while those exceeding this threshold are classified as large entities (*Trademark Maintenance | IPOPHL*).

There are five main steps to apply for a trademark in the Philippines (*Trademark Registration Process Overview | IPOPHL*). The first one being the application for registration, it must contain the applicant's name, address, nationality or state of residency and the information on the product that is trademarked (*How to register for a Trademark in the Philippines*). The application cost PHP 1'200.00 (CHF 19.03) for small entities and PHP 2'592.00 (CHF 41.11) for big entities.

The second step is the formality and substantive examination where the Intellectual Property Office of the Philippines searches if there is an already existing or similar trademark.

For the third step, the trademark is published during thirty days to enable any oppositions, this cost PHP 900.00 (CHF 14.27) for small entities and PHP 960.00 (CHF 15.23) for big entities.

Then, in the absence of any opposition within the specified time frame, the Intellectual Property Office of the Philippine will grant the trademark registration. The applicant receives a certificate of registration, officially recognizing its exclusive ownership for ten years.

For the last step, the trademark is published officially by the IPOPHL. All of this process is estimated to take 3.4 months according on statistics of 2019 TAT.

The duration of protection is indefinite but it must be renewed every ten years. Moreover, for a trademark, a maintenance and renewal fees are required. These must be paid as followed:

- 3<sup>rd</sup> year after application
  - Small Entity: PHP 900.00 (CHF 14.27)
  - Big entity: PHP 1'920.00 (CHF 30.45)
- 5<sup>th</sup> year after application and each 5<sup>th</sup> anniversary
  - Small Entity: PHP 1'100.00 (CHF 17.45)
  - Big entity: PHP 2'400.00 (CHF 38.06)
- Renewal
  - Small Entity: PHP 1'100.00 (CHF 17.45)
  - Big entity: PHP 2'400.00 (CHF 38.06)

### 4.3.3 Copyright

According to the section 172 of the Intellectual Property Code of the Philippines a copyright grants protection to the owners of original works within the literary, scientific and artistic domain. An “original work” refers to an intellectual creation such as:

- Literary work (Books, articles, dissertations...)
- Musical work (Musical composition, lyrics...)
- Artistic work (Paintings, sculptures, photographs, drawings...)
- Films
- Computer programs
- Mobile applications

The protection concept is automatic in the Philippines copyrights law (*Copyright | IPOPHL*).

While the protection is automatic, a registration is possible to the Intellectual Property Office of the Philippines. With this the author is provided a copyright certificate that can be used as an evidence of ownership, proving the validity of the protection in court if needed. Furthermore, it creates a public record making it easier to track any infringement and enforce actions against it.

The duration of protection is usually for the lifetime of the authors and fifty years after. In case the work is anonymous, the protection is of fifty years from the date of publication of the work. There are some variations depending on the type of work that is protected, which is all listed at the section 213 of the Intellectual Property Code of the Philippines.



#### 4.3.4 International IP index

**Table 11 International IP Index – 2016 (Pugatch, Chu, Torstensson 2017)**

Year 2016	Rank	Score
Overall score	34/45	33.66%
Patent	30/45	34.37%
Copyrights	33/45	25.43%
Trademarks	34/45	55.00%
Design Rights	N/A	N/A
Trade secrets	35/45	25.00%
Commercialization	N/A	N/A
Enforcement	35/45	23.57%
Systemic efficiency	N/A	N/A
Membership	32/45	25.00%

**Table 12 International IP Index – 2017 (Pugatch, Chu, Torstensson 2018)**

Year 2017	Rank	Score
Overall score	38/50	34.50%
Patent	31/50	40.62%
Copyrights	41/50	25.43%
Trademarks	39/50	47.50%
Design Rights	N/A	N/A
Trade secrets	46/50	12.50%
Commercialization	41/50	33.33%
Enforcement	40/50	23.86%
Systemic efficiency	30/50	66.66%
Membership	40/50	25.00%

**Table 13 International IP Index – 2018 (Pugatch, Torstensson 2019)**

<b>Year 2018</b>	<b>Rank</b>	<b>Score</b>
Overall score	37/50	36.00%
Patent	30/50	40.62%
Copyrights	41/50	25.43%
Trademarks	39/50	47.50%
Design Rights	N/A	N/A
Trade secrets	44/50	16.66%
Commercialization	38/50	36.00%
Enforcement	40/50	23.71%
Systemic efficiency	23/50	75.00%
Membership	41/50	25.00%

**Table 14 International IP Index – 2019 (Pugatch, Torstensson 2020)**

<b>Year 2019</b>	<b>Rank</b>	<b>Score</b>
Overall score	37/53	39.94%
Patent	34/53	47.22%
Copyrights	44/53	25.43%
Trademarks	32/53	56.25%
Design Rights	47/53	42.50%
Trade secrets	49/53	16.67%
Commercialization	41/53	36.17%
Enforcement	44/53	23.86%
Systemic efficiency	24/53	70.00%
Membership	35/53	42.86%

**Table 15 International IP Index – 2020 (Pugatch, Torstensson 2021)**

<b>Year 2020</b>	<b>Rank</b>	<b>Score</b>
Overall score	38/53	39.81%
Patent	34/53	47.22%
Copyrights	44/53	25.43%
Trademarks	33/53	56.25%
Design Rights	49/53	42.50%
Trade secrets	49/53	16.67%
Commercialization	40/53	36.17%
Enforcement	45/53	22.94%
Systemic efficiency	24/53	70.00%
Membership	36/53	42.86%

**Table 16 International IP Index – 2021 (Pugatch, Torstensson 2022)**

<b>Year 2021</b>	<b>Rank</b>	<b>Score</b>
Overall score	37/55	41.58%
Patent	33/55	47.22%
Copyrights	40/55	32.57%
Trademarks	24/55	62.50%
Design Rights	51/55	42.50%
Trade secrets	51/55	16.67%
Commercialization	41/55	36.17%
Enforcement	46/55	24.86%
Systemic efficiency	24/55	70.00%
Membership	39/55	42.86%

**Table 17 International IP Index – 2022 (Pugatch, Torstensson 2023)**

Year 2022	Rank	Score
Overall score	37/55	41.58%
Patent	33/55	47.22%
Copyrights	41/55	32.57%
Trademarks	24/55	62.50%
Design Rights	45/55	42.50%
Trade secrets	44/55	16.67%
Commercialization	41/55	36.17%
Enforcement	46/55	24.86%
Systemic efficiency	22/55	70.00%
Membership	36/55	42.86%

**Table 18 International IP Index – 2023 (Pugatch, Torstensson 2024)**

Year 2023	Rank	Score
Overall score	37/55	41.58%
Patent	33/55	47.22%
Copyrights	43/55	32.57%
Trademarks	25/55	62.50%
Design Rights	46/55	42.50%
Trade secrets	44/55	16.67%
Commercialization	41/55	36.17%
Enforcement	45/55	24.86%
Systemic efficiency	23/55	70.00%
Membership	36/55	42.86%

The International IP Index of 2023 attributed 4 main weaknesses to the Philippines :

1. Barriers to licensing and technology transfer;
2. Significant gaps in life sciences and content-related Intellectual Property Rights;
3. Online piracy, low digital protection;
4. Software piracy is estimated at 64% by the Bank Secrecy Act (BSA)

#### 4.3.5 Foreign Direct Investment

In this section, as for Singapore, we will find two main tables showing the amount Foreign Direct Investment, first in the amount in USD of net inflow and secondly as a percentage of the GDP of the Philippines. This will help to have a more global view.

**Table 19 FDI Philippines – Net inflows (*World Bank Open Data*)**

Year	Amount in USD	Year	Amount in USD
1991	544'000'000.00	2007	2'918'724'840.50
1992	228'000'000.00	2008	1'340'027'563.20
1993	1'238'000'000.00	2009	2'064'620'677.77
1994	1'591'000'000.00	2010	1'070'386'939.92
1995	1'478'000'000.00	2011	2'007'150'725.40
1996	1'517'000'000.00	2012	3'215'415'155.44
1997	1'222'000'000.00	2013	3'737'371'739.85
1998	2'287'000'000.00	2014	5'739'574'024.13
1999	1'829'000'000.00	2015	5'639'155'961.87
2000	1'487'000'000.00	2016	8'279'548'274.89
2001	760'000'000.00	2017	10'256'442'398.88
2002	1'769'000'000.00	2018	9'948'598'823.97
2003	492'000'000.00	2019	8'671'365'873.66
2004	592'000'000.00	2020	6'822'133'290.82
2005	1'664'000'000.00	2021	11'983'363'327.48
2006	2'707'414'996.80	2022	9'365'998'303.16

**Table 20 FDI Philippines – Percentage of GDP (*World Bank Open Data*)**

Year	Amount in %	Year	Amount in %
1991	1.050514594	2007	1.871212459
1992	0.37734395	2008	0.737800589
1993	1.995598427	2009	1.173248212
1994	2.174705331	2010	0.51369805
1995	1.74612998	2011	0.856963003
1996	1.6027794	2012	1.227630007
1997	1.298531312	2013	1.316426384
1998	3.070111177	2014	1.929375228
1999	2.135679994	2015	1.840180107
2000	1.777224529	2016	2.598508035
2001	0.962985444	2017	3.122387784
2002	2.098275045	2018	2.868338261
2003	0.565263243	2019	2.301174986
2004	0.623144778	2020	1.885863632
2005	1.549060092	2021	3.040788553
2006	2.120918865	2022	2.31668598

We can see that the Philippines have also been impacted by the fall of the global Foreign Direct Investment in 2018 (UNCTAD 2019).

In 2021, the Philippines received a Foreign Direct Investment for the project “Prime infrastructure Waste-to-Fuel Biorefinery Project” amounting to USD 424 millions of dollars (*World Investment Report 2022: International Tax Reforms and Sustainable Investment 2022*). A project concerning the renewable energy of biochar.

#### 4.3.6 Correlation & P-Value

For the first statistical analysis conducted the data taken into account are the overall score according to the International IP index and the amount of Foreign Direct Investment as a percentage of the GDP:

**Correlation: -0.40301579**

**P-Value: 0.37000086**

The second analysis is also conducted also with the overall score but with the amount of Foreign Direct Investment in USD :

**Correlation: 0.117897964**

**P-Value: 0.801387944**

Another statistical analysis was conducted with individual indexes and the net inflows of Foreign Direct Investment in USD. Other indexes score showed no relevant results. On the other hand, these results were found for the enforcement score :

**Correlation: 0.762521398**

**P-Value: 0.046227793**

All these findings will be useful to the statistical analysis of this thesis.

## 5. Discussion

### 5.1 Singapore

This section examines the fundamentals of the Intellectual Property Rights policies in Singapore, majorly focusing on the national strategy, type of protection under Intellectual Property and the appropriate procedures. Singapore has become one of the pivotal players in the field of Intellectual Property Rights. It has designed a very strong framework that is able to support innovative ideas.

#### 5.1.1 Strategy & Treaties

SIPS 2030 is an ambitious plan to reorient and make Singapore the global strategic hub for Intellectual Property Rights. Through legal reforms, business support and skills, Singapore will offer an environment that would spur innovation and therefore become a prime destination for investments.

Already, as part of its continuous effort to help businesses protect and manage their trade secrets, the Intellectual Property Office of Singapore is heavily promoting those guidelines and tools in response to the increased importance of Intellectual Property in the digital economy. The framework provides the general view of the principles through which a business would systematically disclose and communicate its intangible assets, including brand value and Intellectual Property in a manner that would allow stakeholders to compare information and assess a firm business and financial prospects.

Singapore will further enhance its reputation as a global Intellectual Property hub by becoming a safe place to settle Intellectual Property disputes. This will involve the provision of a full platform of dispute resolution services in administrative or judicial procedures, maintaining a business-friendly environment for Intellectual Property.

Apart from the legal framework for Intellectual Property Rights protection, Singapore has a multidimensional system that is focusing on assisting businesses in every step of the Intellectual Property value chain, from creation to commercialization. This system follows businesses on the Intellectual Property Rights path toward the creation of a new Intellectual Property.

Sensing the need that Intellectual Property Rights can be used to gain security, Singapore has launched focused Intellectual Property financing schemes. These schemes make capital available to support and finance some activities such as research and development, patent prosecution or the commercialization of new invention.

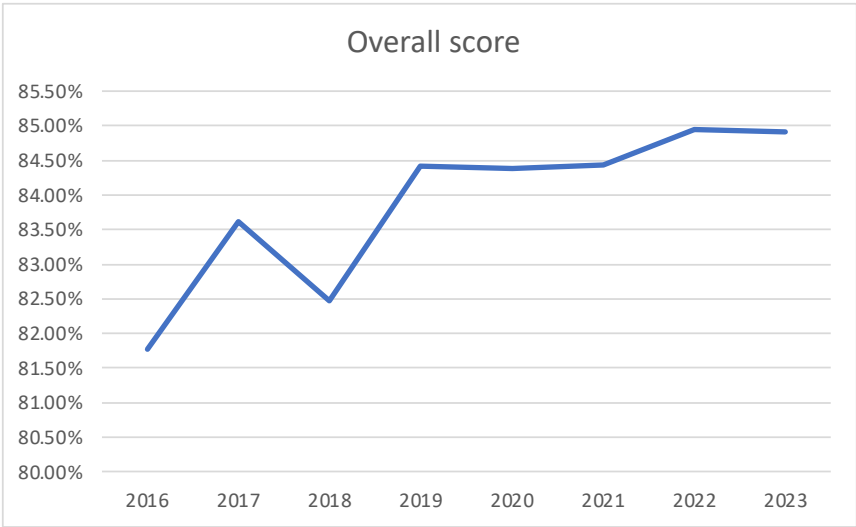


5.1.2 International IP Index & Foreign Direct Investment

Moreover, Singapore has proven its place among the best in the International IP Index. In 2023, Singapore ranked in the 12<sup>th</sup> position with an overall score of 84.92%. This shows the excellence that is maintained by this country, standing on top of the list for the patent ranking for seven years in a row.

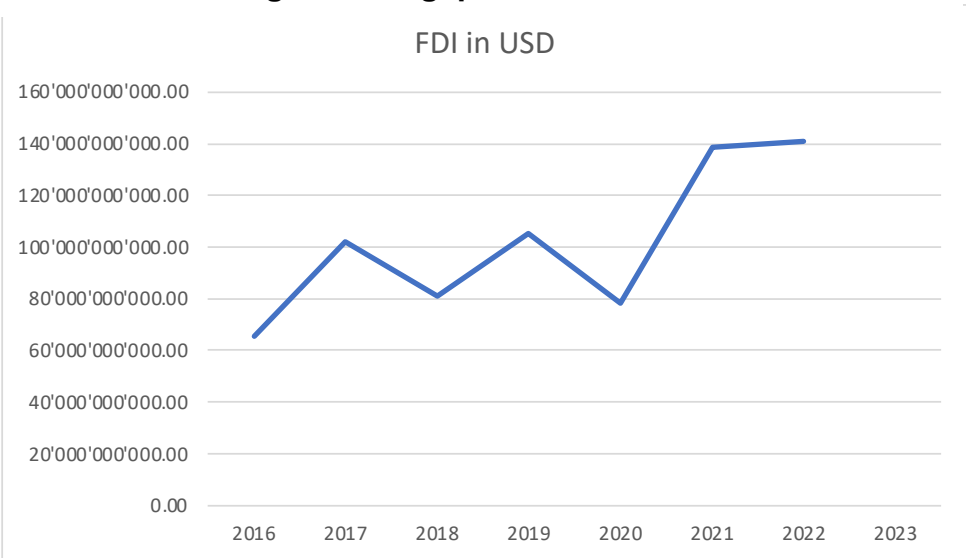
The graph below shows the overall score attributed by the U.S. Chamber of Commerce for the years 2016 to 2023:

Figure 1 Singapore – Overall Score



The graph below shows the net inflows of Foreign Direct Investment in Singapore for the same period:

Figure 2 Singapore – FDI in USD



By comparing these two graphs, an interesting trend emerges and both metrics exhibit a similar pattern.

The Overall Score and Foreign Direct Investment both grew from 2016 to 2017, suggesting a potential correlation. This could indicate that a rise in Singapore Intellectual Property Rights protection attracted more investors.

In 2018, the Overall Score and Foreign Direct Investment both dropped. But as stated in the result a reform in the U.S happened on tax that led to a lot of investors taking their investments back. Also during this year, some indicators have been added to the calculation of the Overall Score showing the underperformance in some sectors by Singapore, this explains the loss of 1.14% in its score.

In 2020 this is where there is the main difference. While the Overall Score of Singapore remained stable, the Net inflows of Foreign Direct Investment dropped significantly. This is most likely due to the Covid-19 pandemic. During the pandemic, International Trade was highly impacted and mostly stopped, explaining the sudden decrease of Foreign Direct Investment in Singapore this year.

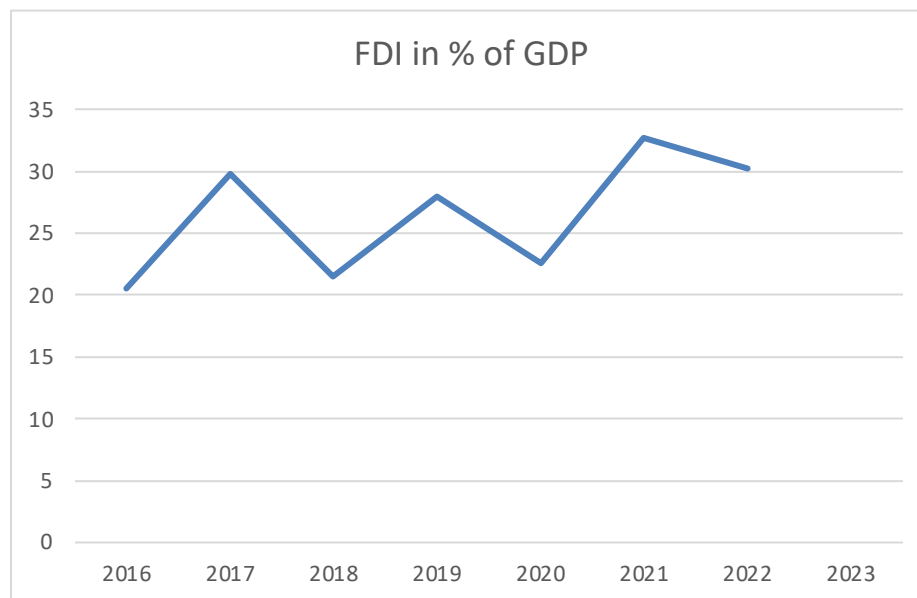
Interestingly, Foreign Direct Investment surged in 2021 to USD 138'544'182'411.39 representing USD 33 billion more than in 2019, and USD 60 billion more than in 2020. This can be explained by a regain of confidence after the pandemic of 2020, but also as stated in the results Singapore had a significant Merger & Acquisition happening in 2021 of USD 34 billion, significantly impacting the Foreign Direct Investment as one of the company were from the United States.

As of 2022, the Overall Score increased slightly, showing attempts on the part of Singapore to enhance their Intellectual Property Rights protection. The Foreign Direct Investments remained quite stable increasing by only USD 8 billion this year.

A longer time frame would be needed to understand better the relation between the Overall Score and Foreign Direct Investment. Additionally, more evidence is needed to understand what is driving these patterns.

The graph representing the Foreign Direct Investment in percentage of the GDP shows a similar pattern:

**Figure 3 Singapore – FDI in % of GDP**



### 5.1.3 Statistics

As stated in the results, a calculation of correlation and P-value using a regression method was done.

The correlation coefficient found between the Overall Score and the Foreign Direct Investment as a percentage of the GDP amounted to 0.72741658. When a correlation is close to 1 it means that there is a positive correlation between both variables. This means that as Singapore Intellectual Property Rights protection increases, the amount of Foreign Direct Investment has a significant chance to also increase.

On the other hand, the P-Value is a factor that indicates the statistical significance of any observed correlation. In this case, the P-Value of 0.063922 is slightly above 0.05 which means that even if the correlation calculated before was strong, the observed relationship could be due to a random chance.

Another correlation was calculated also with the Overall IP Score and Foreign Direct Investment but with the total amount in USD. The result found was 0.0761083523. The value is even higher than before, showing a higher correlation between both variables. Furthermore, the P-Value in this case is of 0.046891402 meaning that there is strong evidence that the observed is not due to random chance and that indeed improvements in Intellectual Property Rights do improve the amount of Foreign Direct Investment inflows in the country.

For Singapore, no significant correlations were found between the amount of Foreign Direct Investment in USD and the scores for patents, copyrights, trademarks or enforcement of Intellectual Property Rights.

An explanation to this would be that, Singapore already has exceptionally high scores with these indexes. As a reminder, in 2023, Singapore patents score was 97.22%, copyrights score was 96.29%, trademarks score was 75% and enforcement score was 73.14% and always ranking in the first quarter of the global score.

Because these scores are consistently high and show little variation over time, there is limited room for these scores to influence Foreign Direct Investment further. Essentially, the high baseline means that minimal improvements in Intellectual Property Rights protection are unlikely to significantly alter investment decisions.

Investors may also gain a high level of confidence in the Intellectual Property regime of Singapore. In such case, the sensitivity of Foreign Direct Investment is likely to reduce in response to changes in the International IP indexes score. The position of Singapore as a reliable and secure place for Intellectual Property Rights is already quite strong. In this regard, other factors such as market opportunity, regulatory policy or economic incentive should be looked at.

Indeed, for a mature Intellectual Property Rights environment, changes in the Intellectual Property score are likely to be too small to have a substantial impact on Foreign Direct Investment because, once again the basic protections already exist.

Together, all these factors would explain why the Foreign Direct Investment are less dependent on changes in the International IP scores and more certainly linked to other considerations.

## **5.2 Philippines**

This section explores the fundamental elements of the Intellectual Property Rights regime of the Philippines, including the national strategy, the type of protection available and the associated regulations. The Philippines have recently emerged as a significant player in Intellectual Property Rights. Realizing the importance of innovation and creativity, the country has developed a strong structure that fosters favorable conditions for firms and individuals.

### **5.2.1 Strategy & Treaties**

Although the Philippines Intellectual Property Code (Republic Act No. 8293) provides the baseline for protection, NIPS 2020-2025, which is a recent and ambitious initiative similar to the SIPS 2030 initiated by Singapore, which aims to place the Philippines among the leading nations in the field of Intellectual Property Rights.

One of the main problems in the Philippines is counterfeit and piracy. Despite making efforts to reinforce the legal framework around Intellectual Property Rights protection, the enforcement remains inconsistent, leading to violations.

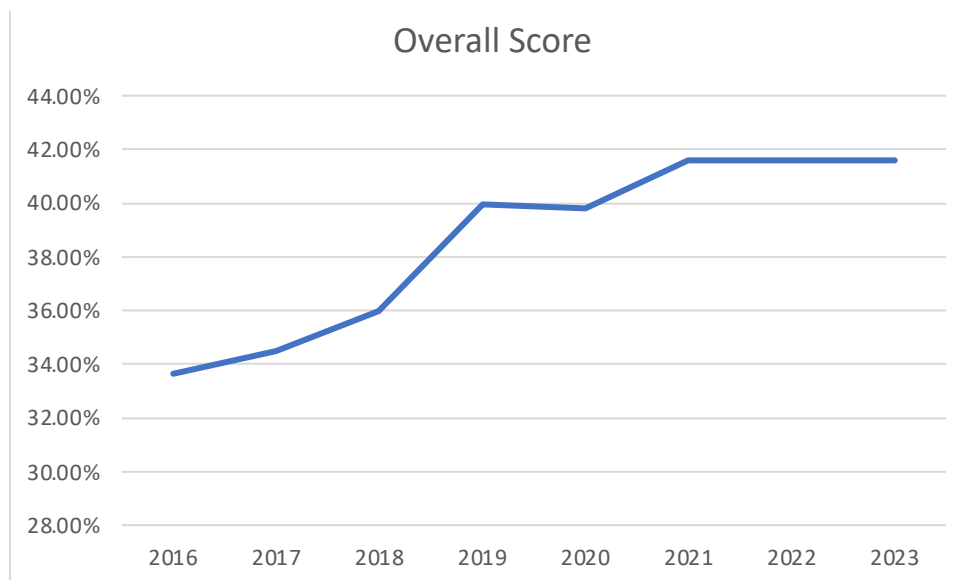
The prevalence of fake goods and digital piracy undermines an investor's confidence, since businesses face vast risks of losing Intellectual Property. The scenario can, therefore, very quickly limit Foreign Direct Investments since such companies invest so much money in carrying out research and development to come up with innovative products. When this Intellectual Property is being infringed, a company will risk having its innovation copied and sold in that market.

Furthermore, this level of piracy creates an unpredictable business environment, making it difficult for companies to plan and execute long-term investment strategies. This decreases their competitive position and thus lessens their attractiveness to invest in a country, leading eventually to a decrease in Foreign Direct Investment.

### 5.2.2 International IP Indexes & Foreign Direct Investment

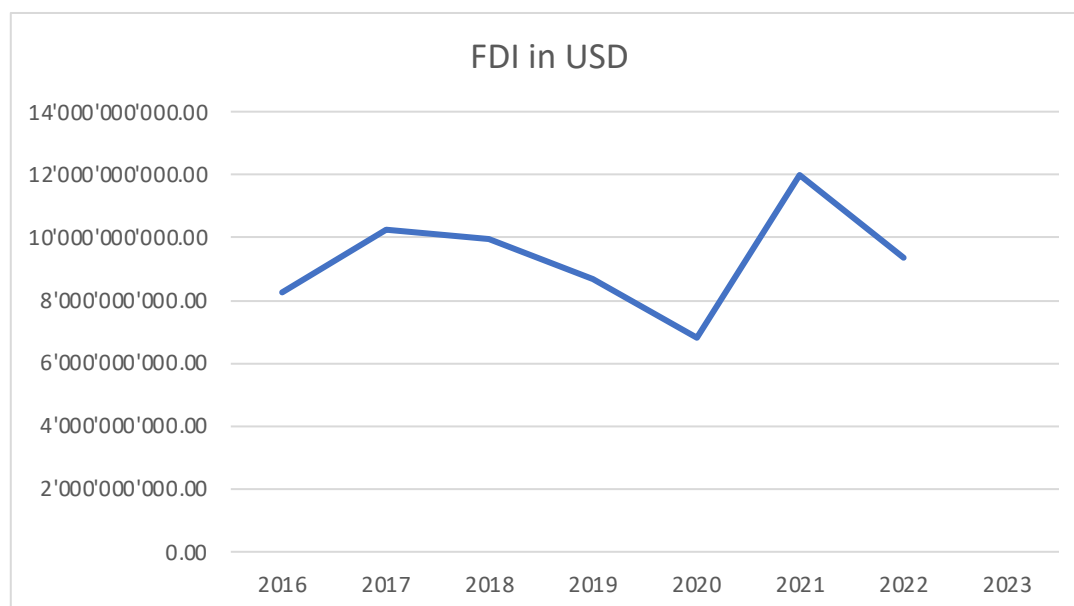
The graph below shows the overall score attributed to the Philippines by the U.S. Chamber of Commerce for the year 2016 to 2023:

**Figure 4 Philippines - Overall Score**



The graph below shows the total net inflows of Foreign Direct Investment for the same period:

**Figure 5 Philippines - FDI in USD**

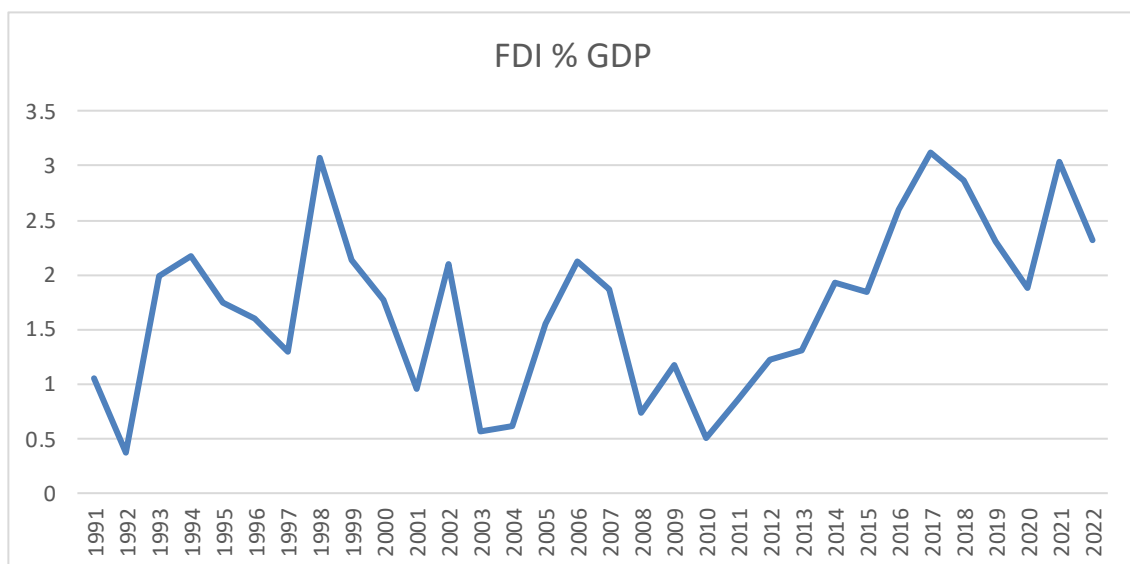


The Overall Score of the Philippines shows a growing trend from 2016 to 2019. This indicates improvements in the country Intellectual Property Rights' protection. It then stayed stable in 2020. With the Covid-19 pandemic it is possible that the Philippines slowed the enforcement of Intellectual Property Rights. In 2021, the score increased to 41.58% and stayed stable since then. We can note that the Philippines improved their score of almost 8% suggesting significant efforts to enhance the Intellectual Property Rights regime.

FDI grew of about USD 2 billion from 2016 to 2017. The FDI reached one of its highest level in 2017, however it fell back continuously the next years. FDI experienced a sharp drop in 2020, at the lowest level over this period. This significant drop is probably due to the worldwide economic repercussions of COVID-19. A surge happened in 2021 as the investments probably resumed after the pandemic. But then in 2022 FDI went down to USD 9 billion again.

From these observations, it is complicated to conclude that Foreign Direct Investment is related to Intellectual Property Rights protection because of the constant fluctuation of the Foreign Direct Investment. A longer period of observation would have helped determine it.

The graph below show the Foreign Direct Investment as a percentage of the GDP for a longer period:



This graph was taken to have a better view on the fluctuation of Foreign Direct Investment as a percentage of the GDP in the Philippines. We can see that from 2011 to 2017, there was a constant increase, showing that the amount of Foreign Direct Investment grew highly relatively to the economy's size during this period.

Then from 2017 to 2020, the Foreign Direct Investment as a percentage of the GDP declined noticeably. This downward trend could indicate reduced Foreign Direct Investment inflows, or a faster growth of the GDP compared to investments.

There was a noticeable rise in Foreign Direct Investment in 2021, but it was short-lived as it dipped again in 2022. Nevertheless, the decline observed was not the same for Foreign Direct Investment in USD as it remained stable during the same period. It suggests that the decrease in Foreign Direct Investment might be attributed to a more significant increase in GDP, outpacing the growth in Foreign Direct Investment.

### **5.2.3 Statistics**

Similarly to Singapore a correlation and P-Value using a regression method was calculated.

The correlation found between the Overall Score of the Philippines and the amount of Foreign Direct investment as a percentage of the GDP is negative (-0.40301579). This suggest that between those variable there is an inverse relationship, meaning that as the Overall Score increase, the Foreign Direct Investment as a percentage of the GDP would decrease.

Nonetheless, the P-Value found amounted to 0.37000086 that is significantly higher than the threshold accepted of 0.05. It indicates that this correlation is not significant statistically and that the observed relationship must be due to random chance.

For the correlation between the Overall Score and the Foreign Direct Investment in USD we found the result of 0.117807964. This low positive correlation could mean that there is no relationship between both variable.

For the P-Value, we found the result of 0.8013879, this is above the previously mentioned level, suggesting that the found correlation is not statistically significant. Meaning that the correlation found before is not relevant and do not proves anything.

To end this statistical analysis, we have found another correlation between the net amount in USD of Foreign Direct Investment and the enforcement score. The correlation found was of 0.7625212398 and the P-Value of 0.04622779.

This is one of the highest and strongest statistical findings we found in this research, which means that the level of enforcement of Intellectual Property Rights in the Philippines is strongly correlated to the amount of Foreign Direct Investment and that there is a minimal probability that the correlation occurred by chance.



It implies that an effective enforcement of Intellectual Property laws is a major factor in attracting Foreign Direct Investment. It is rational to state that investors would be more confident if their Intellectual Property are adequately protected from any infringement. The protections of innovations and brands makes the Philippines more attractive to companies looking to expand their operations.

This relationship enhance the fact that having strong Intellectual Property Rights is not the only important factor and that ensuring that these laws are effectively enforced is a major aspect to consider.

These results proves that investors place a high value on Intellectual Property Rights protection when investing in the Philippines. As stated before, the Philippines struggles with piracy and counterfeit, in the era of internet and digitalization of services the need for an effective copyrights protection has become more useful than ever. Investors in digital and creative sectors are more likely to invest in markets where their Intellectual Property is secure.

### **5.3 Comparative analysis**

This comparative analysis aims at contrasting the Intellectual Property Rights framework and Foreign Direct Investments trends of Singapore and the Philippines. This comparison will delve into the differences and similarities of approaches in both countries, shedding some light on how robust Intellectual Property Rights regimes can have an effect on Foreign Direct Investment and build confidence among investors.

#### **5.3.1 Costs**

By looking at the numbers in the result, we can easily see that the costs of maintenance and application rates for Intellectual Property Rights is significantly higher in Singapore than in the Philippines. This could be an incentive factor for inventors or investors to go to the Philippines in order to lower costs but we have seen during the research that Singapore stays a significant hub for Intellectual Property.

These are some factors that should be influencing investors to go to Singapore instead of the Philippines:

1. Singapore has a stronger economy, as the infrastructure is more developed making it a more attractive location for businesses that rely on Intellectual Property despite the higher cost;
2. The legal framework is stronger in Singapore assuring investors an effective protection;
3. Singapore Intellectual Property Rights Strategy supports innovation and has services that encourages businesses to file for Intellectual Property Rights.
4. The higher market confidence and potential returns, offsetting the higher costs, makes it a more appealing investment.

### **5.3.2 Statistical analysis**

Regarding the statistical analysis of both countries, we found interesting results for the correlation and P-Value between the Overall Score and the net inflows of Foreign Direct Investment in USD.

To begin with, both countries exhibit strong positive correlations between their Intellectual Property Rights Overall Score and the amount in USD of Foreign Direct Investments. However, the statistical significance of these correlations differs. By verifying the relevance of the correlation with the P-Value we saw that while Singapore correlation is statistically significant, Philippines correlations, though close, is not statistically significant.

It suggests that there is the need for more data and refined analysis to confirm the trend. The International IP index, unfortunately, began in 2012 but Singapore and the Philippines were not included. This index is the most relevant to this paper, as the Global Innovation Index includes a broader range of indicators, taking into account indicators such as the creation of knowledge, education or even the research and development expenditure.

On the other hand, while looking at more precise indexes such as patents score, copyrights score, trademark score and enforcement, we noted that Singapore's high and stable indexes imply a more mature Intellectual Property environment where further improvements have limited impact on additional Foreign Direct Investment.

In contrast, the Philippines show more variability in its copyrights score and enforcement score that both have a strong influence on Foreign Direct Investment.

In Singapore, even though there are minor modifications in the score of Intellectual Property Rights, the economic maturity of this country allows it to be at high levels of inflows of Foreign Direct Investment. Inversely, the Philippines, still developing their Intellectual Property Rights regime, see a more direct impact on Foreign Direct Investment.

## **5.4 Interviews**

In this section, we will delve into the key take away that has been obtained through different interviews.

To begin, Intellectual Property Attaché are deployed to different U.S. embassies to work on cross-border Intellectual Property systems enhancement and to serve U.S. stakeholders by advocating for an improvement of Intellectual Property policies.

Regarding the Intellectual Property enforcement issues the main concerns are counterfeiting and cyberpiracy. For instance, in 2024 the USTR Special 301 Report mentions Vietnam, Thailand and Indonesia in the Watchlist. The Philippines were removed from it in 2012. The interviewee stated that developments have been seen in the ASEAN region regarding Intellectual Property Rights law and its coordination among the member states.

Moreover, the ASEAN Intellectual Property Rights Action Plan has further increased the activity of Intellectual Property environment in the region, including the accession of member countries to international treaties, the creation of online Intellectual Property application or even the launch of the ASEAN Intellectual Property Register. This register is a portal regrouping all the Intellectual Property data of the region to make it easily accessible in the public in a way that is more efficient.

It has also been added that there is an evident variation of enforcement in Intellectual Property Rights among ASEAN countries. But the ASEAN IPR action plan, the Regional Comprehensive Economic Partnership (RCEP) and the TRIPS agreements aims at reducing these inconsistencies.

To summarize, the critical problems identified are counterfeit products, online piracy and punishment of the violators. More widely, though Southeast Asia has made giant steps in improving Intellectual Property laws and coordination, critical enforcement issues need to be fixed to create an assured and well-secured environment that will motivate global investments.

### **5.5 Limits of this research**

Although this study has offered great correlated evidence about the connexion between Intellectual Property protection and Foreign Direct Investment inflows into the ASEAN region, it remains confined within certain limits.

This study was limited to the Philippines and Singapore, meaning the results must be read with caution as they cannot be generalized to the entire ASEAN region. For this reason, future research should involve all ASEAN countries for a more general approach.

In addition to this, the statistical analysis was limited to the years 2016 to 2023 due to data availability from the International Intellectual Property Index. This short time period may not account for longer-term movements in Intellectual Property Rights protection and Foreign Direct Investment inflows.

Moreover, the analysis was restricted due to the absence of data on the Foreign Direct Investment of specific sectors in the Philippines and Singapore. A better understanding of how protection of Intellectual Property affects different sectors and industries may deliver more nuanced insights.

In the end, the study did not control for other economic, political and governance quality factors that may affect Foreign Direct Investment. Crucially, economic stability, political climate and the regulatory environment are among key determinants of Foreign Direct Investment. Nevertheless, these criteria were not taken into account in the analysis and their omission may lead to an overestimation or underestimation of the impact of IP protection on FDI.

## 6. Conclusion

To conclude, this research emphasize on the critical role of strong Intellectual Property Rights protection to attract Foreign Direct Investment in the ASEAN region, with a focus on the Philippines and Singapore. The results reveal that effective Intellectual Property Rights enforcement, especially in the areas of copyrights and general enforcement has a positive effect on Foreign Direct Investment.

For the Philippines, Foreign Direct Investment is estimated to be strongly correlated with both copyrights protection and enforcement scores proving that investors highly value these aspects. Counterfeiting and piracy issues remains an issue, which points out a need for further improvements in these areas. Differences and improvements across the country in the International Intellectual Property Right indexes suggest that further progress could generate large additional Foreign Direct Investment gains.

In contrast, Singapore's already high International Intellectual Property Rights indexes over the years and the stability of its legal framework represent a well-established Intellectual Property Rights environment where small improvements have limited impact on Foreign Direct Investment.

However, a positive correlation was observed between the Overall Score and the net amount of Foreign Direct Investments, indicating that improvements in Singapore's already high Intellectual Property score still have some influence on attracting investment. The absence of strong correlation with specific Intellectual Property Rights scores suggests that there may be several different factors influencing the investment in an Intellectual Property regime. For instance, general economic considerations such as strategic location, developed infrastructure, strong financial sector and political stability can be more relevant than the implementation of Intellectual Property Rights.

Moreover, net inflows of Foreign Direct Investments may be more responsive to sector-specific conditions being experienced individually relative to the International IP scores. For instance, investments in technology are likely to be in response to specific data protection or cybersecurity policies or digital regulation which are not comprehensively reflected in the International Intellectual Property Index of the U.S. chamber of commerce.

In the same way, investors in the pharmaceutical sector typically rely on strong patent protection and lengthy approval processes for new drugs that monopolize competition from generic makers.

The manufacturing sector, by contrast, might be influenced more by the business environment such as labor laws and environmental regulations or industrial presence.

Furthermore, the tax regulations in the country is a highly relevant factor that can influence an investor to decide whether it wants to invest in a country or not. These factors can be taken into account: competitive tax rates, tax incentives, and tax treaties with other. Lower corporate tax rates and favorable tax policies can attract multinational companies looking to minimize their tax liabilities.

This means that though the International IP Index could provide a good general indication of IPR protection, it might miss out other sorts of regulatory environment influencing how firms would choose foreign direct investment in different sectors.

The comparative analysis between the two countries indicates that, while Singapore has the overall advantage of an established Intellectual Property Rights regime, the Philippines will gain more from focused improvements in certain distinct areas of Intellectual Property Rights protection. This comparison enables to see how countries that are at a different stage of economic development can gain certain benefits from improving their Intellectual Property frameworks.

This more nuanced view of the scenario could help policymakers and potential stakeholders in creating strategies to improve Intellectual Property Rights regimes in order to attract more Foreign Direct Investments.

Overall, while this thesis delivers meaningful insights into the role of Intellectual Property Rights in attracting Foreign Direct Investment into ASEAN countries, it has some limitation as mentioned before. Some follow-up studies that focus on additional ASEAN case studies covering a longer time period could help substantiate these results and give a more complete picture of this relation. In addition, research on additional economic and political variable could enrich the analysis and provide a wider understanding of the factors influencing Foreign Direct Investments in the region.

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## **Use of Artificial Intelligence-assisted tools**

In the context of this work, the author declares having used Artificial Intelligence-assisted tools for the following purposes:

- Substantive reflections (production of analysis, recommendations)  
Mention of AI tools used: Gemini \_\_\_\_\_,
- Data collection and interpretation  
All the statistical calculations were performed using Excel.

## Appendix 1 - Chatbot conversations used in this research

*Footnote Error! Bookmark not defined., page 6, details of chatbot used*

### Prompt:

Do you have some relevant sources for the Foreign Direct Investment in Singapore ?

### Gemini

Absolutely, here are some relevant sources you can explore for your research on FDI in Singapore:

#### Government Agencies:

- **Singapore Economic Development Board (EDB):** <https://www.edb.gov.sg/>  
This is the primary government agency responsible for attracting foreign investment to Singapore. Their website provides valuable information on Singapore's FDI policies, incentives, and key sectors attracting investment.

#### International Organizations:

- **World Bank:** <https://data.worldbank.org/> The World Bank offers data and reports on Foreign Direct Investment globally, including data specific to Singapore. You can find statistics on FDI inflows, stock of FDI, and source countries.
- **United Nations Conference on Trade and Development (UNCTAD):** <https://unctad.org/statistics> UNCTAD is a UN body specializing in trade and development. Their website provides data and research on FDI trends, including reports analyzing FDI patterns in Southeast Asia and specific countries like Singapore.

#### Research Papers and Articles:

- Search academic databases like Google Scholar, JSTOR, or ScienceDirect using keywords like "FDI Singapore," "Foreign Direct Investment Singapore," "Impact of FDI on Singapore," etc. This will help you find scholarly articles and research papers analyzing different aspects of FDI in Singapore.

#### News Articles and Industry Reports:

- Look for recent news articles and industry reports on FDI trends in Singapore. Major financial news outlets like The Economist, Bloomberg, or The Financial Times often cover developments related to FDI in key economies like Singapore.
- Consulting firms like McKinsey & Company, PwC, or KPMG might publish reports on the Singaporean investment climate or specific sectors attracting FDI.

**Additional Resources:**

- **Intellectual Property Office of Singapore (IPOS):** <https://www.ipos.gov.sg/>  
While not directly related to FDI, understanding Singapore's intellectual property regime can be relevant in the context of attracting foreign investment in knowledge-based industries. IPOS is responsible for administering patents, trademarks, and other forms of intellectual property protection in Singapore.

Remember to evaluate the credibility and source of information when using online resources. Scholarly articles and publications from reputable organizations tend to offer the most reliable and in-depth analysis.

## Appendix 2 – Interview of Bangkok U.S. Embassy IP attaché Mr. Matthew Kohner

\* Please note that the answers below represent his individual views and should not be attributed to the U.S. Patent and Trademark Office, U.S. Embassy Bangkok or other U.S.G. agencies.

Questions	Answers
<i>Could you elaborate on your role as an IP specialist attaché in Bangkok? What are your primary responsibilities in Southeast Asia?</i>	<p>Intellectual property (IP) Attachés are located in U.S. Embassies and Consulates around the world and work to improve IP systems internationally by directly assisting U.S. stakeholders (such as businesses, legal representatives, and rights holders) and by advocating, for the benefit of U.S. stakeholders, to improve IP policies, laws, and regulations abroad. Services include: raising issues with foreign government officials, providing training on IP law, enforcement, and administration, conducting public awareness programs, and presenting and explaining U.S. government positions.</p> <p>IP Attachés also provide information to help U.S. stakeholders entering foreign markets or conducting business abroad, including: how to navigate foreign laws and regulations, how foreign courts and governments work, and how to protect and enforce IP abroad. There are currently 13 IP Attaché Posts worldwide and more information on the IP Attaché Program can be found on the USPTO website.</p>
<i>How would you describe the current state of IP enforcement in Southeast Asia? Are there any specific countries that stand out in terms of their effectiveness?</i>	<p>Like many places in the world, IP enforcement in some parts of Southeast Asia can be challenging, especially with respect to counterfeiting and online piracy. For example, the Office of the United States Trade Representative (USTR) which issues an annual Special 301 Report on the adequacy and effectiveness of U.S. trading partners' protection and enforcement of IP rights, noted three Southeast Asian countries in the 2024 Special 301 Report issued last month. Specifically, Vietnam and Thailand were included on the Watch List, and Indonesia was included on the Priority Watch List, indicating U.S. Government concerns with each country's IP protection and enforcement regimes.</p> <p>However, I note that in recent years there have been significant improvements throughout the region. For example, we have seen developments in local and regional IP policies, improvements in countries' IP laws and regulations (e.g., Singapore, Thailand, Vietnam, Malaysia and others have recently updated parts of their IP laws), and increased coordination among ASEAN Member States (AMS). Further, in particular regard to the Special 301 Report, several countries have come off the list or been upgraded in the past ten years or so. Malaysia was removed from the Watch List in 2012 and the Philippines, which at one time was a Priority Watch List country, has been off the list entirely for a decade. Additionally, Thailand improved from the Priority Watch List to Watch List in 2018 and is making significant efforts to come of the list entirely. So overall, we are seeing improvement in the region historically.</p>
<i>The ASEAN Intellectual Property Action Plan 2016-2025 aimed to create a more robust IP environment. What has been the impact of this plan, and are there any ongoing initiatives to further strengthen IP cooperation within ASEAN?</i>	<p>The current ASEAN IPR Action Plan has contributed to improvements in the IP environment in ASEAN and closer cooperation among ASEAN Member States (AMS). The current Action Plan has four strategic goals:</p> <ul style="list-style-type: none"> <li>o Provide a robust IP system by strengthening IP Offices and building regional IP infrastructure</li> <li>o Provide regional IP platforms and infrastructure for the ASEAN community</li> <li>o Provide an expanded and inclusive ASEAN IP ecosystem</li> <li>o Promote asset creation and commercialization</li> </ul> <p>Each of these goals is to be implemented via a series of initiatives. For example, the first goal of strengthening IP Offices and building regional IP infrastructure, includes initiatives such as acceding to international IP treaties, like the Patent Cooperation Treaty, the Madrid System for Trademarks and the Hague Agreement for Industrial</p>

	<p>Designs. Towards this goal, all ASEAN countries, except Myanmar, have already joined the PCT and Madrid systems. Further, regarding the Hague Agreement, which allows applicants to file in multiple countries under a single international system, currently four ASEAN countries have acceded. The remaining countries are working towards accession with at least one more country planning to join this year.</p> <p>Further, the second goal in the IPR Action Plan includes initiatives, such as implementing online filing for IP applications and ensuring IP Office's databases and relevant information is easily accessible to the public. Almost all countries in ASEAN now have online filing for IP applications. Additionally, in August 2023, ASEAN, in collaboration with the World Intellectual Property Organization (WIPO), launched the ASEAN IP Register. The ASEAN IP Register is a "one-stop" IP information portal incorporating IP data from all ten AMS so that the public can search patents, trademarks, and designs more efficiently. In my view, developments related to the strategic goals of the ASEAN IPR Action Plan, such as those mentioned above, have improved the IP environment in the region.</p> <p>Regarding ongoing initiatives to further strengthen IP cooperation within ASEAN, one example is related to the IPR Action Plan's third goal, which includes IP enforcement related initiatives like implementing a Regional Action Plan on IPR Enforcement. The ASEAN Network of IPR Enforcement Experts (AINEE), which is a group of IP officials, investigators and prosecutors throughout Southeast Asia, is responsible for implementing the IP enforcement initiatives of the Regional Action Plan on IPR Enforcement. AINEE is currently exploring whether a single Memorandum of Understanding (MOU) between e-commerce platforms and all the countries in ASEAN could be instituted to help address the sale of counterfeit goods on such platforms in the region.</p>
<i>Is there really differences between the application of IPR in ASEAN countries?</i>	<p>Yes, there are differences between the application of IPR in ASEAN countries. Just consider, for example, USTR's Special 301 Report. However, at the same time, there are efforts to increase the harmonization of IPR within ASEAN. For example, the current ASEAN IPR Action Plan 2016-2025 notes ASEAN Member States' intention to align national laws and policies on IP. Further, trade agreements like the Regional Comprehensive Economic Partnership (RCEP), which includes all the ASEAN Member States, is intended to reduce hindrances to trade and investment, including, in part, by ensuring countries meet certain commitments with respect to IP protection and enforcement. Specifically, RCEP, which came into force in 2022, seeks to harmonize IP laws, with a focus on ensuring countries meet obligations in key IP treaties, such as The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), and other multilateral agreements.</p>
<i>How does the strength of a country's IP regime (enforcement, legal framework) influence foreign direct investment decisions in Southeast Asia?</i>	<p>A country's IP regime is something that businesses and IP stakeholders consider when deciding whether to invest that that country. For example, the U.S. Department of State annually issues Investment Climate Statements for more than 165 countries and economies to help U.S. companies make informed business decisions. One of topics included in the Investment Climate Statements is Intellectual Property Rights. To that point, IP rightsholders looking to invest in a country want to know if their IP will be protected and enforceable. Accordingly, they consider whether a country has an IP legal framework and IP enforcement environment that provides some level of certainty with respect to IP rights.</p> <p>The countries in Southeast Asia recognize how IP affects investment. For example, over 15 years ago, around 2008, the ASEAN Economic Community Blueprint noted that IP policy can influence both the volume and quality of external trade and investment. AMS continue to develop IP policy and regimes that will promote investment. For instance, as discussed above, under RCEP which is intended to reduce hindrances to trade and investment, AMS will meet certain commitments with respect to IP protection and enforcement. Further, countries throughout Southeast Asia are adopting national IP strategies which, in part, are envisioned to enhance economic development.</p>
<i>Have you observed any instances where weak IP protection has</i>	<p>As discussed before, IP rightsholders who are looking to invest in a country want to know if their IP will be protected and enforceable. If a jurisdiction has a weak IP protection and enforcement environment, then it can be a major consideration for an IP-</p>

<i>deterred foreign companies from investing in specific Southeast Asian countries?</i>	dependent company as to whether it will invest there. I have seen instances where IP concerns have affected IP stakeholder behavior in particular jurisdictions. For example, we have seen foreign companies make decisions, based, at least in part on IP protection and enforcement issues, about whether to invest in a particular jurisdiction, pivot to another jurisdiction in the region, or leave a jurisdiction entirely.
<i>Are there any specific government initiatives or policies in Southeast Asian countries aimed at attracting FDI in certain sectors?</i>	As I mentioned above, countries throughout Southeast Asia, such as Singapore, Thailand, Vietnam, and Malaysia have developed national IP strategies, some of which include a specific focus on activities for attracting investment. For example, Malaysia's National IP Policy includes a section directed to the promotion of foreign investment and technology. Further, in 2021, Singapore launched the Singapore Intellectual Property Strategy 2030, which builds off an IP Hub Master Plan that Singapore issued more than a decade ago in 2013. SIPS 2030 aims to further strengthen Singapore's position as a global hub for Intangible Assets and IP and to attract and grow innovative enterprises using IA and IP. This initiative is also in line with the country's currently National AI Strategy 2.0, which is designed to establish Singapore as a leader in artificial intelligence.
<i>From your perspective, what are the biggest challenges faced by companies seeking IP protection in Southeast Asia?</i>	Some of the biggest IP challenges in Southeast Asia are the same challenges that we see in other parts of the world as well, and they relate to IP enforcement. For example, the availability of counterfeit goods, particularly online (e.g., via e-commerce or social media sites) is an issue. Further, online piracy (i.e., the unauthorized and infringing use of copyrighted digital content) is another challenge. Finally, the lack of deterrent-level penalties for IP violations to dissuade such IP crime is also a concern. The 2024 Special 301 Report highlights these and other IP challenges faced by companies in Southeast Asia. For example, in Indonesia, challenges include insufficient enforcement against counterfeit goods, lack of deterrent-level penalties for IP infringement in physical markets and online, and ineffective border enforcement. In Thailand, the Report cites that the availability of counterfeit goods (particularly online), insufficient enforcement and deterrence against online piracy and a backlog of pending patent applications in particular sectors. In Vietnam, the Report notes trafficking of pirated and counterfeit goods through e-commerce sites and elsewhere online continues to grow, and that Vietnam has increasingly become a leading source of online piracy.



## Appendix 3 – Interview of a Specialist in International Trade analysis Mr. Keith E. Maskus

\* Due to technical issues, the original recording of the interview with Mr. Keith E. Maskus is unavailable.

Questions
<i>Could you tell me about what initially drew you to this area of research ?</i>
<i>When analyzing the relationship between IPR and FDI, what are some of the most robust empirical models or methodologies to consider?</i>
<i>Are there any specific data sources or indicators you would recommend for measuring the effectiveness of IPR enforcement in attracting FDI?</i>
<i>Can you explain the fundamental relationship between strong IPR regimes and increased FDI inflows?</i>
<i>What major trends have you observed in the relationship between IPR protection and FDI in developing countries?</i>
<i>What are your recommendations for further research on the impact of IPR on FDI in Southeast Asia?</i>