

Information Technology for Easy Access to IPR Registration for SMEs in Yogyakarta

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Abstract: The existence of SMEs in Indonesia is very rapid, where each year produces extraordinary innovation products from creativity that has high economic value. In addition, the existence of SMEs is also believed to have a tremendous impact on a country's economic income. Because SMEs are strongly associated with creative industries that always create innovation and high creativity, legal protection is needed for their intellectual property. To simplify the SME registration procedure, it requires a touch of information technology so that SMEs can quickly and easily access IPR registration. This paper seeks to provide a website-based strategy for increasing IPR registration for SMEs in Yogyakarta at the Ministry of Industry and Trade of the Special Region of Yogyakarta through the Intellectual Property Management Center.

1 INTRODUCTION

As one of the most populous countries in the world, Indonesia still relies on micro, small and medium enterprises (SMEs), which produces creative products, as the backbone of its economy. Small and Medium Enterprise (SMEs) in Indonesia plays an important role in social and economic growth, due to great number of industry, GDP contribution, and total employment. SMEs characteristic more agile and adaptable that capable to survive and raise their performance during economical crisis than larger firm. (Hamdani and Wirawan, 2012). Unfortunately, of the many MSMEs in Indonesia, only a few have realized the importance of protecting intellectual property rights (IPR). In fact, IPR protection is one strategy to increase the competitiveness of small-scale businesses.

With a total of more than 56 million businesses, Indonesia has broken the record of the most MSME owner countries in Southeast Asia. MSMEs contribute 60.3% of Indonesia's gross domestic product (GDP) and employ 97% of the national workforce (Herlinda, 2017) However, in reality, of the many MSMEs in Indonesia, only a few have realized the importance of protecting intellectual property rights (IPR). In fact, IPR protection is one strategy to increase the competitiveness of small-scale businesses. Therefore there needs to be real support from the government regarding this reality.

In Yogyakarta, the Department of Industry and

Trade of Special Region of Yogyakarta through the Intellectual Property Management Center, is currently developing the use of co-branding for SMEs products from Jogja, based on Governor Regulation Number 21 Year 2017 concerning the Use of the Jogjamark Brand, 100% Jogja and Jogjatradition as Co Branding of Regional Products to ensure protection and competitiveness, increase consumer loyalty and trust, as well as legal protection and prevent the practice of unfair competition. The use of co-branding based on Intellectual Property Rights (IPR) is an effort to protect the intellectual property aspects of MSME products in Yogyakarta. In order to implement the rules regarding Jogja Co-Branding, facilities are needed that can facilitate SMEs to access IPR registration through the Center for Intellectual Property Management, by utilizing technological advances, especially Information Technology as Information Technology-based IPR service models, namely website.

Technology is the key for developing core competency in industry. Technological innovation is regarded as a tool for strengthening the competitiveness of a nation (because it secures continued economic growth by reinforcing employment and income generation) (Sikka, 1999). This paper try to propose a model and strategy for the use of information technology in order to facilitate SMEs to access IPR registration through the Intellectual Property Management Center.

2 METHODOLOGY

This research is qualitative research with an Empirical Juridical approach. Department of Industry and Trade through the Management of Intellectual Property of the Special Region of Yogyakarta became the location in this study. Data collection methods are carried out through library research studies and field studies with informants from Department of Industry and Trade through the Management of Intellectual Property of the Special Region of Yogyakarta and The Ministry of Law and Human Rights Regional Office of the Special Region of Yogyakarta. The analysis method starts with data collection, data reduction, data presentation, and conclusion drawing.

3 RESULTS AND DISCUSSION

3.1 The Importance of IPR for Creative Industries

Protection of Intellectual Property Rights (IPR) is an important thing to do in Indonesia today. This is based on the reason that Indonesia has great potential in the field of creative industries and abundant natural resources, so it needs to be supported by optimal efforts in providing IPR protection. Many benefits will be obtained from IPR protection, among others because of people others who want to enjoy the economic benefits of the IPR of an owner, they must obtain permission from the owner. Likewise, when someone else uses without permission, falsifying, imitating, or taking IPR, it is categorized as violating the law. This is the background to the importance of IPRs needing to be registered. In the business world, IPR can be an important element because it can provide competitive advantage when playing in targeted markets for its owners. In fact, it is also possible that this IPR can be a trigger to bring up new innovations for companies that ultimately benefit the public as well as the company itself.

There are reasons to believe that the enforcement of IPRs has a positive impact on growth prospects (Lall, 2003). Intellectual Property (IP) should be seen as a power tool for economic growth instead of an obscure legal concept. The protection of IP rights plays an important role in inducing technological change and facilitating economic growth. The value of IP is often not adequately appreciated and its potential for providing opportunities for future profit is widely underestimated by SMEs (Sukarmijan and Sapong, 2014). Small and medium-sized enterprises (SMEs)

are often the driving force behind such innovations (Saleh et al., 2008). Their innovative and creative capacity, however, is not always fully exploited as many SMEs are not aware of the intellectual property system or the protection it can provide for their inventions, brands, and designs (Druker, 2005). Furthermore, IP rights may enhance the value or worth of SMEs in the eyes of investors and financing institutions. Hence, in the event of sale or merger or acquisition, IP assets may significantly raise the value of the enterprise. Traditionally, physical assets have been responsible for the bulk of the value of a business entity and largely responsible for determining the competitiveness of an enterprise in the market. However, these scenarios have changed as a result of the revolution of the information technologies, intangible assets ranging from human capital such as know how to ideas, brands, designs and other intangible assets from the creative and innovative capacity are often today become more valuable than the physical assets (Idris,). However, many are unaware of the importance of IP. In a recent survey, it was clearly evident that the percentage of public awareness about IP is very low and only understood by parties with interest or institutions and organizations which are involved in the field (of Malaysia, 2019).

IPR as intangible, obtains legal protection due to registration (except for copyrights and trade secrets). With registration, protection for owners of intellectual property rights will be obtained in the form of obtaining exclusive rights. Without registration efforts there is no protection so that exclusive rights are not obtained. Registration of intellectual property rights has protective consequences. These intellectual works are born with sacrifices, making the works presented to be valuable, especially with the economic benefits that can be enjoyed, the inherent economic value fosters the property concept of intellectual property for the business world, or the works are said to be assets. Exclusive rights provided by law are appropriate rewards for investors and creators of IPR.. Through these rewards creative people are encouraged to continue to hone their intellectual abilities so that they can be used to help improve human life. The main objective of the IPR legal system is to ensure that the creative process continues by providing adequate legal protection and providing sanctions to those who use the creative process without permission.

3.2 IPR Registration for SMEs in Yogyakarta

There are still many small and medium micro business actors (SMEs) who do not understand Intellec-

tual Property Rights (IPR) (Asri, 2018). IPR is the legal protection of the products produced. This is an intangible asset. If a product is not registered with an IPR, someone else can emulate it. Meanwhile, if the owner has registered it can sell the product brand to another party, and the owner has economic benefits. In Indonesia MSMEs that have IPR are only around 11 percent, while around 90 percent do not take care of IPR.

In order for the registration of IPR for SMEs in Yogyakarta to increase, then in Yogyakarta the Department of Industry and Trade of the Special Region of Yogyakarta has an institution that specializes in managing and managing intellectual property, especially for SMEs. The institution was named the Center for Intellectual Property Management, which was under The Departement of Industry and Trade of the Special Province of Yogyakarta.

The Center for Intellectual Property Management has the duty to provide services and facilitation for business development and intellectual property management services for small and medium enterprises in the Special Region of Yogyakarta. This institution was established in order to encourage the realization of progress and development of small and medium industries in the Special Region of Yogyakarta by providing various forms of services and consultations to business people. In addition, this institution carries out other important tasks, namely providing services and technical assistance relating to the registration and management of intellectual property such as copyright, brand ownership rights, patent rights, industrial design and other intellectual property rights.

This institution has a strategic role and function as a party that will provide full support and facilitation for the creation of the existence of small and medium-sized businesses that are strong and competitive. This institution will oversee business people to have knowledge and awareness of the meaning and significance of intellectual property rights while providing management services for Intellectual Property Rights. Moreover, this institution is committed to providing the best services for small and medium businesses in Yogyakarta work area in an effort to develop small and medium enterprises to have a strong and solid footing related to the protection of Intellectual Property Rights which are an integral part of their business activities .

So far, the Intellectual Property Management Center has provided services manually, by conducting socialization to SMEs in Yogyakarta, and SMEs registering directly with IPR at the Office of the Management of Intellectual Property. This method is considered ineffective because it requires time and also

not all SMEs can take the time to visit the Intellectual Property Management Center because of its remote location. Therefore, a breakthrough is needed in order to facilitate access to IPR registration through the development of information technology. With these easy facilities, it will certainly make SMEs interested in registering IPRs because they can be accessed wherever they are.

3.3 Website-based IPR Registration System

Current registration services for IPR in Indonesia are carried out by the Directorate General of Intellectual Property (DJKI) of the Ministry of Law and Human Rights in Jakarta. But in reality, so far to deal with IPR registration is not easy, complicated and bureaucratic, so people are reluctant to manage IPR. If this is allowed, it will certainly hinder the targets that have been sought by the government in obtaining IPR registration.

Technological advancements in the fields of transportation, telecommunications and information have created a world without boundaries, facilitate the occurrence of human mobility between countries and information exchange through the world virtual. The use of information technology can also be used to facilitate IPR services. Because it can facilitate access that can be done anywhere. So that it will not waste time visiting a service institution that may be too far away from the location of SMEs.

The system built is a system that is used to provide IPR services to the wider community. System users are grouped into two groups, namely system administrators and communities. The Administrators group has full authority over data, system user settings, and validation related to IPR registration from the community. Community groups have the right to view IPR related news and can apply for IPR registration.

IPR registration from the community will be validated by the Administrator. IPR registration that is declared valid by the Administrator can be forwarded to the Directorate General of Intellectual Property of the Ministry of Law and Human Rights of the Republic of Indonesia. The system will be built web-based using the PHP programming language, and MySQL as a database management system.

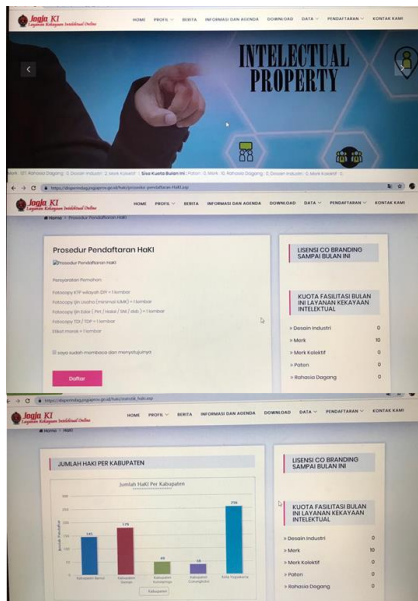


Figure 1: IPR Service Website at the Intellectual Property Management Center

4 CONCLUSIONS

The existence of information technology greatly facilitates the process of submitting IPRs for SMEs. Easily accessing IPR registration sites owned by the Institute for Intellectual Property Management institutions under the Department of Industry and Trade of the Special Region of Yogyakarta, will certainly provide many benefits for the increasing registration of IPR for SMEs. the creativity produced by SMEs becomes legally protected and has the potential to have great competitiveness both in the national market and international markets.

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