

Intellectual Asset Management

International reports



Increasing investment in the cultural and creative industries

Formosa Transnational - Taiwan

Yulan Kuo, Jane CC Wang, Wade Lin

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Earlier this year, the Financial Supervisory Commission and the Ministry of Culture announced a joint project to encourage investment in the cultural and creative industries in Taiwan. The project focuses on connecting the financial industry and the cultural and creative industries, and aims to increase loans from state-owned banks to the cultural and creative industries to at least NT\$360 billion (approximately \$12 billion) in the next three years. The project also creates incentives for private banks and other financial institutions to participate. According to statistics released in mid-August 2014, loans made to the cultural and creative industries increased significantly in 2014, including a 90% increase for one leading domestic private bank.



Yulan Kuo

Funding is always the key issue for a start-up business. In the past, one of the main obstacles to the financial industry providing funds has been that it is unfamiliar with the businesses that need the funding. Another obstacle is that there is no standard protocol for evaluating the value of a start-up business, particularly those without real estate and with only a promising business plan or idea. If a start-up company backed by the new government policy can eliminate – or at least alleviate – financial institutions' concerns about the security of loans, it will be easier for start-ups to survive and grow, and to reward investors with big profits. In order to do this, IP protection is vital.



Jane CC Wang

A start-up company may overlook IP protection due to ignorance of the value of its know-how and concerns over the expense of consulting a lawyer. In fact, for a start-up company without major tangible assets, a stable market share and established marketing channels, its intangible assets are the only way that it can stand out from the crowd and the only weapon powerful enough to help it to compete. The importance of intellectual property is particularly true for companies in the cultural and creative industries. Thus, it is not an area in which to save money. In this regard, the first step is to assess the proper way to protect the IP rights and to plan properly.



Wade Lin

A valid IP right – whether registered or unregistered – is a good basis for drawing funds. From experience in the IP and financial communities, as well as from serving on IP panels, funding and cultural and creative issues, it is clear that everyone cares about the existence and validity of IP rights. The question is whether start-ups really have something that can be called 'property'. If, after a legal review, a sufficient IP protection mechanism can be established, the answer should be yes. Although the evaluation of an IP right is still difficult, the existence and validity of such a right can often be confirmed. At a July 2014 conference, two 'musts' were recommended to both creators and financial institutions:

- Creators must assess which type of legal protection to adopt before launching the project.
- Financial institutions must assess the risk of invalidation for each type of IP right and take the risk.

The project launched earlier this year is a good starting point and reflects government support for the cultural and creative industries. In addition to financial support, which is how a company grows, an established IP protection strategy is how a company stays strong. Every player in the field should take this chance to develop its intellectual property. As the project has been running for only eight months, it remains to be seen how successful it will be.

For further information please contact:

Yulan Kuo
Formosa Transnational
www.taiwanlaw.com
Email: yulan.kuo@taiwanlaw.com
Tel: +886 2 2755 7366



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Intellectual Asset Management magazine (www.iam-magazine.com) is a publication that reports on intellectual property as a business asset. The magazine's primary focus is on looking at how IP can be best managed and exploited in order to increase company profits, drive shareholder value and obtain increased leverage in the capital markets. Its core readership primarily comprises senior executives in IP-owning companies, corporate counsel, private practice lawyers and attorneys, licensing and technology transfer managers, and investors and analysts.