

## PART I

### General Overview of Items (A) – (F)

#### **COUNTRY: CAMBODIA**

##### **A. Commercialization of Inventions**

1. Commercialization of inventions is a strategic instrument for IP asset management. To make use of its knowledge and innovation, companies are now starting to think of using this asset as the basis of their business strategy. This concept is even more important for small and medium-sized enterprise for which the capital or physical assets are scarce and difficult to obtain. Unlike other assets, the value of IP assets will be substantially increased through proper use and legal protection. In this regard, many young emerging economies have counted on the importance of intellectual property rights protection as a key instrument for economic development and endeavor to use this instrument in the economic, social, scientific and technological strategic development of each country.
2. In Cambodia, Government policy concerning the commercialization of inventions is yet to be defined, but this concept has been acknowledged and confirmed by Government representative during the working party meetings for Cambodia's accession to the WTO. The final version of Cambodia's working party report has stated the Government's firm commitment concerning this issue. Paragraph 168 of the working party report has clearly underscored this commitment "...the Government considered the protection of intellectual property rights essential for the fostering of economic development, to stimulate foreign investment and the transfer of technology, and to facilitate Cambodia's integration into the world economy...". With this recognition of the importance of foreign direct investment as a means to develop the national economy and its relationship to the proper protection of intellectual property, this statement also acknowledges the importance of technology transfer which will be used as a source of innovation and further commercialization under the protection of a proper IP regime.
3. To secure the protection of IPR and having a proper IP regime for this purpose, Cambodia also committed itself during its WTO accession as stated in Paragraph 169 that "... Government had been drafting new legislation with the help of foreign experts and WIPO to bring Cambodia's legislation into line with the TRIPS Agreement including a Law on Marks, Trade Name, and Acts of Unfair Competition, promulgated on 7 February 2002; Law on Patents, Utility Models and Industrial Designs promulgated on 22 January 2003, and a Law on Copyright and Related Rights promulgated on 05 March 2003. Further laws on Geographical Indications, Layout Design of Integrated Circuits, Protection of Undisclosed Information and Trade Secret, and Plant Variety Protection were in preparation and expected to be promulgated in the near future. Cambodia was also working on a new Civil Code, scheduled for adoption in 2004, which would backstop the protection of intellectual property...". Further, Cambodia also confirmed this commitment by providing detailed information on the implementation of the TRIPS Agreement and submitted an Action Plan for the enactment of IP laws to the WTO secretariat. Moreover, an IP administrative and management regime has been established in the three responsible ministries as stated in paragraph 171 & 172 "...The Department of Intellectual Property of the Ministry of

Commerce was responsible for the formulation and implementation of policy regarding trademarks. The Ministry of Industry, Mines, and Energy was in charge of patents and industrial designs, the Ministry of Culture and Fine Arts of Copyrights and Related Rights and also recognized the collective management of these rights, and the Ministry of Information recognized the collective management organizations of broadcasting rights. Further, the Government of Cambodia also intends to rationalize its administrative arrangements by establishing a single agency in charge of the administration of rights subject to grant and registration such as patents, trademarks and industrial designs. For the time being, Cambodia has established a committee to govern the three areas of Intellectual Property Rights and it has a mandate to coordinate the technical and administrative procedures of the various agencies with IPR responsibilities.

4. Realizing that, at the present time, the value of IP is often not adequately appreciated and its potential for providing opportunities for further profit is widely underestimated by most of the business community in Cambodia, the Government has opted to promote the commercialization of IP assets through regular workshops or short training courses given to provincial entrepreneurs, businessmen and local administrators in order to help them understand the value of their assets, to prepare themselves to face challenges and to take proper measures to exploit their IP and also help to protect its value under the available laws and regulations. Each workshop or training course attempted to promote the understanding of IP rights which will be a substantial source for generating income for business through licensing, commercializing or use under the simple connotation as a sale of IPR from one party to another, and also the protection of these rights through a proper IP regime so that their value will significantly improve market share and raise profit margins for those business. Further, the workshops also attempted to highlight the strategic utilization of IP assets to enhance competitiveness of each company starting from product design and service delivery to marketing of its brand name. Through this activity, businessmen and local entrepreneurs and especially small and medium-sized enterprises will have a chance to learn more about IP protection and Intellectual Property Rights acquisition in order to avoid disputes and expensive litigation.

## **B. Profit from Original Industrial Designs**

1. Industrial Design is protected under the Law on Patents, Utility Model Certificates and Industrial Designs. According to this Law, protection is provided for a period of five years and can be renewed for two consecutive periods of five years. Application has to be submitted to the Registrar of the Ministry of Industry, Mines and Energy and has to be published in order to provide an opportunity for a third party to oppose the registration. Since Cambodia is a member of the Paris Convention, a priority claim is affordable and the priority date is the date of first filing or first claim. The registration of an industrial design is then granted with fees payable. A period of six months is allowed as a grace period for the late payment of the renewal fee. For commercial purposes, the Law allows the transfer or licensing of industrial designs through private agreement and this transfer of licensing has to be recorded with the Registrar of the Ministry of Industry, Mines and Energy.

2. At the present time, profit from original industrial designs is rarely clearly defined in Cambodia even though we have the Law on Patents, Utility Model Certificates and Industrial Designs to protect this kind of invention and many businesses have used this form of IP asset to generate revenue either directly or indirectly. The reason why the importance of this asset has received less attention in this country is because the law enacted concerning this right is yet to be fully implemented pending the implementation of regulations to be adopted by the Council of Ministers. However, standing by its commitment, the Government has paid much attention to the protection of this right with a view to recognizing the asset as an important tool for business development. In Paragraphs 184 and 185 of the working party report for Cambodia's accession to the WTO, the Government agreed that "...industrial designs were protected according to the Law on Patents, Utility Models and Industrial Designs, promulgated on 22 January 2003. Only new industrial designs, i.e. designs not disclosed to the public through publication or use prior to the priority date, could be registered under the new Law. Protection did not extend to parts of a design dictated essentially by technical considerations. Industrial designs contrary to public order or morality could not be registered. Applications for registration were to be submitted to the Ministry of Industry, Mines, and Energy, and the priority date was the date of filing or first claim. Applications had to be published to afford an opportunity to oppose the registration. Protection was provided for 5 years and could be renewed twice. Industrial designs could be transferred or licensed. The owner had the exclusive right to request the competent authority to take action against infringements and could claim compensation ...". The Government also confirmed to the WTO that "...Cambodia's legislation complied with the provisions of Article 26.1 of the TRIPS Agreement concerning the right of an industrial design holder to prevent the importation of articles bearing or embodying a protected design and Cambodia's legislation guaranteed the right for the holder to prohibit third persons from "exploiting" a registered industrial design, i.e. by making, selling, or importing articles incorporating the industrial design...". This commitment implied the Government's recognition of a viable profit possibly being raised from an original industrial design which is protected by the present law.

  - However, for the moderately competitive business environment in Cambodia while marks play a more important role than industrial designs, a visually-attractive design alone will not be sufficient to generate revenue. It has to be combined with the ability of entrepreneurs to find a possible way to market their design to other producers or to be able to put it into production themselves. They can then meet consumer demand. In the experience of Cambodia, design has been widely used to generate revenue in the fields of garments and textiles, furniture manufacturing, the plastics industry and the packaging business. The volume of income generated from this IP asset is yet to be separately defined by any statistical research/study.

### **C. Contribution of Trademarks to Business Development**

1. A trademark is considered to be an image of a company. It allows customers to distinguish between a product of one establishment from another, thus giving a business the possibility to better market its product or service in comparison with its competitors. A trademark doesn't just help a client to identify goods or services but will attach itself to the quality and reputation of the merchandise or service using that trademark. Therefore, if customers are pleased with the quality of a product or service bearing a

trademark, they will continue to buy that product or use that service based on quality expectations. In this case reputation may help to maintain and improve the quality, because a business cannot afford to lose its customers' confidence in its marks due to a decline in quality.

2. In Cambodia, trademark protection is carried out under the Law on Marks, Trade Names and Acts of Unfair Competition which was promulgated on February 7, 2002. Under this Law, protection will be granted for a period of 10 years with a possibility of indefinite renewal. However, failure to use a trademark for more than five years without valid reason (the Registrar can be informed by submitting an affidavit of use or non-use) could lead to nullification of the protection. For obtaining legitimate protection, an application has to be submitted to the Intellectual Property Department of the Ministry of Commerce. Under Cambodian law, actual use of a mark was not a condition for filing an application for registration. Since Cambodia has been a member of the Paris Convention, priority is given to any person who first files or claims priority to the mark. This priority right to a mark filed earlier in any country which is a member of the Paris Convention could be claimed within a period of six months following the first filing by showing proper valid evidence of that filing to the Registrar in Cambodia. By law, trademark rights can be transferred or licensed to a third party and the rights owner has an exclusive right to request the competent authority to take measures against infringement of its legitimate rights and is also eligible for payment of compensation. As a member of the Paris Convention, Cambodia also acknowledges the protection of well-known marks without the requirement of registration. Trademark law in Cambodia is fully compliant with the requirements of the TRIPS Agreement since it provides a registration process and remedies for the protection of marks, ensuring effective enforcement of rights concerning marks and trade names and preventing acts of unfair competition. In this regard, the trademark laws of Cambodia allow for the implementation of provisional measures including administrative and border measures to tackle trademark infringement.
3. To promote awareness of the implementation of this Law, the Government has organized several awareness programs for the private and public sectors, especially small and medium-sized enterprises at national and provincial levels aiming at encouraging them to make full use of the benefits of trademark registration. The series of seminars/workshops showed both an increase in the number of attendees and the duration of the seminars to reflect the importance of trademark utilization as a tool for business development. During the second half of 2005, Cambodia has conducted and will conduct several activities to raise public awareness of IP and to improve the capacity of Cambodian IP officials in this particular field. The following activities have been and will be carried out with the cooperation of foreign and local partners such as NGOs, international organizations and universities. Recent activities are shown in the table set out below.

<b>Level of activities</b>	<b>Date</b>	<b>Number of Attendance</b>	<b>Targets</b>
Provincial level – Seminar on the Dissemination of the overall concepts of IPR and the existence of the new laws on IP	May, 2005	150	Provincial Officials and Business Community
Provincial level – Workshop on the Dissemination of Law on Marks, Trade name and Acts of Unfair Competition	May, 2005	60	Provincial Officials including the officials of Commercial Branch
Provincial level – Workshop on the Dissemination of the three IP laws – Trademarks, Patents, and Copyright	June, 2005	200	Enforcement Officers, Provincial officials, Private sector.
Ministerial level - Internal seminar on the registration of Figurative Marks	June, 2005	35	Officials of the Ministry of Commerce
Ministerial level – Internal seminar on the Patent and design examination	June, 2005	40	Officials of the Ministry of Industry, Mines and Energies
Provincial level – Seminar on the Dissemination of IP laws and Enforcement Procedure	July 2005	50-80	Provincial officials including enforcement officers, judges and prosecutors
University level – Internal seminar on the initiative to establish and include IP curriculum in the university teaching programs	September , 2005	50-80	Lecturers
Provincial level – Seminar on the Dissemination of Cambodia’s obligations under TRIPS and the identification and promotion of IP products’ potential for export.	October or November , 2005	150	Officials of all provincial institutions, Business community especially SMEs
Municipality level – IP laws dissemination and Cambodia’s obligations under TRIPS	November , 2005	120	District Officials and the business community
University level – IP laws and IP trade related aspects – its contribution to the development of the economy	December , 2005	200	Lecturers and students

4. For the acknowledgement of trademark contributions to business development in Cambodia, we have to observe a contribution based on the following characteristics: (1) either a company has successfully marketed its brand name though brand development on the same product or has used the brand name for diversified products or services in different classes. (2) has registered or licensed its brand name to other

companies, and (3) whether its brand name is known for the true quality of its products or through marketing techniques which are only acquired for a limited period of time. Even though Government policy doesn't offer guidelines or encouragement to manage IP as an asset for development or even consider it as a key strategy for economic development, the IP policy of Cambodia does recognize the need to have an effective IPR protection scheme in order to create confidence in the business environment among foreign investors and to encourage technology transfer through this foreign direct investment.

5. The recent increase in trademark registration and trademark renewal for goods and services, especially for garments/textiles, processed agricultural products, foodstuffs and pharmaceutical products; beauty salons, restaurants and hotels and professional services such as accounting firms, law firms, construction companies etc, shows the intention for continued use and also helps to confirm the contribution of these trademarks to the development of these businesses. A concrete example of this fact is the recognition of the "Made in Cambodia" concept in the field of textiles/garments for export, the acceptance of the well-known taste of Cambodian organic rice under the brand name "Sen Pidor", the high demand for Cambodian palm wine, "Cofirel", and the fabrics made from Cambodian silk under the names "Phnom Srok" or "Prek Changkran" in European or U.S. markets. In the domestic market we have the well-known Soya milk "So! Soya" from the Hagar-Soya company and rice crackers "Rabbit & Device" from LyLy Food Manufacturing. Given below is a table of registration and renewal of domestic marks for 2003-August 2005.

**Table 1 – Registration of Domestic Marks**

<b>Year</b>	<b>Application</b>	<b>Registration</b>
<b>2001</b>	225	231
<b>2002</b>	318	307
<b>2003</b>	279	269
<b>2004</b>	409	375
<b>As of August 2005</b>	290	271

**Table 2 - Renewal of Domestic Marks**

<b>Year</b>	<b>Application for Renewal</b>	<b>Renewal Registration</b>
<b>2001</b>	177	13
<b>2002</b>	1,523	748
<b>2003</b>	1,084	1,466
<b>2004</b>	824	1,014
<b>As of August 2005</b>	502	524

6. In Cambodia, businesses using trademarks as a tool for business development often conduct market research to find out why customers decide to buy products with a certain brand name by comparing the product with its competitors. Based on this research they are able to develop a name and a look for their products. Developing a package that reflects customer desire and market forces will convey the correct image of the company. Registering a trademark to protect and increase its value and then publicizing this trademark through a good marketing strategy as well as developing a business plan in order to structure the product development with the intention of enlarging its market share is vital. To simplify recognition and to inspire customer confidence, trademarks in Cambodian businesses always appear as a short and simple easy-to-read word or character easy to recognize and which normally refers to the aspiration of quality and service. Businesses here always reflected on how best to position their trademark or brand name in the media and how to repeat this placement in order to obtain fast recognition by making the product easy to identify. This placement must reflect the best features of a product because customers always rely on a brand name to ensure the quality of goods or services they are going to buy and to reduce costs associated with searching the market for the quality products they want. In summary, we have seen trademarks or brand names contribute to business development as an asset which can be sold, licensed or franchised. They help to promote a business image by emphasizing a particular quality standard for a products or service and also provide a means to identify strong business ownership through trademark registration. Finally, they will provide a strong marketing tool for building a company's position in its desired markets.
7. The impact of the above-mentioned awareness and promotion program has been shown by the increase of the number of marks assigned and the acquisition of trademark rights on products and services in the form of exclusive distribution and importation possibilities for the products or services into Cambodia through private agreements between trademark owners and local importers. Since under Cambodia trademark law, the term 'exhausted of right' is only applied in a national sense, the commercialization of IP rights is mostly implemented under this form of granting exclusive rights and assignment of use of a mark for a certain limited market. Given below is a table of exclusive distributorship of marks in Cambodia registered by the Intellectual Property Department of the Ministry of Commerce as of April 2005.

**List of Exclusive Distributorship of Marks in Cambodia**

<b>No.</b>	<b>Marks</b>	<b>Marks Owner</b>	<b>Exclusive Distributors</b>	<b>Goods/ Services</b>	<b>Acknowledgement (Date)</b>	<b>Validity</b>
1.	HERO	NV Sumatra Tobacco Trading Co.	HERO KING Co., Ltd.	Cigarettes	Mar. 7, 1996	N/A
2.	SCOTT	NV Sumatra Tobacco Trading Co.	HERO KING Co., Ltd.	Cigarettes	Mar. 7, 1996	N/A
3.	Johnnie Walker	United Distillers Plc	Attwood Import Export Co., Ltd.	Liquor	Oct. 25, 1996	N/A

4.	Hennessy	Moet Hennessy Asia Pte, Ltd.	Attwood Import Export Co., Ltd.	Liquor	Oct.. 25, 1996	N/A
5.	YEO'S	Yeo Hiap Seng Ltd.	SOON SOON IMPORT & EXPORT CO., LTD.	Fruit drinks and fruit juices	Dec. 29, 1997	Sep. 25, 1999
6.	SUPER CRYSTAL	Woo Yang (M.S.) Co., Ltd.	Chhay Huor Huot Imp. & Exp. Co., Ltd.	Class 11	Mar. 29, 2000	Mar. 29, 2005
7.	Mr. STOVE & Device	Woo Yang (M.S.) Co., Ltd.	Chhay Huor Huot Imp. & Exp. Co., Ltd.	Class 11	Mar. 29, 2000	Mar. 29, 2005
8.	ANCHOR & Device	Asia Pacific Breweries Ltd.	Cambodia Brewery Ltd.	Beer	Apr. 5, 2000	Apr. 5, 2003
9.	Tiger & Device	Asia Pacific Breweries Ltd.	Cambodia Brewery Ltd.	Beer	Apr. 5, 2000	Apr. 5, 2003
10.	ABC STOUT	Asia Pacific Breweries Ltd.	Cambodia Brewery Ltd.	Beer	Apr. 5, 2000	Apr. 5, 2003
11.	CASTROL	CASTROL INTERNATIONAL England	Goodhill Enterprise (Cambodia Ltd.	Lubricants	May 10, 2000	3 years
12.	SHARP	SHARP KABUSHIKI KAISHA	O.M.C	Sharps' products	Mar. 28, 2001	N/A
13.	CABBAGE BRAND	Ngo Chew Hong Edible Oil Pte, Ltd.	AN SAI IMPORT EXPORT Co., Ltd.	Edible oils and fats	Apr/ 2001	3 years
14.	EVIAN	Société anonyme des eaux minérales d'Evian	ANCO Brothers Co, Ltd.	Mineral water	Apr 24, 2001	N/A
15.	HONDA	Honda Motor Co., Ltd.	N.C.X. Co, Ltd.	Motorcycles	Aug. 3, 2001	N/A
16.	HEINEKEN	HEINEKEN BROUWERIJE N B.V.	Attwood Import Export Co., Ltd.	Beer	Oct. 25, 2001	N/A
17.	TRI-WELL Brand	Shenbao Industrial Co., Ltd.	Abundant Import Export Co., Ltd.	Edible oils	Jan. 25, 2002	Dec. 31, 2003
18.	TRI-WELL Brand	SHENBAO INDUSTRIAL CO., LTD.	ABUNDANT IMPORT EXPORT CO., LTD.	Oyster-flavored sauce	Jan. 28, 2002	Dec. 31, 2003
19.	SUZUE	Suzue Industrial Co., Ltd.	Camtrade Corporation Ltd.	Hubs of bicycles	Apr. 1, 2002	April. 1, 2004
20.	White Rabbit Brand & Chinese Characters & Device	Shanghai Aswell Enterprise Co., Ltd.	Epat Resources Trading Co., Ltd.	Vegetable soup preparation	Apr. 24, 2002	Feb. 20, 2003
21.	Aspen Gold	Japan Tobacco Inc.	Indobest Co., Ltd.	Cigarettes	Jul. 25, 2002	Jul. 25, 2004
22.	Camel	Japan Tobacco Inc.	Indobest Co., Ltd.	Cigarettes	Jul. 25, 2002	Jul. 25, 2004



23.	Camel Picture Package II	Japan Tobacco Inc.	Indobest Co., Ltd.	Cigarettes	Jul. 25, 2002	Jul. 25, 2004
24.	Caster	Japan Tobacco Inc.	Indobest Co., Ltd.	Cigarettes	Jul. 25, 2002	Jul. 25, 2004
25.	Gold Coast	Japan Tobacco Inc.	Indobest Co., Ltd.	Cigarettes	Jul. 25, 2002	Jul. 25, 2004
26.	Mild Seven	Japan Tobacco Inc.	Indobest Co., Ltd.	Cigarettes	Jul. 25, 2002	Jul. 25, 2004
27.	Mild Seven Box Device	Japan Tobacco Inc.	Indobest Co., Ltd.	Cigarettes	Jul. 25, 2002	Jul. 25, 2004
28.	Monte Carlo	Japan Tobacco Inc.	Indobest Co., Ltd.	Cigarettes	Jul. 25, 2002	Jul. 25, 2004
29.	More	Japan Tobacco Inc.	Indobest Co., Ltd.	Cigarettes	Jul. 25, 2002	Jul. 25, 2004
30.	Salem	Japan Tobacco Inc.	Indobest Co., Ltd.	Cigarettes	Jul. 25, 2002	Jul. 25, 2004
31.	Salem & Label Design VIII Color	Japan Tobacco Inc.	Indobest Co., Ltd.	Cigarettes	Jul. 25, 2002	Jul. 25, 2004
32.	Winston	Japan Tobacco Inc.	Indobest Co., Ltd.	Cigarettes	Jul. 25, 2002	Jul. 25, 2004
33.	Winston & Label Design VII Color	Japan Tobacco Inc.	Indobest Co., Ltd.	Cigarettes	Jul. 25, 2002	Jul. 25, 2004
34.	Gold Star	Ostar Watch & Clock Co., Ltd.	C.K.G. International Trading Co., Ltd.	Watches, clocks	Sep. 9, 2002	Sep. 9, 2004
35.	Gold Star & Device	Ostar Watch & Clock Co., Ltd.	C.K.G. International Trading Co., Ltd.	Watches, clocks	Sep. 9, 2002	Sep. 9, 2004
36.	Foster's	Carlton and United Breweries Ltd.	Foster's (Cambodia) Ltd.	Beer	Nov. 27, 2002	Nov. 27, 2004
37.	Victoria Bitter	Carlton and United Breweries Ltd.	Foster's (Cambodia) Ltd.	Beer	Nov. 27, 2002	Nov. 27, 2004
38.	BV	Carlton and United Breweries Ltd.	Foster's (Cambodia) Ltd.	Beer	Nov. 27, 2002	Nov. 27, 2004
39.	Sub Zero	Carlton and United Breweries Ltd.	Foster's (Cambodia) Ltd.	Beers	Nov. 27, 2002	Nov. 27, 2004
40.	FENG SHAN in Roman & Chinese Characters & Device	GUILIN YONGFU PHARMACEU TICAL FACTORY	ABUNDANT IMPORT EXPORT CO., LTD.	Luo Han Guo Chong Ji	May. 13, 2003  (Renewed)	May 13, 2005

41.	JOTUN	Jotun Thailand Ltd.	International Steel Industrial (ISI) Co., Ltd.	Paint	May 20, 2003	May 20, 2005
42.	Siang Pure Oil	Bertram Chemical (1982) Co., Ltd.	Tang Seng Trading Co., Ltd.	Medicated oil	May 27, 2003 (Renewed: June 09, 2005)	May 27, 2003 June 9, 2007
43.	Siang Pur Balm	Bertram Chemical (1982) Co., Ltd.	Tang Seng Trading Co., Ltd.	Medicated oil	May 27, 2003	May 27, 2005
44.	JVC	Victor Company of Japan Ltd.	Boon Cambodia Import Export Co., Ltd.	Televisions, audio products, video cameras	Jun. 24, 2003	Jun 24, 2005
45.	Stylized X	Xerox Corporation	Te Aik Hong Office Machines Supplies Co., Ltd.	Photocopy machines, printers and consumables and spare parts	Aug. 1, 2003	Aug 1, 2005
46.	The Document Company	Xerox Corporation	Te Aik Hong Office Machines Supplies Co., Ltd.	Photocopy machines, printers and consumables and spare parts	Aug. 1, 2003	Aug.0 1, 2005
47.	Xerox	Xerox Corporation	Te Aik Hong Office Machines Supplies Co., Ltd.	Photocopy machines, printers and consumables and spare parts	Aug. 1, 2003	Aug. 1, 2005
48.	AID BOND 502 & Device	Thuan Phong Co., Ltd.	Sun Heng Co., Ltd.	Glue	Aug. 4, 2003	Aug. 4, 2005
49.	Le Club des Profession-nels	Promat's International	Samangkar Luxe Co., Ltd.	Cosmetics	Aug. 6, 2003	Aug. 6, 2005
50.	Oligodermie Ph6	Promat's International	Samangkar Luxe Co., Ltd.	Cosmetics	Aug. 6, 2003	Aug. 6, 2005
51.	OligoSpa (stylized)	Promat's International	Samangkar Luxe Co., Ltd.	Cosmetics	Aug. 6, 2003	Aug. 6, 2005
52.	Vine Essence Pill & logo	Capital United (Beijing) Medical Manufacturer Ltd.	Veng Sieng Co., Ltd.	Chinese medicine	Aug. 15, 2003	Aug. 15, 2005
53.	LIX & Device	Lix Detergenrt Co.	Anco Brothers Co., Ltd	Detergent powder	Aug.16, 2003	Aug. 16, 2005

54.	CASTRO L	Castrol Singapore Pte, Ltd.	Goodhill Enterprise (Cambodia) Ltd.	Lubricants	Sep. 30, 2003	Sept. 30, 2005
55.	Shiseido	Shiseido Co., Ltd	PCB International Co., Ltd.	Cosmetics	Oct. 28, 2003	Oct. 28, 2005
56.	Gourd Brand & Device	Choke Kasikorn Seed Co., Ltd.	Kasikor Chamroeun Phal Co., Ltd.	Seeds	Oct.. 29, 2003	Aug. 30, 2005
57.	Eagle Brand & Device	Borden Co., Pte Ltd.	Duong Chhiv Import Export	Medicated oil	Dec. 29, 2003	Dec. 29, 2005
58.	Gestetner	NRG Manufacturing Limited	Goodhill Enterprise (Cambodia) Ltd.	Photocopy machines and parts, stationery, fax machines and parts	Jan. 9, 2004	Jan. 9, 2006
59.	SAGOKO	CHIA KHIM LEE FOOD INDUSTRIES PTE, LTD.	MAXIM COMPANY LIMITED	Fruit drinks and fruit juices	Feb. 24, 2004 (Renewed)	Feb. 24, 2006
60.	Fato & Device	Fato Machine Electrical Group	Zao Mu Trading Co., Ltd.	Water Gouge apparatus	Feb. 24, 2004	Feb. 24, 2006
61.	Iceberg	Chia Khim Lee Food Industries Pte, Ltd.	Attwood Import Export Co., Ltd.	Soft drinks	Mar. 2, 2004	Mar. 2, 2006
62.	555 Device	Guangzhou Battery Factory	Tontexim Co., Ltd.	Batteries	Apr. 28, 2004	Sep. 30, 2005
63.	Betagro & Device	Betagro-Agro-Group Public Company Ltd.	Phall Lyneang Trading Company Ltd.	Foodstuffs for animals	Aug. 27, 2004	Aug. 27, 2006
64.	AKIRA	Aki Habara Electric Corporation Pte Ltd.	Sunsimexco Co., Ltd.	Consumer electronic goods and home appliances	Aug. 27, 2004 (Renewed)	Aug. 27, 2006
65.	LUX	Unilever N.V	Unilever (Cambodia) Ltd.	Soaps, perfumes	Sept. 10, 2004	Sept. 10, 2006
66.	SUNSILK	Unilever N.V	Unilever (Cambodia) Ltd.	Soaps, perfumes	Sept. 10, 2004	Sept. 10, 2006
67.	VISO	Unilever N.V	Unilever (Cambodia) Ltd.	Soaps, perfumes	Sept. 10, 2004	Sept. 10, 2006
68.	CLOSE UP	Unilever N.V	Unilever (Cambodia) Ltd.	Toothpaste and mouthwashes	Sept. 10, 2004	Sept. 10, 2006
69.	IPTON	Unilever N.V	Unilever (Cambodia) Ltd.	Beverages, teas	Sept.10, 2004	Sept. 10, 2006
70.	POND'S	Unilever N.V	Unilever (Cambodia) Ltd.	perfumes, cosmetics	Sept. 10, 2004	Sept. 10, 2006
71.	BREEZE	Unilever N.V	Unilever	Soaps,	Sept. 10,	Sept. 10,

			(Cambodia) Ltd.	perfumery	2004	2006
72.	JET & device	Thai Boon Roong Co., Ltd.	N.V.C. Corporation Co., Ltd.	Cigarettes	Oct. 1, 2004 (Revoked: 18.8.2005)	Oct. 1, 2006
73.	Anlene	New Zealand Milk Brands Limited	Goodhill (Cambodia) Ltd.	Foods, milk, milk products	Oct. 15, 2004	Oct. 15, 2006
74.	Annum	New Zealand Milk Brands Limited	Goodhill (Cambodia) Ltd.	Foods, milk, milk products	Oct. 15, 2004	Oct. 15, 2006
75.	Fernleaf & device	New Zealand Milk Brands Limited	Goodhill (Cambodia) Ltd.	Foods, milk, milk products	Oct. 15, 2004	Oct. 15, 2006
76.	Anchor & Device	New Zealand Milk Brands Limited	Goodhill (Cambodia) Ltd.	Foods, milk, milk products	Oct. 15, 2004	Oct. 15, 2006
77.	CANON	Canon Inc.	Royal Cambodia Co., Ltd.	Copiers and facsimile products	Dec. 2, 2004 (Renewed)	Dec. 2, 2004
78.	KNORR	Unilever N.V	Unilever (Cambodia) Ltd.	Soup, soup preparations	Dec. 28, 2004	Dec. 28, 2006
79.	Konica Minolta	Konica Minolta Holdings, Inc.	Apsara Selex Cambodia Co., Ltd.	Photocopy machines and parts	May 20, 2005 (Renewed)	April. 1, 2006
80.	Minolta	Konica Minolta Holdings, Inc.	Apsara Selex Cambodia Co., Ltd.	Photocopy machines and parts	May 20, 2005 (Renewed)	Apr. 1, 2006
81.	YY & Yaing Yang & Device	VANN CHHAY Co., Ltd.	VANN CHHAY Co., Ltd.	Machines	Feb. 25, 2005	Feb. 25, 2007
82.	Five Rams Brand & Device	Guangzhou Five Rams Bicycle Imp. & Exp. Co., Ltd	Veng Srun Import Export Co., Ltd	Bicycle parts and fittings	Feb. 25, 2005	Feb. 25, 2007
83.	Rear Hul (stylized) Five Rams Brand	Guangzhou Five Rams Bicycle Imp. & Exp. Co., Ltd	Veng Srun Import Export Co., Ltd	Bicycle parts and fittings	Feb. 25, 2005	Feb. 25, 2007
84.	Front Hul (stylized) Five Rams Brand & Device	Guangzhou Five Rams Bicycle Imp. & Exp. Co., Ltd	Veng Srun Import Export Co., Ltd	Bicycle parts and fittings	Feb. 25, 2005	Feb. 25, 2007
85.	Clinic Clear	Unilever N.V.	Unilever (Cambodia) Ltd.	Soups, soup preparations	Apr. 7, 2005	Apr. 27, 2007
86.	Fuji	Fuji Photo Film Co., Ltd	Long Term Development Co., Ltd.	Films, inks, papers	May 20, 2005	Oct. 31, 2005
87.	CHANGF A & Device	Changzhou Changfa Power Machinery Co., Ltd.	Uy Tong Enterprises Co., Ltd.	Machines	June 9, 2005	June 9, 2007

## **D. Contribution of Copyright and Related Rights**

1. The exploitation of copyright and related rights such as sound recordings, movies/video productions, performances and broadcasting will form a central part of recording companies' businesses. We can add, printing houses, libraries, software companies etc. By law, copyright and related rights protection is available to the owner of original works including literature, drama, music, artistic and other intellectual works for a specified period of time in order to exclude someone from reproducing, publishing, distributing, copying, publicly performing or preparing derivative works from their copyrighted works. The creator of a work has the right to allow or to prohibit the use of his/her work. If he/she discovers anybody using his/her copyrighted works without authorization, they can enforce this right administratively and in the courts. The problem of piracy and infringement of copyrighted work has prompted Cambodia to encourage the registration or, in other words, the voluntary deposit of works with the Ministry of Culture and Fine Arts to obtain legal rights to such works. The Ministry normally doesn't automatically enforce these rights without cooperation from the rights owner. Since Intellectual Property Rights are private rights, this cooperation is much more helpful in assisting enforcement agencies and will be an important tool for effective implementation of the law.
2. In Cambodia, Government policy on copyright and related rights has been included in the overall policy on intellectual property which clearly mentions the importance of copyright and related rights protection as well as acknowledging the need to commercialize these rights for the benefit of the national economy. The policy states that "... Cambodia is also rich in natural and cultural resources with abundance of traditional knowledge, traditional medicines, traditional cultural expression which created by innovative ideas of Cambodian authors, innovators and creators, thus the government commits to strongly and effectively protect the rights of authors, performer, designers, publishers, and broadcasting organizations through the establishment of strong and effective copyright and related rights system for the governance and protection of these rights. The Government also vows to protect the name and reputation of national and ethnic products through the setting up of the system for the protection and management of Geographical Indications products which will be promoted regionally and internationally...in order to achieve these objectives, the Royal Government of Cambodia commits to the establishment of international compliance IP legal framework and promotion of public awareness on the protection and commercialization of IPR for wealth creation and economic development...".
3. To endorse this policy, the Government of Cambodia enacted a law on copyright and related rights on March 22, 2003. The contents of this law provide copyright protection for literary works; artistic and scientific documents; official legislative, judicial and administrative texts; spoken works (conferences, speeches, sermons, etc.); dramatic and dramatico-musical works; choreographic works and pantomimes; musical compositions with or without words; audiovisual works with or without sound and photographs extracted from these works; drawings, paintings, architecture, sculpture, engraving and lithographic works; graphic and typographic works; photographic works and works produced with techniques similar to photography; applied arts; illustrations, cards, plans, sketches and plastic works pertaining to geography, topography, architecture and science, computer programs; and derived works, such as translations,

adaptations, transformation of one or several pre-existing works. Protection is provided for the lifetime of the author and 50 years after his/her death. The rights subsist for 50 years, starting on January 1 of the calendar year following the date of fixation, first disclosure of the performance, or first broadcast. In response to a specific question, the representative of Cambodia added that the law included enforcement provisions providing for destruction of infringing goods (Articles 58-66). This law also provides for the protection of compilations of data (Articles 7 and 21), computer programs as literary works, rental rights for computer programs, and the exclusive rights of a broadcaster to authorize rebroadcasts by wireless means (Articles 47 and 48).

4. To ensure effective enforcement of these rights, the provisions on civil judicial procedures and remedies had been included in the draft Civil Code, Civil Procedure Code and specific intellectual property laws currently in preparation. Implementing regulations for these laws and codes are under consideration. The Civil Procedure Code would include procedures concerning civil judgment, execution and provisional measures, and intellectual property legislation would cover provisions for remedies and provisional measures. Enforcement authorities would comprise courts, customs authorities, as well as CAMCONTROL, an organization under the authority of the Ministry of Commerce, and the Economic Police, both in charge of fraud repression and inspections of exported and imported goods. Under the law, courts – including municipal and provincial courts – would have the authority to handle cases of abuse of Intellectual Property Rights, disputes over royalties and remuneration, violation of authors’ and application rights, and disputes related to the transfer and licensing of rights. The injured party could seek injunctions to stop infringement and claim compensation for damages. The amount of damages would be calculated on a case-by-case basis. The factor used by the courts to determine damages in the absence of specific legislation on this issue will be based on the calculation of the value of the benefits lost because of the infringement and on the duration of the infringement. Although the elaboration of guidelines in assessing damages and imposing remedial measures is currently not available, this issue has been debated by judges and other legislators. The Civil Code and the Civil Procedure Code would provide the legal authority, though no detailed provisions, for the award of damages and other remedial measures. However, Cambodia’s current IPR legislation and its future implementation were, and would remain, in full compliance with the requirements of Article 48 of the TRIPS Agreement with respect to the indemnification of the defendant.
5. The contribution of copyright and related rights to business development in Cambodia has focused on the contribution of the domestic recorded music industry which is clearly shown an increase in the number of record-companies from none in 2001 to 15 companies in 2005 and the increased number of song recordings from a few songs recorded in 2001 to 140 volumes and 29 video stories in 2005. In this regard, authors and performers have passed their economic rights to the recording companies through contracts of exploitation of economic rights as mentioned in Articles 34, 35 and 37 of the law on copyrights and related rights. Even though, Article 56 of the law requires the establishment of collective management societies to facilitate the collection of remuneration on behalf of the authors and performers, this practice has yet to be applied since the regulation on the governance of collective management societies is still in draft form and the situation of copyright and related rights implementation is not yet sufficiently advanced to set up this society.

**E. Valuation and Assessment of IP rights in Business Enterprises**

Presently, there is no concrete practice on the part of a company or Government guideline on the assessment and valuation of IP assets. In no enterprise have IP assets been audited or properly managed by the owner or any independent valuer. The marketing of trademarks/brand names or copyrighted works has always relied only on their market value without any forecast of future performance. However, the Government understands the need to have this evaluation process in order to estimate the true value of these assets and be ready to establish such guidelines in the future with the possible assistance of developed nations and international organizations.

**F. Access to Capital Based on IP Assets-Finance Schemes by the Government and the Private Sector**

This subject is a topic of crucial concern in the least developed countries like Cambodia where access to loans and financial capital relies much more on physical mortgages than intangible assets such as IP assets. In this regard, the issue has not been addressed or implemented by either Government or private institutions in Cambodia. However, the importance of this issue will gradually be accepted based on the growth of the economy and strong protection of IPR as well as effective schemes of financial management practice concerning the banking and financial policies of Cambodia in the future.

## PART II: SUCCESS STORIES

### *Case Study 1*

<i>General Information</i>	
<b>COUNTRY:</b>	Cambodia
<b>COMPANY NAME:</b>	<b>Hagar Soya Co., Ltd.</b>
<b>CONTACT ADDRESS</b>	
Contact Person	: <b>Mr. Heng Rithyuth</b>
Designation	: Sales & Marketing Manager
Business Address	: Str.271, Lot13 1B, Sangkat Boun Salang, Khan Tuol Kork, Phnom Penh, Cambodia.
Tel No.	: (855-23)995-063, (855-12)902-283
Fax No.	: (855-23)213-375
E-mail	: <a href="mailto:rithyuth@hagarsoya.com">rithyuth@hagarsoya.com</a>
Home Page (if any)	:

### **Description of Success Stories:**

So! Soya Milk Drink is a local brand popular among toddlers, school children and the elderly and has acquired a considerable domestic market share in competition with imported soya milk drinks. The company started to develop this brand as the result of the efforts of a charitable Non-Governmental Organization with a view to providing jobs for unemployed and disabled women and gradually grew into a large-scale producer. The brand and packaging of So! Soya Milk Drink represented an innovative idea providing a distinctive character for this product which captured the attention of young people and was easy to recognize among similar products in the markets.

### **Title:**

So! Soya Milk - a "Mighty Milk of Success"

**Type of IP concerned** (e.g. *TM, ID, Patent, etc.*)

*Trademark: So! Soya*



**Background** *(historical conceptualization of the concerned technology, product, business etc.)*

Hagar Soya Co., Ltd. (HSL) is a small enterprise which was created by Hagar, a Swiss-based Non-Governmental Organization (NGO) operating in Cambodia since 1994.

Hagar has helped thousands of mothers, children and families through its services and programs.

Hagar grew out of the need to respond to the pressing problems of vulnerable street mothers and children in post-conflict Cambodia. Today, Hagar employs 115 Cambodian nationals and 12 volunteer expatriates. Hagar is funded by charitable organizations, foreign governments and private individuals and obtains its returns from its commercial ventures.

The Hagar Soya operations were established in 1998 as one of Hagar's small businesses. The objective of this operation was to provide meaningful employment opportunities for destitute mothers on Hagar's programs, while at the same time producing high-quality, nutritious soya products at an affordable price.

In 2001, Hagar Soya entered into discussions with MPDF (Mekong Private Sector Development Facility) to conduct market research and feasibility studies on expanding and commercializing this business.

Hagar Soya Co., Ltd. is a private limited company incorporated in Cambodia and registered with the Ministry of Commerce (MoC) under trading certificate No. Co/ 1461/02E dated July 16, 2002. A new trading certificate no. Inv 791/03E dated February 2003 was issued by the MoC on the approval of the Company's amended Articles of Association.

The Company amended its statute to include International Financial Finance Corporation (IFC) as a shareholder in May 2003. It obtained its new Trading Certificate from MoC for this latest amendment in its statute.

HSL received funds from various parties such as Hagar and International Fund Corporation, a member of the World Bank Group and other shareholder loans from Hagar.

From September 2002 - January 2003, recognizing and demonstrating HSL's commitment to the principles of good corporate governance, the Company's Board of Directors was appointed two months later, and the Audit Committee also established six months later.

Construction of production and office facilities was completed in September 2003, and HSL commenced the installation of its production line thereafter. Later on October 14, 2003, After completing this installation, HSL commenced the commissioning of the production line with the first test run of all production equipment.

At the beginning, HSL hired and trained 49 employees, 25 of whom are women. HSL provides paid time off for government holidays and personal leave and also medical benefits.

The production capacity is 6,000 packages per hour for supplying a market demand of about 30,000 packages per day.

HSL aimed to produce the first batch of So! Soya from its production technology for testing at the Cambodian National Holiday Festival. Therefore, on October 31, 2003, it completed the commissioning of its production line with the first So! Soya packages produced for taste-sampling and distributed them to the general public during the Water Festival.

The Water Festival ran from November 7 to 9 and was an important three-day holiday in Cambodia which typically attracts about a million people into Phnom Penh, during which SHL set up sampling and product exhibition booths as part of the celebrations.

SHL distributed a total of 8,304 packages during this event and built up significant awareness of the So! Soya brand among Cambodian consumers, both within and outside Phnom Penh.

In November 2003, the company commenced its commercial production of So! Soya product. So! Soya was accepted in the market and the people are very proud of this local product.

HSL is managed by a Board of Directors of four members including Mr. Harvey Collins who was appointed as the Chairman of the Hagar Soya Co., Ltd. and elected to the Board in 2002. He is a resident of Australia and Chairman of HBF Health Fund Inc. He has extensive experience as a director in a range of industries and private companies. Mr. Collins is also a chairman of the Audit Committee for this company.

Mr. Adam Sac was elected to the Board as Non-Executive Director and representative of International Finance Corporation (IFC) in 2003. He is currently the General Manager of the Mekong Private Sector Development Facility (MPDF), a multi-donor initiative managed by IFC which promotes the development of small and medium-sized enterprises in Cambodia, Vietnam and Laos PDR. Mr. Sac is also a member of the Audit Committee.

Mr. Pierre Tami was appointed to the Board in 2002 as Executive Director. As the founder and Executive Director of Hagar, he represents Hagar on the Board of HSL.

Mr. Gregg Burgess was appointed as General Manager to the Hagar Soya operation of Hagar and appointed Managing Director to the Board of HSL in 2002. He was formerly an engineering manager with 17 years of experiences in the manufacturing and pharmaceutical sectors, responsible for managing staff, departmental and capital budgets, and strategic planning in production and engineering departments.

Besides this, HSL is assisted by capable section managers in areas such as sales and marketing, finance and accounting and production. One of them is Mr. Heng Rithyuth who was appointed as Sales and Marketing Manager. He has wide experiences in the fast-moving consumer goods industry. He received an MBA from the University of Utara Malaysia and the National Institute of Management (Phnom Penh) and a Bachelor's in BBA Form Faculty of Business (Phnom Penh).

The main activities of the Company are the manufacture and distribution of soya milk. HSL is aiming at marketing its product in the domestic market radiating from the capital city to the provincial towns and rural districts.

So! Soya has become well-known in these domestic competitive markets with its sales increasing annually. In 2005, HSL recruited additional employees bringing the total up to 67. This fact signifies that So! Soya has acquired the confidence and support of the local consumers.

### **Development and Use of IP in Business Strategy**

For the development of faster and more efficient production capabilities, HSL looked at what kinds of processing technology should be used in the plant - it should be adequate and modern in order to manufacture good quality products. In this regard, the following relationships and cooperation have been achieved with the goal of modernizing production technology.



HSL entered into a contract with a Taiwanese company Yeou Shing Machinery Co., Ltd. to purchase production equipment to grind soy beans and to cook the fresh beans from which soya milk has been automatically or semi-automatically, extracted. The equipment is capable of operating to a capacity of 1,000 liters of soy milk per hour.

HSL has concluded a contract with the Danish company Rapido International ApS

To purchase UHT (Ultra-High Temperature) equipment to treat the soya milk, equipment for cleaning is in place as well as other pre-filling equipment.

HSL signed agreements with Tetra Pak Asia Emerging Markets (TPAEM) for packaging machines and materials. The packaging machine has been designed to produce up to 6,000 packages per hour and will use Tetra Wedge Aseptic packages.

Upgrading technology is essential for the Company to improve the standard of its products. By improving levels of technology and quality, HSL's products will become more competitive.

### **In operation and marketing, HSL has developed the following business plan:**

- secured production of quality products
- gradually upgraded production technology
- consistently acquired larger market share to compete with imported milk drinks.

- created strong confidence among customers. Beside this, HSL has set up its own accounting policies for the effective preparation of financial statements. Conventions have been drawn up in accordance with the International Financial Reporting Standards which are simple and basic if compared with the General Accounting Plan of Cambodia.
- presented a financial statement in U.S. dollars, which are widely accepted and used as the currency for transactions in Cambodia.

### **Intellectual Property Protection for Business Strategy:**

- in 2003 HSL applied to register the trademark So! Soya for soy drinks at the Intellectual Property Department of the Ministry of Commerce and subsequently continued to acquire this type of protection through further registration of other related So! Soya brands for its enlarged product range.
- SHL has invented So! Soya marks and packaging designs, even though the industrial design protection system is yet to be operational.
- SHL has started to audit its registered marks and has decided to evaluate each IPR for the future purpose of assignment and appointment of provincial sale distributors.
- SHL advertises its trademarks through television, leaflets, exhibitions and newspapers to promote recognition of its ownership and inform customers of the guaranteed quality of its products.
- HSL also cooperates with related institutions such as IPD, the Department of Industrial Property, the Industrial Standard of Cambodia and other enforcement agencies for the effective protection of its marks and to ensure the continuing quality of Hagar products in domestic market.

At present, HSL owns many other registered trademarks such as So! Soya Kids, So! Soya Gold, So! Jo-C, So! Yo, So! Yumme, So! Milk and So! Choco and vows to invent more marks while increasing its production.

### **Impact on Productivity**

Through HSL's operation and management, IP has played an important role in increasing he competitiveness of its products. HSL considers the registration of trademarks as an effective means to obtain ownership of commercial rights on its marks under the protection of intellectual property such as preventing others from using its registered trademark So! Soya without its authorization as well as protecting itself from copying or counterfeiting of this mark. Owning the trademark and design registration is also helping to improve Hagar's position in financial markets.

Financial providers and shareholders are gradually building their trust in Hagar's operation and are thus willing to provide more funds for further expansion. More new packaging designs and more elaborate marks will help HSL to bring awareness of its famous brand names to the market place.

HSL has contacted and cooperated with local practitioners in order to service and market its intellectual property arrangements to interested parties.

**Company image:**

- Marketing strategy, advertising and point of sale materials are used purely based on the registered marks.
- Product management that aims to obtain an international standard (application pending for ISO 9001: 2000 & HCCP).
- Continual improvement of the quality of the product through laboratory quality control.
- Strengthening the effectiveness of employees, and promoting a safe environment.

Additionally, HSL has set up an incentive policy in the company by using rewards/recognition and promotion schemes.

**Sales and Quality:**

- Aiming at increasing the quantity of products sold to supermarkets mini-marts, star-marts, shopping centers, and other retail outlets including provincial and rural markets by a ratio of 1-20 products by 2006.
- Expecting to increase customer satisfaction from 50% to 95%.
- Committing to better serve commercial and non-commercial markets by improving nutritious and fortified food elements in each newly-produced and marketed product.
- Committing to improving customer complaint resolution from one week to three days.
- Committing to reducing in house-defects by 2% a month.

**Productivity:**

- To increase production capacity from 6,000 packs to 7,000 packs per hour.
- To increase utilization capacity from 30% to 70%.
- To provide appropriate training to employees based on performance appraisal.

**Profits:**

- Aiming at raising reasonable profits from the marketing of new marks/brand names and retaining this profit for increasing investment capital and providing capital for other Hagar projects.
  
- HSL will meet break-even point probably at the end of 2007. With this intention and a successful management program, HSL received the Cooperate Government Award from the Royal Government of Cambodia in early 2005.

## Case Study 2

<i>General Information</i>	
<b>COUNTRY: Cambodia</b>	
<b>COMPANY NAME: LyLy Food Industry Co.,Ltd.</b>	
<b>CONTACT ADDRESS</b>	
Contact Person	: <b>Mrs. Keo Mom</b>
Designation	: Director
Business Address	: No. 168A, 555 Signboard Str., Sanfkat Toek Thlar Khan Russey Keo, Phnom Penh, Cambodia.
Tel No.	: (855-23)995-388, (855-16)835-388
Fax No.	: (855-23)995-388
E-mail	: keo_mom@hellogsm.com.kh
Home Page (if any)	:

### **Description of Success Stories:**

LYLY Rice Crackers is the domestic brand name of a tasty and low-calorie Cambodian-type snack which is especially popular among school-age children.. This famous brand belongs to a young local entrepreneur who started the business with little capital but who has been able to obtain a strong market share with a future possibility to increase this market share in competition with similar products. Gradually, LyLy's trademark and its rabbit and cow devices are becoming associated with delicious taste and healthy food.

#### **Title :**

*LYLY Rice Crackers – a “Lucrative trademark of vivid creation”*

*Type of IP concerned (e.g. TM, ID, Patent, etc.)*

#### **Trademarks**

: Rabbit with a song and the LYLY Device,  
Rabbit with LYLY in Roman, Khmer letters  
Characters and double cow device.



**Background** (*historical conceptualization of the concerned technology, product, business etc.*)

LyLy Food Industry Co., Ltd. is a small company located in Phnom Penh, established in 2002. It is a family enterprise managed by Mrs. Keo Mom and her husband.



*Mrs. Keo Mom decided to launch into the business of manufacturing food products, when she discovered that a foreign company would be prepared to supply a machine for processing rice crackers. Mrs. Keo Mom and her husband discussed the matter and decided to buy this processing machine to start their own business.*

In 2002, the machine was delivered to her house and the installation prepared for testing. After the testing period, Keo Mom considered her future business and how to establish a company. As the testing was successful, Mrs. Koe Mom agreed with her husband to produce rice crackers in small quantities for sale in the local markets, especially in the capital city and the area around the city. The product sold in small quantities at first, but sales gradually increased day by day, which makes her very proud of having started her business.

In 2002, after trying for a considerable period of time, Keo Mom approached the Government for consultations on how to establish a company under Cambodian law for producing and selling rice crackers. She wondered whether she should make a request to establish a company, an enterprise or just a handicraft manufacturing outlet for her business activities.

Finally she decided to apply for registration as a handicraft manufacturing outlet with the relevant authority, the Department of Industry, Mines and Energy of Phnom Penh Municipality. The application was welcomed by the authority for which the certificate of registration was granted under the name of LyLy Food Industry Co., Ltd. (LyLyF). Keo Mom had fulfilled all the conditions required by the authorities for handicraft registration such as proper environment, sanitation and quality control as well.

In its capacity as a small enterprise dealing with food, LyLyF has contributed to the development of Small and Medium-Sized Enterprises by producing rice crackers packed in good packaging to be distributed in the domestic market. This investment has helped to provide a number of jobs for local workers especially women from rural areas. It is noticeable that this is the first locally-made product to be introduced in Cambodia in plastic-packaging.

LyLyF operates by using processing machinery made in China comprising a grading machine, mixers, extruders, ovens, packaging machines and other support equipment.

The production line used by LyLyF is a mechanical system and goes beyond the basic requirements. Although, LyLyF uses machine technology, it still provides good quality products acceptable in the domestic market. Keo Mom has also informed us that at this stage she still needs



this technology and machinery, because it is cheaper than modern equipment which would make it difficult to obtain capital investment to expand. However, she has also considered modernizing her manufacturing technology for future production and packaging if business continues to improve.

Under license granted by the Government, LyLyF can produce all kinds of rice crackers, but LyLyF only manufactures certain types, which are popular and target the youth market.

Keo Mon aims to supply all types of market in Cambodia, from small retail outlets in the provinces to the supermarkets in big shopping malls in the capital, in order to compete with imported products.

She has applied the principle for her business that the product must be of good quality, healthy, safe and attractively designed and packaged for customers.

Keo Mom has been invited to participate in a number of workshops and seminars concerning business management and management of Small and Medium-Sized Enterprises organized by the Ministry of Commerce, Ministry of Industry, Mines and Energy and other related organizations. Although such training courses have only been conducted for a short period, Koe Mom has still tried to accumulate important inputs for her business and has gathered sufficient knowledge of Intellectual Property Rights to implement them into her business practices.

She has successfully promoted her brand name, LyLy & Devices of LyLyF Food Manufacturing, by advertising through various means.

### **Development and Use of IP in Business Strategy)**

She felt that the existing technology should be upgraded to something more modern that can guarantee higher quality products with a greater output capacity.

Keo Mom is actively participating in seminars and workshops on intellectual property, industrial property and other subjects related to the development of SMEs. She knows that intellectual property is very important for the development of her business. Therefore, she has set out a certain IP strategy for her business as follows:

1. To seek intellectual property protection by registering trademarks and industrial designs with the Intellectual Property offices.
2. To design more images, more vivid colors and attractive devices on the packaging.
3. To create consumer confidence in her trademarks by national standards and quality control through product registration with the Ministry of Industry, Mines and Energy.
4. To promote awareness of the Company name and brand names through active participation in various national exhibitions and other promotional events.

5. To gradually improve the quality of her products to give more taste, more crunch and to be more healthy.
6. To provide an effective service for wholesalers as well as retailers.
7. To regularly advertise her trademarks and brand names.

Khmer characters and the double cow and device were protected under Certificate of Trademark registration granted in 2003.

Now, LYLYF owns several trademarks and has been using them for its rice cracker products. Beside this, Keo Mom has considered how to make her packaging more attractive and appealing which would be an important factor in the development of her brand name as well as promoting her business image in the country.

Little by little, Keo Mom has led her company to become one of the most attractive local producers and has retained the good reputation her trademarks provide as well as being rewarded with reasonable profits through this sensible step.

**Impact on Productivity** (e.g. how IP has contributed towards market dominance, company image, sales, quality, productivity and profits)

IP has played an important role in increasing the competitiveness of LyLyF products. As for other successful companies, LyLyF has to pay attention to the registration and promotion of trademarks as an effective means of upgrading itself in this competitive market. Keo Mom understands that, stronger protection of IPR will help her Company to acquire more business opportunities and eventually will also serve as a basis for the future use of her IP assets as collateral for obtaining more capital to increase production. In this sense, LyLyF continues to invent more marks and designs for its packaging and products and also continues to promote these distinctive features which have been the reason for its outstanding achievements. With the steadily increasing volume of production, LyLy has opted to extend its production base by retaining a portion of its profits in order to purchase more machinery and a further portion for investing in setting up advertising mechanisms and promotional schemes.

**PART III**

Listing of Manuals, Guidelines and Directories  
in the Area of  
Intellectual Property (IP) Portfolio Management

**COUNTRY: CAMBODIA**

No.	English Title + Brief Description of its Contents in less than 50 words	Year of Publication	Agency Responsible and Address	Contacts (Tel/Fax/email)
<b>A. PATENT AND INVENTION RELATED</b>				
1.	<p><b>Draft Patent Manual</b> This draft manual was prepared by WIPO for Cambodia, following the mission to Cambodia in 2004. The manual is drafted according to the Law on Patent, Utility Model certificate and Industrial Design and confirmed to the draft Sub-Decree on the Implementation of the Law on Patent, Utility Model certificate and Industrial Design of Cambodia. The Manual will be used by Government officials, lawyers and intellectual property practitioners, who are involved in the process of application for patents, utility models and industrial designs.</p>	2004	Department of Industrial Property, Ministry of Industry, Mines and Energy. No.45 Preah Norodom Blvd., Phnom Penh, Cambodia.	Fax/Phone: (855-23)428263 H/p:(855-11) 878625  E-mail: dipmime@yahoo.com
<b>B. INDUSTRIAL DESIGN RELATED</b>				
1.	<p><b>The Industrial Design Related Manual</b> is not yet in existence. It will be prepared in the near future.</p>	2004	Department of Industrial Property, Ministry of Industry, Mines and Energy. No.45 Preah Norodom Blvd., Phnom Penh, Cambodia.	Fax/Phone: (855-23) 428263 H/p:(855-11) 878625  E-mail: dipmime@yahoo.com

<b>C. TRADEMARK RELATED</b>				
1.	A Trademark Manual was prepared by WIPO for Cambodia, following the mission to Cambodia in 2004. The manual is drafted according to the Law concerning Marks, Trade Names and Acts of Unfair Competition and confirmed the draft Sub-Decree on the Implementation of the Law concerning Marks, Trade Names and Acts of Unfair Competition of Cambodia. The Manual will be used by Government officials, lawyers and intellectual property practitioners, who are involved in the process of trademark application. The manual is being translated and prepared.	2004	Intellectual Property Division, Ministry of Commerce. No.20 A-B Preah Norodom Blvd., Phnom Penh, Cambodia.	Fax:(855-23) 216671 H/p: (855-16) 830323  E-mail: ipdmoc@online.com.kh
<b>D. COPYRIGHT RELATED</b>				
1.	Cambodia has not yet produced a copyright-related manual. We have the Law on the Rights of Authors and Related Rights.			
<b>E. BUSINESS RELATED</b>				
1.	<b>Introduction to Business</b> This book provides general information concerning business in general including business environment, external factors influencing business environment, economics and business, small businesses and entrepreneurship, managing a business enterprise, managing for productivity and quality and also understanding the principle of corporate finance.	2002	by Kao Kosal, International Institute of Cambodia (IIC), No.441 Preah Monivong Blvd., Phnom Penh, Cambodia.	Tel: (855-23) 216331 Fax:(855-23) 216332  E-mail: info@iic.edu.kh
2.	<b>Business Taxation</b> This book focuses on the taxation regime that has been prescribed for understanding clearly the purposes, benefits, procedures, roles, duties, obligations and regulations in the economic field. It is divided into 12 parts including an explanation on the notions of taxation, direct and indirect taxation, import and export taxes, personal income tax, profit tax, registration tax, value added tax, special tax and tax on business.	2004	by Nam Sarith, International Institute of Cambodia (IIC), No.441 Preah Monivong Blvd., Phnom Penh, Cambodia.	Tel: (855-23) 216331 Fax:(855-23) 216332  E-mail: info@iic.edu.kh

3.	<p><b>Business Law</b></p> <p>The book deals with the laws concerning businesses and companies and provides some basic information on core concepts of constitution. It was divided into four parts mainly on the constitution and Government of Cambodia including the role of law in society, legislative bodies, executive bodies, judicial bodies; contract law, sale of goods and property.</p>	2002	by Sov Veng Ny International Institute of Cambodia (IIC), No.441 Preah Monivong Blvd., Phnom Penh, Cambodia.	<p>Tel: (855-23) 216331 Fax:(855-23) 216332</p> <p>E-mail: info@iic.edu.kh</p>
4.	<p><b>International Economics</b></p> <p>This book describes mainly the theory of international trade, international trade policies, the balance of payments, exchange rates and the experiences of selected countries.</p>	2002	by Po Bunna International Institute of Cambodia (IIC), No.441 Preah Monivong Blvd., Phnom Penh, Cambodia.	<p>Tel: (855-23) 216331 Fax:(855-23) 216332</p> <p>E-mail: info@iic.edu.kh</p>
5.	<p><b>Marketing Principles</b></p> <p>This book focuses on the basic knowledge of marketing, marketing in organizations, markets and consumer behavior, collection and using marketing information, product management, managing services, sales management and international marketing.</p>	2001	by Oul Van, Ly Chhay International Institute of Cambodia (IIC), No.441 Preah Monivong Blvd., Phnom Penh, Cambodia.	<p>Tel: (855-23) 216331 Fax:(855-23) 216332</p> <p>E-mail: info@iic.edu.kh</p>
6	<p><b>Company Law</b></p> <p>This book provides information on general legal aspects and practices especially for companies. The author outlines basic legal aspects relating to the company, the company in the Anglo-Saxon system of law, the company in the continental system of law, company registration and its effects and liquidation.</p>	2002	by In Van Vibol International Institute of Cambodia (IIC), No.441 Preah Monivong Blvd., Phnom Penh, Cambodia.	<p>Tel: (855-23) 216331 Fax:(855-23) 216332</p> <p>E-mail: info@iic.edu.kh</p>

<b>F. FINANCIAL GRANTS</b>				
1.	Cambodia does not yet have manuals related to the financial grants system. The system is not widely known by businessmen, especially in SMEs.			

**Note:**

*Book publication, in general, in Cambodia is still not widespread. Because for many years we have not had a specific law to protect the works of writers as well as copyrights, when the law of copyright and related rights was introduced in 2003, no books or reading materials on specific subjects had been published, especially on business subjects. The Government has produced a plan to promote the contribution of knowledge through books which will disseminate information to the younger generation and the public. Therefore, the National Library of Cambodia has recently introduced the ISBN system. I hope that in the near future we will produce many publications in different fields such as IPR and finance.*