

PART I

General Overview of Items (A) – (F)

COUNTRY: LAO PDR

A. PATENT

LEGISLATION

- Prime Minister Decree on Patent, Petty Patent and Industrial Design No. 011/PM promulgated on January 17, 2002.
- Regulation on the Implementation of Decree on Patent, Petty Patent and Industrial Design dated February 18, 2003.
- The purposes of this Decree are:
 - o To provide protection to patents, petty patents and industrial designs in Lao PDR;
 - o To encourage invention, technology transfer, scientific and technological research and development;
 - o To stimulate and promote internal and external commerce and investment; and;
 - o To combat the infringement of industrial property rights and illegal business practices.

DEFINITION

- “Patent” is defined as the title granted to protect an invention where “invention” means an idea of an inventor, which permits in practice the solution to a specific problem in the field of technology.
- “A petty patent (or utility model)” is defined as the title granted to protect a device whereas “device” means a technical creation utilizing rules of nature.

PATENTABILITY

Any invention shall be entitled to protection if:

- it is **new (novelty)**
- it involves an **inventive step**; and
- it is **industrially applicable**.

Any device shall be entitled to a petty patent if:

- it is **new**; and
- it is **industrially applicable**.

- **Novelty**
Any invention is new if it is not anticipated by prior art which has been disclosed to the public anywhere in the world by publication in tangible form or by oral disclosure, by use or in any other way, prior to the filing date or, where applicable, the priority date.

- **Inventive step**
Any invention shall be considered as involving an inventive step if, having regard to the prior art relevant to the invention, it would not have been obvious to a person having ordinary skills in the art.

- **Industrial applicability**
Any invention shall be considered industrially applicable if it can be used in any kind of industry, handicrafts, agriculture, fishery and service.

UNPATENTABLE INVENTIONS

The following inventions shall be excluded from protection by patent and petty patent:

- Discoveries;
- Scientific theories and mathematical methods;
- Schemes;
- Rules or methods for doing business;
- Performance of purely mental acts or games;
- Methods for treatment of human and animal diseases;
- Inventions contrary to the national cultural morality and public order.

PROTECTION SYSTEM

Patents and petty patents can be protected in Lao PDR if they are registered in Lao PDR or registered with international registry to which Lao PDR is bound.

TERM OF PROTECTION

- The term of protection of a patent is 20 years from the filing date of the application.
- The term of protection of a petty patent is seven years from the filing date of the application.

MAINTENANCE OF RIGHTS

In order to maintain the patent and petty patent, an annual fee shall be paid in advance.

RIGHTS CONFERRED BY REGISTRATION

A patent or petty patent owner shall have the right to exploit his patented invention by:

- making, importing, stocking, offering for sale, selling and using the product when a patent has been granted in respect of the product;
- using the process or doing any of the acts relating to the making, importing, stocking, offering for sale, selling and use of the product produced by the patented process when a patent has been granted in respect of the process.
- in addition to any other rights, remedies or any available actions, the owner of a patent or petty patent shall have the right to institute court proceedings against any person who infringes the patent or petty patent without authorization.
- the owner of a patent or petty patent shall have the right to transfer his invention to other persons for exploitation.
- the owner of the patent or petty patent shall have the right to institute court proceedings against any person or legal entity committing an infringement against the patent or petty patent.

EXEMPTION OF RIGHTS

A Government agency may exploit the invention even without prior consent from the owner of the patent for the sake of public interest of the Lao PDR in particular relating to reasons of national security, nutrition, health or if it is determined that the manner of exploitation by the owner of the patent is an anti-competitive practice.

However, it shall be subject to limited exploitation and to payment to the said owner of an adequate remuneration.

The rights of a patentee or petty patentee shall not extend to acts in respect of articles which have been put on the market by him or with his consent or to the use of articles on any vehicle which temporarily enters the airspace, territory or waters of the Lao PDR or to any act carried out for experimental purposes.

TERMINATION OF RIGHTS

Patents or petty patents shall be deemed to have been withdrawn or lapse if the owner of an invention or petty patent fails to pay the annual fee in advance during the term of 20 years for a patent and seven years for a petty patent.

CANCELLATION

A third party may apply to the Registry or institute court proceedings to cancel the registered patent or petty patent if the requisite requirements have not been fulfilled.

COMPULSORY LICENSE

A non-voluntary (compulsory) license may be issued if it can be proved that the patented invention has not been exploited or has not been sufficiently exploited in the Lao PDR, after a period of four years from the date of filing of the patent application or three years from the date of the grant of the patent, whichever period expires last. The non-voluntary license shall fix the scope and function of license e.g. time limit, remuneration amount, and payment conditions.

However, a non-voluntary license shall not be issued if the owner can justify the circumstances for the non-exploitation or insufficient exploitation of the patented invention in the country.

The beneficiary of the non-voluntary license shall have the right to exploit the patented invention in the Lao PDR according to the terms set out in the decision and shall sufficiently exploit the patented invention.

To avoid any infringement of an earlier patent, a non-voluntary license may be issued, to the extent necessary, if the invention claimed in a later patent cannot be exploited in the country, and provided that the invention claimed in the later patent involves an important technical advance of considerable economic importance in relation to the invention claimed in the earlier patent upon the request of the owner of the later patent.

B. INDUSTRIAL DESIGN

LEGISLATION

- Prime Minister Decree on Patent, Petty Patent and Industrial Design No. 011/PM promulgated on January 17, 2002.

- Regulation on the Implementation of Decree on Patent, Petty Patent and Industrial Design dated February 18, 2003.
- The purposes of this Decree are:
 - o To provide protection to patents, petty patents and industrial designs in Lao PDR;
 - o To encourage invention, technology transfer, scientific and technological research and development;
 - o To stimulate and promote internal and external commerce and investment; and;
 - o To combat the infringement of industrial property rights and illegal business practices.

DEFINITION

An industrial design is defined as any composition of lines or colors, or any three-dimensional form, whether or not associated with lines or colors, which can serve as a pattern for an industrial product or handicraft or give a special appearance to such a product to increase its visual appeal.

REGISTRABILITY

An industrial design is registrable if it is new.

An industrial design is new if it has not been disclosed to the public anywhere in the world by publication in a tangible form or by use or in any other way, prior to the filing date or, where applicable, the priority date.

UNREGISTRABLE INDUSTRIAL DESIGN

The following Industrial Designs are not registrable:

- Discoveries;
- Industrial designs contrary to the national cultural morality and public order.

PROTECTION SYSTEM

Industrial designs can be protected in Lao PDR if they are registered in Lao PDR or registered with an international registry, to which Lao PDR is bound.

TERM OF PROTECTION

The term of protection of an Industrial Design is five years from the filing date of the application and can be renewed for two further periods of five years each.

MAINTENANCE OF RIGHTS

In order to maintain a registered industrial design, an annual fee shall be paid.

RIGHTS CONFERRED BY REGISTRATION

The owner of an industrial design shall have the right to exploit the registered industrial design. The exploitation of a registered industrial design is defined as follows:

- Making, selling or importation of articles incorporating the industrial design.
- In addition to any other rights, remedies or any available actions, the registered owner of the industrial design shall have the right to institute court proceedings against any person who infringes the industrial design without authorization.
- The owner of an industrial design shall have the right to transfer his registered industrial design to other persons for exploitation.
- The owner of an industrial design shall have the right to institute court proceedings against any person or legal entity committing an infringement against the industrial design.

TERMINATION OF RIGHTS

Failure to renew an industrial design prior to the expiry date.

CANCELLATION

A third party may apply to the Registry Unit or institute court proceedings to cancel the registered industrial design if the requisite requirements have not been fulfilled.

C. TRADEMARK

LEGISLATION

- Prime Minister Decree on Trademark Registration No. 06/ PM dated January 18, 1995.

- Prime Minister Regulation on Trademark Registration No. 466/STEA-PMO of March 7, 2002.
- The purposes of this Decree are:
 - o To unify trademark administration throughout the country,
 - o To encourage and promote foreign investment in the Lao PDR,
 - o To stimulate internal and external commerce, and quality control of goods,
 - o To protect consumers, and
 - o To suppress counterfeiting of goods and fraudulent commercial practices.

DEFINITION

- “Trademark” is defined as a sign used as a mark of goods to designate the goods belonging to the owner of the created trademark;
- “Service mark” is defined as a sign used to be a mark of services to designate the services belonging to the owner of the created service mark;
- “Collective mark” is defined as a trademark or service mark used for goods or services of different enterprises that are using the same mark under the control of the registered owner of the collective mark.

REGISTRABILITY OF TRADEMARK

- Any visible sign capable of distinguishing the goods of an enterprise can be registered as a trademark. The mark shall fully reflect the intended purpose, the significance or legend of each and every element of the mark.
- A mark may be in the form of letters, words, figurative elements or a combination thereof represented in one or more colors. In the case of a multicolored mark, each of the colors involved should be described in detail.

NON-REGISTRABILITY OF TRADEMARK

The following trademarks are not registrable:

- An unclear trademark incapable of distinguishing the goods of one enterprise from those of other enterprises.

- A mark contrary to the national cultural morality and public order.
- A trademark likely to mislead the public or trade circles, in particular as regards the geographical origin, nature, and characteristics of the goods.
- A trademark identical to, or an imitation of or containing as an element, an armorial bearing, a flag or emblem of typical national culture or a historical site, a name or abbreviation of any state, intergovernmental organization or organization created by an international convention, a trademark possessing an official sign or hallmark relating to the control and certification of any state or international organization, unless authorized by the state or organization concerned.
- A trademark identical with, or confusingly similar to another trademark or trade name of goods, which is already in use.

PROTECTION SYSTEM

The Lao PDR applies a “First to File” system. Consequently where two or more persons file applications for trademark registration of identical or similar trademarks, priority shall be considered and granted to the first person to file an application.

Only trademarks already registered shall obtain the rights of protection.

RIGHTS CONFERRED BY REGISTRATION

The owner of a registered trademark shall have the following rights:

- The exclusive rights of use of the trademark.
- The owner has the right to assign or license his/her right to any other person
- The owner shall have the right to institute court proceedings against any individual or legal entity committing an infringement or using a trademark without authorization.

The rights of the owner of a registered trademark, or his consent, shall not extend to the other acts related to goods and services existing in the Lao PDR.

RENEWAL OF TRADEMARK REGISTRATION

The registration of a trademark can be renewed every 10 years without limitation. The renewal application must be filed within six months prior to the expiration of the filing date.

Late renewal can be made within a period not exceeding six months after the expiration of the validity giving reasons.

If the owner doesn't file for renewal six months after the expiration of the protection, the registered trademark will be removed.

AMENDMENT

Any amendment made to the registered trademark including assignment shall be recorded with the Registry. An application shall be submitted to the Trademark Registry with supporting documents

LICENSING

A licensing agreement of the registered mark can be recorded and approved by the Trademark Registry. Quality control must be exercised by the licensor.

TERMINATION OF RIGHTS

The exclusive rights of the owner of a trademark shall terminate in the following cases:

- If the owner does not use a registered trademark for himself or with his consent for a continuous period of five years. The said trademark shall be challenged for cancellation, unless it is shown that special circumstances prevented the use of the trademark.
- The expiration of the certificate of registration of the trademark if the registration expires without renewal.

CANCELLATION

An individual or legal entity is entitled to apply for cancellation of a registered trademark. The cancellation can be based on the grounds of prior registration, prior application and non-use.

The registration may be cancelled if the mark is not used for a period of five consecutive years from its filing date. The mark must be used and/or advertised locally to be considered valid.

PROCEDURES ON TRADEMARK REGISTRATION

The Applicant

- A natural or legal person, Lao or foreign citizen being engaged in lawful, commercial or service activities;

- A non-resident applicant shall file the application through a local representative approved by the Department of Intellectual Property in Lao PDR.

Application for Registration

- One application for every trademark in each class.
- Trademarks, service marks and collective marks are registrable.
- The classification of goods must be in conformity with the Nice Agreement. The protection is for all goods in any such international class.
- The application should be made in Lao or in English and typewritten.

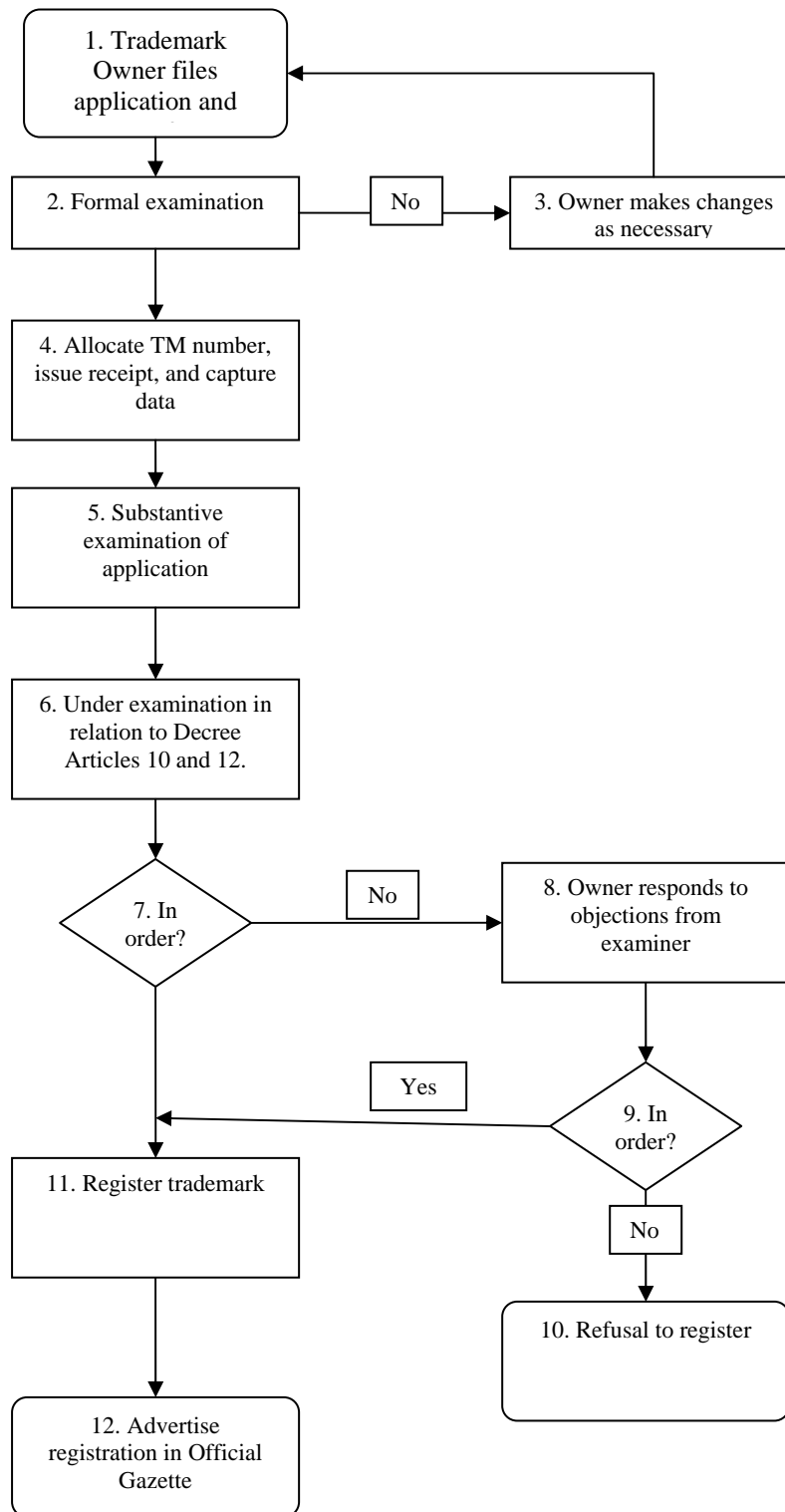
Documents Required

- An application form for trademark registration in compliance with the form of the Trademark Registry;
- Ten specimens of the mark presented on good quality paper by drawn or printed images, photos or photocopies. The size must be no less than 4 x 4 cm and not more than 8 x 8 cm. In case the mark consists of one color or several colors, such color shall be clearly identified;
- Original power of attorney in the prescribed form and notarized. A copy can be reused for additional applications by the same owner;
- Certified copy of home registration or registration where the mark is first filed; if any
- Priority documents, in the case that priority date is claimed in accordance with the Paris Convention for the Protection of Industrial Property, if any;
- In cases of collective marks, the rules governing the use of trademarks shall also be applied;
- A list of goods/services in conformity with the Nice Agreement on the International Classification of Goods and Services;
- The payment of the prescribed fees with receipts.

Examination

1. After receiving the application, the Department of Intellectual Property will issue a Filing Number with Filing Date. In case the application does not meet requirements, the Trademark Registry will inform the applicant for it to be amended.
2. If the formalities are satisfactory, the main examination commences and takes around six months from the filing date and the Trademark Registry will thereafter register the mark in the National Register of Trademarks, issue a Certificate of Registration and publish the mark in the Official Trademark Gazette.
3. Once the trademark has been registered and published, the owner of any conflicting mark has the right to file an opposition that will be officially reviewed and decided by the DIP. The parties have the right to appeal to the Department of Intellectual Property, Standardization and Metrology or the Organization for Settlement of Dispute or the courts. The opposition can be based on the grounds of prior registration, prior application or non-use.
4. If it is found that the application for trademark registration is not registrable, the Trademark Registry shall issue the rejection notice to the applicant after which he/she is entitled to file an opposition with supporting documents to the Trademark Registry within 90 days from the date of the rejection notice.

Registration of Marks in Lao PDR



Searches

The Department of Intellectual Property, Standardization and Metrology provides a service for trademark search with minimum charge even though the search is not compulsory. However, it is recommended that a search be conducted in order to avoid any possibility of rejection on the grounds of similarity and risk of opposition and infringement as well as to avoid paying in advance the non-refundable official registration fee.

DOCUMENTS REQUIRED

Registration

1. Application form
2. Notarized Power of Attorney
3. Certified copy of Home Registration, if any
4. Ten copies of the mark, min. 5 x 5 cm, max. 10 x 10 cm
5. Priority documents, if applicable.
6. Payment of appropriate fee
7. Others, as may later be required by the DIP.

Recordal of Change of Name/Address

1. Application form
2. Notarized Power of Attorney
3. Change of name/address document(s)
4. Copy of Certificate of Registration
5. Payment of Appropriate fee.

Recordal of Assignment

1. Application form
2. Notarized Deed of Assignment
3. Notarized Power of Attorney of the Assignor
4. Copy of Certificate of Registration
5. Payment of the appropriate fee

Recordal of Merger

1. Application form
2. Merger Document(s)
3. Notarized Power of Attorney

4. Copy of Certificate of Registration
5. Payment of the appropriate fee

Mark Amendment

1. Application form
2. Notarized Power of Attorney
3. Ten copies of the amended mark
4. Copy of Certificate of Registration
5. Payment of the appropriate fee

Duplicate

1. Application form
2. Notarized Power of Attorney
3. Declaration of Loss
4. Copy of Certificate of Registration
5. Payment of the appropriate fee

Certified Copy of Certificate of Registration

1. Application form
2. Notarized Power of Attorney
3. Copy of Certificate of Registration
4. Payment of the appropriate fee

Renewal

1. Application form
2. Notarized Power of Attorney
3. Ten copies of the mark, min. 5 x 5 cm, max. 10 x 10 cm
4. Copy of Certificate of Registration
5. Payment of the appropriate fee

Filing Argument after Rejection Notice

1. Arguments relating to the Rejection Notice

2. CERTIFIED COPY OF REGISTRATION IN OTHER COUNTRIES

3. List of countries in which the mark has been registered
4. Court Decision, if available
5. Payment of the appropriate fee

Cancellation/Opposition

1. Arguments for the cancellation
- 2. NOTARIZED POWER OF ATTORNEY**
3. Documents evidencing that the applicant is the legal owner
4. List of countries in which the mark has been registered
5. Court Decision in other countries, if available
6. Payment of the appropriate fee

Abandon

1. Application form
- 2. NOTARIZED POWER OF ATTORNEY**
3. Payment of the appropriate fee

Searches

1. Application form
2. Trademark search
3. Proprietor search
4. Company search
5. Payment of the appropriate fee

D. COPYRIGHT

LEGISLATION



At present there is neither a Law nor a Decree on Copyrights. In fact, the Department of Intellectual Property, Standardization and Metrology (DISM) is in charge of all aspects of IP including copyrights. However there is no activity related to copyright by the DISM. The DISM is now proposing an intellectual property (IP) law that is an integrated law covering the principle and administration of all types of intellectual property, e.g. patents, petty patents, industrial designs, trademarks, copyrights and related rights, integrated-circuit layout-designs, geographical indications, trade secrets and plant varieties. The proposed intellectual property law is now in the process of submission to the National Assembly for enactment by 2006.

While waiting for the IP law, copyright has to some extent been enforced through a number of regulations issued by the Ministry of Information and Culture. Moreover, the Lao Writers' Association (LWA), the Lao Journalists' Association (LJA), the Lao Fine Arts Association (LFA) and the Lao National Artists' Association (LAA) were recently created.

From time to time, the Ministry of Information and Culture as well as their Divisions based in Vientiane or in the provinces raid markets and CD outlets for pirated CDs, VCDs and cassettes as well as other media that are in contravention of public morality and culture. The shop owners are warned and fined for their acts accordingly.

PART II: SUCCESS STORIES

Case Study 1

<i>General Information</i>	
COUNTRY :	Lao PDR
COMPANY NAME :	Lao Brewery Co., Ltd. (LBC)
	
CONTACT ADDRESS	
Contact Person	: Bounkanh Kounlabouth
Designation	: Marketing Manager
Business Address	: Km 12 Thadeua Road, B. Salakham, P.O. Box 1016, Hat Xaifong District Vientiane Capital, Lao PDR
Tel No.	: (856-21) 812 000, 812 254
Fax No.	: (856-21) 812 049
E-mail	: kounlabouth@beer-lao.com
Home Page (if any)	: www.beer-lao.com

Description of Success Story:

The Lao Brewery Co., Ltd. (LBC) is a production, marketing and sales company expanding step-by-step with a mission to move into the future by ensuring that Beerlao is the preferred brand offering a full taste and total satisfaction as an integral part of a successful life. The objective is to have the brand recognized as the preferred beer provider in Lao PDR and overseas. Exports to Australia, Cambodia, France, Japan, New Zealand, Vietnam, the U.S.A and the U.K. started in 1977. The Lao Brewery Company says it is currently looking at ways to access more countries

The company's business is focused on expanding production to meet growing demand with one pack, one brand to maximize production efficiency. As marketing is not a business priority, however the company's success is linked to sponsoring of community events, mostly sporting activities. Performance indicators and rewards are now being studied in order to improve business performance resulting in a strong financial position.

This is a well-established and well-perceived company that has a development plan, activities and management worth mentioning.

1. Title

The unique taste of a unique country

2. Type of IP concerned

As the IP system is developing and the protection of IP in Lao PDR mainly relies on trademarks. The IP that concerns the Lao Brewery Co., Ltd is its trademarks. Up to now the company has registered seven trademarks in Lao PDR and none abroad and it plans to file further trademark applications in the future.

3. Background

Founded in 1973, the Lao Brewery Industry was at that time a joint-venture between French and Lao businessmen. With a capacity of three million liters per year, the company marketed "BIERE LARUE and "33 Export" for local and Indochinese markets.

With the foundation of the Lao PDR in 1975, the company was nationalized and changed its status to a State-Owned Enterprise. In 1986 an economic reform program initiated a transition from central planning to a market-oriented economy and the launching of the New Economic Mechanism (NEM), at which time the LBC entered into a joint-venture: 49% Lao Government-owned with 51% foreign investment (Loxley: 25.5% and Italian: 25.5%) in 1993 giving a production capacity of 20 million liters per year (employees: 300).

In 1997, besides satisfying domestic consumption, Beerlao products started to be exported to Australia, Cambodia, France, Japan, New Zealand, Vietnam, the U.S.A and the U.K. and were well received by beer drinkers.

In 2002, a new joint-venture was initiated with 50% participation of the Lao Government, 25% TCC International and 25% Carlsberg. The maximum capacity was 60 million liters.

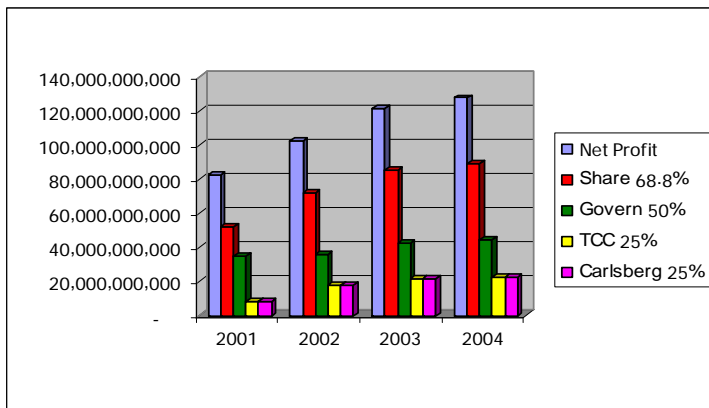
In 2005, with its manpower at 493 employees the company can now increase its production capacity to 85 million liters per year and it won't stop there because the LBC plans to increase production capacity up to 120 million liters per year, starting in August 2005. The LBC plans to market a local Carlsberg beer and two more new Beerlao products such as Light Beer with a low volume alcohol content (<3%) and Dark Beer with a higher volume alcohol content (6-6.5%), before December 2005. In 2006-2008, the LBC will build another factory in the south of the country with capacity of 100 million liters per year.

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Profit and Share distribution (2000-2004)¹³

As the only company that produces beer in the country, Beerlao products (cans, bottles + drinking water) take almost 99% of the local market share (1% for Heineken and Tiger beers) with its 41 distributors nationwide. Certain raw materials like malt and hops are imported from France, Belgium and Germany. Rice that covers 35% of Beerlao production (3,000 tons/year) is now locally available as compared to 1975 when most of the rice was imported from Thailand and Vietnam.



Major strengths that have contributed to the image of the LBC are:

- Competitive pricing
- Good financial position
- High brand awareness
- High brand loyalty and good image
- Good distribution network
- Good administration back-up
- Intrinsically good products
- Dedicated employees
- Full product range
- Exclusive domestic producer of beer
- Support from Government
- Product positioning, communicating Lao culture
- Having Carlsberg as a shareholder



Thus improving the image of the LBC which is:

- Increasingly recognized for product quality and good service year on year around the country
- Largest (single) tax payer, expected to pay 300 Billion Kip (USD 30 million) in 2005
- Country's top company for management and service.
- Recipient of numerous honors and awards from both the Lao Government and international organizations.
- Certified for five consecutive years as a strong political unit.

¹³ Source: Lao Brewery Company, Ltd.

4. Development and Use of IP in Business Strategy

IP is one of the good points that needs mentioning even though the overall situation of IPR in Lao PDR is not well established. The R&D section forms part of the Marketing Division and works very hard to establish the reputation of Beerlao in the domestic and international arenas. In comparison to other countries, LBC is still a small enterprise with certain limitations. However, with good policies and work plans the company can achieve its goals.

So far the LBC has filed and registered seven trademarks in Lao PDR since 1994 and has not filed any trademark applications in foreign countries. Now the LBC is working toward filing additional trademark applications including a new device, logo and label. Their three new products are in the course of securing approval and certification by the Food and Drug Authority and new trademark applications to the Division of IP are under way.

According to the Marketing Director, the trademark plays an important role in the marketing and sales processes. It reaffirms commitment, quality and service for consumers as it proclaims: “drink Beerlao, absorb Lao culture”.

5. Impact on Productivity

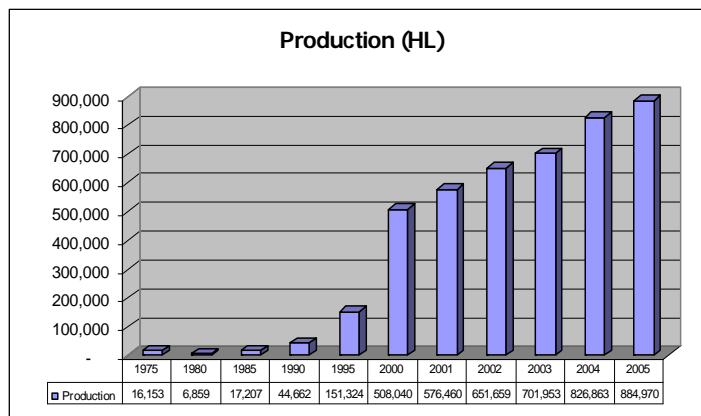
Mr. Bounkanh said: “brand and quality must be linked together. The mark has really strengthened our sales and consolidated our market” and he continued: “we will file international applications where our products are sold to promote the quality and image of the LBC and to protect our products as well. The company needs more understanding and vision on Intellectual Property Rights generally not only on trademarks and it will conduct further studies on other aspects of Intellectual Property that can contribute towards company image, sales, quality, productivity and profits. We will do further research and development on intellectual property as we did studies on market segmentation and visions for the future”.



From Left: Chanthara Sayamoungkhoun, National Consultant, Bounkanh Kounlabouth, Marketing Manager and

“The trademark has indeed contributed to the sales and image of the company. Besides, we dedicate ourselves to the edification of the country by sponsoring national

events: sports, charities. We want people to recognise us as a preferred provider of beer and beverages and to improve our products stronger brand both in and overseas.” Mr. said.



further to become a Lao PDR Bounkanh

2005)¹⁴

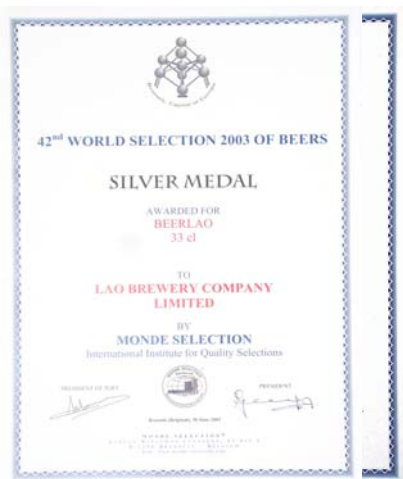
Production (1975-

¹⁴ Source: Lao Brewery Company. Ltd.

In 2003, Beerlao was awarded gold, silver and bronze medals in Monde Selection at the International Drinks Contest in Belgium and in Paris 2004, 24th International Award for Food and Beverages, October 2004, Paris, Brussels, Belgium 2003 (42nd World Selection), Grand Gold Medal for “Tiger Head Mineral Water”



New Zealand in 2002 (Asia-Pacific Packaged Section)



Beerlao was awarded the Silver Osiris Award at the 7th Brewery Festival in Russia, June 4-12, 2005 in the first year it entered with more than 40 other beer companies from Russia and overseas participating. The most recent award for Beerlao this year is the International Quality Summit Award 2005 and Quality Management (TQM) QC 100 Model which was held in New York, USA, in June 25.

The best local beer, November 2004 (Time Magazine, Asia's Best)

BEST LOCAL BEER
Bia Lao
 LAOS

Among the more curious sights in Laos is the Plain Of Jars. It's a large area in Xieng Khuang province, where dozens of huge, ancient stone urns lie scattered. Although their origin and purpose are unknown, they are thought to be some 2,000 years old.

After a long morning spent looking at these puzzling vessels, refreshment is a convivial prospect—and none more so than Bia Lao. Bottled since 1973 on the outskirts of Vientiane by the Lao Brewery Co., it's an arrestingly crisp brew and also the universal accompaniment to the local cuisine—a cooking style that blends the raw textures of Vietnamese food with the piquancy of Thai spices. There's no stinting on quality: Bia Lao is made from Pilsen malt imported from France, Hallertauer Magnum hops and dry yeast from Germany, and local rice and springwater. The brewers clearly take their calling with appropriate seriousness.

These are factors that have propelled Bia Lao to the top of Asia's beer league. So have the brew's emotional connotations. For wherever you are in the world, one sip of Bia Lao and you are instantly transported to a riverside bistro in Vientiane. The long lunches, the French-colonial streets, the wats and murmuring monks: it all comes back with exquisite precision.

Whoever imagined that Laos could create this foaming magic? It's enough to make you wonder if those ancient stone jars might once have served as beer kegs. —By Alex Perry

BEST URBAN HIKE
The Dragon's Back Trail
 HONG KONG

It may sound utterly implausible, but just 20 minutes from the yammering streets and sooty sidewalks of Hong Kong's downtown heart is a ridgetop world of forested uplands and gurgling waterfalls. For the ideal escape from urban clamor, try the Dragon's Back—the city's finest and most surprising ramble.

From the trailhead at To Tei Wan, the initial half-kilometer ascent through bamboo and banana thickets is rewarded with breathtaking views of Hong Kong's craggy southern shoreline and a string of deserted islands. And the route only gets better from here, undulating along the ridgeline of a thin peninsula jutting into the South China Sea before plunging back down the mountainside. The second half of the 8.5-km trail is a tranquil stroll through thick forest that rings with the sound of birdsong and coursing water. The path ends at sleepy Dai Long Wan ("Big Wave Bay"), a short walk from Shek O where numerous restaurants ply weary hikers with cold beer and excellent seafood. The glory of it all is that you're so close to the city but could hardly feel farther away. —By Aryn Baker

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TIME, NOVEMBER 22, 2004

Boat Race Festival, Vientiane 2004



Sporting event and concert sponsored by LBC, 2003



Case Study 2

<i>General Information</i>	
COUNTRY:	Lao PDR
COMPANY NAME:	Vientiane Steel Industry Co., Ltd.
CONTACT ADDRESS	
Contact Person	: Sonesavanh SOUKDALA
Designation	: Deputy Director
Business Address	: 087/12 B Salakham, Km 11 Thadeua Road Hat Xai Fong District, Vientiane Capital Lao PDR
Tel No.	: (856-21) 812 166
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Description of Success Story:

This story will focus on the development of a steel company that is prospering mainly on the intuition and hopes of the team, which is leading it to success. It is understood that through the lack of both knowledge and skill of intellectual property rights and R&D, the



success of the company is not related to intellectual property assets. Being a least developed, landlocked country, the overall position of the Lao multinational as well as other companies in the Lao PDR suffers unavoidably from this difficult situation. This is the case of the Vientiane Steel Industry Co., Ltd.

In addition to its success, the other side of the coin that no one sees is a bitter one. However it is dedicated to those who strive very hard to make this dream come true as it is said that the “Vientiane Steel Industry Group will grow along with the nation” and “the Group will be developed as the basis of a national industry infrastructure”.

Title

Along with National Development

Type of IP concerned

That the Vientiane Steel Industry Co., Ltd. has up to now focused more on manufacturing quality products needed by communities rather than focusing on IP is understandable.

The only intellectual property that matters to the company right now is its trademark. Due to its lack of knowledge, the company filed only local applications in 1997 and obtained certificates of registration for the mark “VSI” stamped on the steel dented bars with two more marks yet to be granted. No international applications have been sought but are planned for the future.

Background

Vientiane Steel Industry Co., Ltd. was incorporated in joint venture between Lao PDR and foreign partners PDR holding 40% of the shares and the other 60% equally distributed between Thai and Hong Kong. The day-to-day management of the company is in the hands of the Lao partners.



1994 as a joint venture with Lao being partners. hands of

Under the Lao law for Foreign Investment Promotion, the establishment of the company must pass through the Foreign Investment Management Committee¹⁵ (FIMC) for approval. The incorporation was very successful and was promoted by the Government following the launch of the New

¹⁵ A Government body that controls and manages foreign investment in compliance with the law on the promotion of foreign investment, which has now become the Department of Domestic and Foreign Investment under the Committee for Planning and Cooperation.

Economic Mechanism¹⁶ (NEM) initiating the transition from central planning to a market-oriented economy in 1986.

After securing the License for Investment from the Foreign Investment Management Committee, the company's headquarters were built in 1995 at 087/12 Ban Salakham, Km12, Hat Xay Fong District and the factory's construction started in March 1996 over an area of 124,688 square meters at Km 28 (Hat Xay Fong District) south of Vientiane along Thadeua Road in close proximity to the Mekong River.



The construction works took nearly two years and finally, in October 1997, the first steel factory began production of deformed and round steel bars ranging from 8mm to



20mm in diameter under the grades of SR24, SD30 and SD40 with a production capacity of 40,000 tons per year. The products are mainly distributed in local markets with a long term goal of exporting. Raw materials are imported from Russia, India, Japan and Thailand.

To diversify the construction materials and equipment and to satisfy local consumption needs, in 1999 the Forming Steel Factory with an annual production capacity of 40,000 tons was established and followed by the Roofing Tile Factory with a production capacity of 2,500,000 pieces per year.



In 2001, the second steel bar factory was constructed and started producing dented steel bars in early 2003 with an annual production capacity of 110,000 tons. The second steel bar factory houses a more advanced manufacturing capacity using modern technology and is manned by 18 workers including six office staff as compared to the first one operated by 45 workers. It could be said that this factory is 90% automated. Early in 2003, in order to be self-sufficient and to gradually reduce the import of raw

material, the company decided to install an iron foundry by processing used steel within the country. This is good for the country as well as for the company. In the past used iron and steel were exported to Thailand and Vietnam and now they can be recycled locally by the foundry. The Deputy Director said: "the foundry was entirely made in Lao PDR with the participation of workers and senior staff from inside the factory. The total cost for building this steel mill is US\$15,000.00. We are very proud of ourselves".

Vientiane Steel Co., Ltd. was awarded the National Standard Certification¹⁷ for steel bars under the trademark "VSI", 2002 and its Vice President and Director, Mr. Phisit Xayathit, was awarded the "Young Businessman"¹⁸ award presented by the Association of Young Business in 2004.

¹⁶ A mechanism initiated as a result of the economic reform in Lao PDR, 1989

¹⁷ A certificate issued by the Department of Intellectual Property, Standardization and Metrology (STEA) to a company for quality and standards established by regulation.

¹⁸ A reward given to businessmen for their courage, creativity and development.

Development and Use of IP in Business Strategy



As far as intellectual property is concerned, the company is aware of its importance and sends senior staff to national seminars held by the Department of Intellectual Property, Standardization and Metrology.

Understanding intellectual property, right after the start of production, the company filed a trademark application “VSI” on December 29, 1997 and the certificate of registration was granted on January 19, 1998. The VSI mark is embedded in every steel product and on sale nationwide. The company’s sales supplied 60% of local demand as a result of the VSI mark, thus enabling it to build a second, more-advanced factory and a foundry.

The VSI mark is known to construction companies due to its quality which meets norms and standards and it obtained the National Standard Certification from the Department of Intellectual Property and Metrology (DISM) of the Science, Technology and Environment Agency (STEA) in June 2000. At the end of 2004, 2,000 tons of VSI steel bars were exported to Thailand.



The Deputy Director informed us that all steel bars are reinforced and this is very important. He observed that the chemical composition of the steel consists of carbon, phosphorus, sulfur, manganese, silicon etc., similar in proportion to the steel industries of Thailand and Japan. In addition, the company owns a laboratory to conduct in-house testing e.g. tensile strength (Kgf/mm²), percentage of elongation, yield strength and a cold bend test for several of its products which meet the same standards as in Thailand and Japan.



There are now about 16 to 20 steel mills nationwide as compared to three factories in 1997, and none of them are marketing their products under any trademark. The Deputy Director said that the Vientiane Steel Industry Co., Ltd. Group in 2002 will consolidate its markets and diversify its products under the VSI trademark.

At the same time, the VSI trademark may be licensed or assigned to other steel mills. In 2005 the company is also working toward securing the ISO-9001 for its products with the assistance of the STEA/UNIDO.



The annual production of 2,500,000 roofing tiles also serves the public in home construction and is part of the Vientiane Steel Industry Co., Ltd. Group. The tiles are sold locally under the trademark “Lao tile VTP Twin Elephants¹⁹”. The mark was filed with the Division of Intellectual Property (DIP) late last year and now is in the course of being granted a certificate of registration. The products consist of green, blue, red, light blue and regular tiles. According to the Deputy Director, the tiles need to be improved to compete with tiles imported from Thailand in terms of quality and price but the products are popular

¹⁹ Earlier this mark was too similar to a Thai brand and following the invention by the DISM, it was amended accordingly to avoid infringement.

among the middle and low-income communities who can afford the price (e.g., Lao roofing tiles cost around US\$1.25 each compared with the Thai brands which cost US\$1.65. each. Next year the company will file a new application for the trademark “VSP” for engraving on steel bars.

Impact on Productivity

The Deputy Director mentioned: “before, even though we recognized the importance of intellectual property, we did not know how to make full use of it until we actually sold our products and then we realized that a mark or brand is sought by most people who can compare the differences between several products. It has really strengthened our sales and consolidated our markets.”



From Left: Chanthara Sayamoungkhoun,
National Consultant, Sonesavanh Soukdala,
DDG & QC Manager and Phommala

The company needs more understanding of Intellectual Property Rights in a wider sense and will conduct further studies on other aspects of intellectual property that can contribute towards its image, sales, quality, productivity and profits.

“The “VSI” trademark has indeed contributed to our sales because now customers always ask the sellers/shops about the brand/mark of the goods before buying e.g. with steel from the VSI company they see the mark “VSI” stamped on the steel bars.”

the Deputy Director said.

PART III

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

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