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VºBº Departamento de Estrategia Institucional  
MGZ

Vº Bº Subdirección Jurídica  
MUR



**APRUEBA CARTA DE ACUERDO DE COOPERACIÓN TÉCNICA NO REEMBOLSABLE, ATN/KF-13054-CH. PROGRAMA DE PROPIEDAD INTELECTUAL PARA EL DESARROLLO: ACCESO Y DIFUSIÓN DE CONOCIMIENTOS REGISTRADOS, ENTRE EL INSTITUTO NACIONAL DE PROPIEDAD INDUSTRIAL, INAPI Y EL BANCO INTERAMERICANO DE DESARROLLO, BID.**

**RESOLUCIÓN EXENTA Nº 088**

**SANTIAGO, 01 MAR 2013**

**VISTOS:** Lo dispuesto en la Ley Orgánica Constitucional de Bases Generales de la Administración del Estado, cuyo texto refundido, coordinado y sistematizado fue fijado en el Decreto con Fuerza de Ley Nº 1/19.653, de 2001, del Ministerio Secretaría General de la Presidencia; en la Ley Nº 19.886, de 2003, de Bases sobre contratos administrativos de suministro y prestación de servicios; en la Ley Nº 20.254, de 2008, que crea el Instituto Nacional de Propiedad Industrial; en la Resolución Nº 82, de 2012, que renovó el nombramiento de don Gonzalo Polanco Zamora, como Subdirector Jurídico, dispuesto mediante Resolución Nº 323, de 2009, ambas del Instituto Nacional de Propiedad Industrial; y en la Resolución Nº 1.600, de 2008, de la Contraloría General de la República.

**CONSIDERANDO:**

1º Que la Ley Nº 20.254, creó el Instituto Nacional de Propiedad Industrial, también denominado INAPI, como un órgano descentralizado, de carácter técnico y jurídico encargado de la administración y atención de los servicios de propiedad industrial, conforme a lo dispuesto en las leyes sobre la materia, correspondiéndole, además promover la protección que brinda la propiedad industrial y difundir el acervo tecnológico y la información de que disponga.



2° Que el Banco Interamericano de Desarrollo, BID, tiene por objeto contribuir a acelerar el proceso de desarrollo económico y social, individual y colectivo, de los países miembros regionales en vías de desarrollo.

3° Que Inapi y el BID han firmado una carta de acuerdo denominada “**CARTA DE ACUERDO DE COOPERACIÓN TÉCNICA NO REEMBOLSABLE, ATN/KF-13054-CH. PROGRAMA DE PROPIEDAD INTELECTUAL PARA EL DESARROLLO: ACCESO Y DIFUSIÓN DE CONOCIMIENTOS REGISTRADOS**”, cuyo texto se aprueba mediante el presente acto administrativo, a través del cual Inapi acepta los términos de la Cooperación Técnica, para la ejecución del Programa, que permitirá llevar a cabo un proyecto que busca fomentar el acceso y difusión del sistema de registro de propiedad industrial en Chile, a través de la digitalización de patentes, el rediseño de procesos y estructura organizacional de la Subdirección de Marcas y la realización de Talleres regionales para fortalecer las capacidades de búsqueda y uso de información tecnológica disponible en las bases de datos.

#### **RESUELVO:**

**Artículo Primero:** Apruébase el texto de la carta de acuerdo denominada “**CARTA DE ACUERDO DE COOPERACIÓN TÉCNICA NO REEMBOLSABLE, ATN/KF-13054-CH. PROGRAMA DE PROPIEDAD INTELECTUAL PARA EL DESARROLLO: ACCESO Y DIFUSIÓN DE CONOCIMIENTOS REGISTRADOS**”, suscrita entre el Instituto Nacional de Propiedad Industrial y el Banco Interamericano de Desarrollo, BID, que se transcribe a continuación:

**“CARTA DE ACUERDO DE COOPERACIÓN TÉCNICA NO REEMBOLSABLE, ATN/KF-13054-CH. PROGRAMA DE PROPIEDAD INTELECTUAL PARA EL DESARROLLO: ACCESO Y DIFUSIÓN DE CONOCIMIENTOS REGISTRADOS**

*“Señor Maximiliano Santa Cruz Scantlebury, Director Nacional, Instituto Nacional de Propiedad Industrial (INAPI), Moneda 975, piso 15, Santiago, Chile. Re: ATN/KF-13054-CH. Cooperación Técnica no reembolsable. Programa de Propiedad Intelectual para el Desarrollo: Acceso y Difusión de Conocimientos Registrados. Estimado señor Director Nacional del INAPI: Me complace comunicarle que el Banco Interamericano de Desarrollo, en adelante el “Banco”, aprobó el otorgamiento de una Cooperación Técnica no reembolsable a la República de Chile, en adelante el “Beneficiario”, para apoyar el Programa de la referencia, hasta por el equivalente de doscientos un mil quinientos catorce dólares de los Estados Unidos de América (US\$201.514), en adelante la “Contribución” que se desembolsará con cargo a los recursos del Fondo para la Economía del Conocimiento (Knowledge Economy Multidonor Fund – KEF).*

*El objetivo de esta Cooperación Técnica es fortalecer la capacidad institucional del INAPI para entregar, transferir y diseminar información tecnológica existente de sus distintas bases de datos, así como para facilitar el procesamiento interno de solicitudes de registro de propiedad intelectual y reducir su tiempo de registro.*

*A solicitud del Beneficiario, el Banco seleccionará y contratará los consultores y contratistas u otros servicios distintos a los de consultoría para llevar a cabo las actividades referentes a esta Cooperación Técnica, según sus políticas. Entendemos que tanto los consultores como el personal del Banco contarán con la cooperación y el apoyo del Beneficiario, por medio del INAPI. Además, entendemos que el beneficiario, a través del INAPI, realizará un aporte equivalente a doscientos ochenta y nueve mil cuatrocientos cincuenta y ocho dólares*



(US\$289.458), con el fin de completar la suma equivalente a cuatrocientos noventa mil novecientos setenta y dos dólares (US\$490.972), en que se estima el costo total del programa, sin que estas estimaciones reduzcan la obligación del Beneficiario, por intermedio de INAPI, de aportar los recursos adicionales que se requieran para completar el programa, adjunto como anexo único en su versión en inglés.

El plazo para la ejecución del programa será de doce (12) meses contados a partir de la fecha en que se firma esta carta. El plazo para el desembolso de los recursos de la Contribución será de dieciocho (18) meses contados a partir de esa misma fecha.

Finalmente, cabe aclarar que el financiamiento de esta Cooperación Técnica no implica en forma alguna un compromiso de parte del Banco de financiar total o parcialmente cualquier programa, proyecto o servicio que directa o indirectamente pudiera resultar de la ejecución de la misma.

Para manifestar su aceptación a los términos de la presente carta, les ruego firmar y fechar los dos ejemplares originales de la misma y devolver al Banco uno de ellos. La fecha que figure al pie de su firma constituirá la fecha de vigencia de esta carta. Muy atentamente.

Firmado, María Camila Uribe, Representante del Banco en la República de Chile, y Aceptado: República de Chile, hay firma de Maximiliano Santa Cruz Scantlebury, Director Nacional, Instituto Nacional de Propiedad Industrial (INAPI). Fecha: 09/03/2012."

**Artículo Segundo:** Designase en calidad de contraparte técnica, a la funcionaria del Departamento de Estrategia Institucional doña Marcela Galleguillos Zumaeta, quien podrá ser reemplazada por quien designe el Director Nacional para dichos efectos mediante memorándum.

**ANÓTESE, NOTIFÍQUESE Y ARCHÍVESE**

**GONZALO POLANCO ZAMORA  
DIRECTOR NACIONAL (S)  
INSTITUTO NACIONAL DE PROPIEDAD INDUSTRIAL**

**Distribución:**

- Banco Interamericano de Desarrollo, BID
- Dirección Nacional
- Subdirección Jurídica
- Departamento Estrategia Institucional
- Departamento de Comunicaciones Institucionales.
- Oficina de Partes

Señor  
Maximiliano Santa Cruz Scantlebury  
Director Nacional  
Instituto Nacional de Propiedad Industrial (INAPI)  
Moneda 975, piso 15, Santiago, Chile.

Re: ATN/KF-13054-CH. Cooperación Técnica no reembolsable. Programa de Propiedad Intelectual para el Desarrollo: Acceso y Difusión de Conocimientos Registrados.

Estimado señor Director Nacional del INAPI:

Me complace comunicarle que el Banco Interamericano de Desarrollo, en adelante el “Banco”, aprobó el otorgamiento de una Cooperación Técnica no reembolsable a la República de Chile, en adelante el “Beneficiario”, para apoyar el Programa de la referencia, hasta por el equivalente de doscientos uno mil quinientos catorce dólares de los Estados Unidos de América (US\$201.514), en adelante la “Contribución”, que se desembolsará con cargo a los recursos del Fondo para la Economía del Conocimiento (Knowledge Economy Multidonor Fund – KEF).

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Muy atentamente,



Aceptado:

República de Chile

María Camila Uribe  
Representante del Banco en la República de Chile

Maximiliano Santa Cruz Scantlebury  
Director Nacional  
Instituto Nacional de Propiedad Industrial  
(INAPI)

Fecha: 09/03/2012



# Knowledge and Capacity Building Products (KCP) Proposal

## Policy and Capacity Development

### I. General Information

**KCP Title:**

**Intellectual Property for Development: Access & Diffusion of registered knowledge**

**OPUS Number:** CH-T1114      **Date of Proposal:** 8/5/2011      **Linked to project:**

**Team Leader / Unit:**  
CRESPI, GUSTAVO ATILIO - SCL/SCT

**Peer Reviewer 1:**  
ANTA, RAFAEL

**Peer Reviewer 2:**  
MAFFIOLI, ALESSANDRO

**Joint Proposal:**

**Proposed amount, without counterpart** in USD equivalent (enter whole number only): US\$201,514  
Must match total of budget table on section VI, and of OPUS

**Proposed amount including counterpart** (if applicable) in USD equivalent: US\$490.972

**Proposed Fund:**  
Knowledge Economy Fund (KEF)

**Unit of Technical Responsibility:**  
IFD/CTI

**Unit of Disbursement Responsibility:**  
CCH

<b>Execution:</b> CCH	<b>Letters of Request available</b> (or equivalent) Yes <b>Doc# (IDBdocs):</b> <u>36264758</u>	<b>Non-objection available:</b> No <b>Doc# (IDBdocs):</b>
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**Execution period: 12 months    Disbursement period: 18 months    Required Start Date: 02/17/2012**

**Executing Agency:**  
IDB Country Office in Chile

**Executing Agency description and capacity:**

The IDB Country Office in Chile (CCH) has a long tradition of executing technical cooperation's such as the one presented in the current proposal. See for example the work carried out by CCH with regards to the "Study of the Seismic Vulnerability of Systems Health Infrastructure" (CH-T1107). In the case of the present technical cooperation, even though the National Institute of Industrial Property (INAPI) could have been the executing agency, the Budget Department (DIPRES) from the Ministry of Finance of the Government of Chile proposed that the IDB be the executor of the project due to alleged complications in the redistribution of the 2012 budget.

**Counterpart in the execution:**

Founded in 2008, the National Institute of Industrial Property (INAPI) is the Chilean agency responsible for the management and promotion of industrial property rights. INAPI is in charge of the registration of trademarks, patents and other industrial property rights.

INAPI is also committed to the diffusion of knowledge and the promotion on intellectual property rights as a tool for development. As stated in the law that created INAPI, the agency is an advisory body on industrial property issues to



the President of Chile, particularly in connection with the subscription of international treaties.

INAPI is a functionally decentralized public service, with legal personality and has its own patrimony. INAPI's mission is the contribution to national economic development by encouraging innovation and creativity through the protection of industrial property rights and management of knowledge, based on processes that ensure effectiveness, efficiency, quality, legality, and accessibility to information.

INAPI possesses the technical and administrative capacity to carry out the activities involved in this KCP proposal and it is the appropriate agency to foster innovation through the promotion of intellectual property rights in Chile. The organization is structured into 3 business Sub-Directorates - Trademarks, Patents and Transfer of Knowledge - which represent 70% of its employees, and 3 support level divisions - Legal, Development and Administration - which represent the remaining 30% of its laborforce, and are responsible for delivering ICT support, internal communications and external audit, planning and management control, as well as continuous process improvement and procurement, amongst other functions. Most of the 192 employees were selected based on open competitions for public office, and the degree of profesionalization reaches 67% of the organization.

Over the past two years, INAPI has worked in collaboration with several international organizations in order to put forward different projects aimed at modernizing the agency and providing a better service. Two of these projects deserve a special mention. The first one is a World Intellectual Property Organization (WIPO)-INAPI project for the complete replacement of the agency's IT infrastructure. The new system, named Industrial Property Automation System (IPAS), to be launched in April 2012, will be the base upon which different new services, such as online proceedings, will be built on.

The second large project is a European Union (EU)- INAPI collaboration for the construction of a "knowledge platform" to disseminate industrial property information and transfer knowledge to companies, universities and research centers, which begun in October 2010 and is expected to conclude by May 2012. The platform will have 3 components: training on IP related searches, an IP toolkit and a structure for online courses on IP.

Since its creation in January of 2009, INAPI has focused on operational issues related to the registry of patents and trademarks. However, in the long term, INAPI plans to focus on strengthening capacities to establish the agency as a producer of knowledge that promotes the transfer and diffusion of technology, research and innovation in the country, as well as an advisory body to the government that supports the instrumentation of public policies and provides solutions based on IP.

**Country of Origin of Executing Agency:**

N/A

**Contact in the Executing Agency:**

Maria Isabel Palomer Sanchez

**E-mail address:**

mariaip@iadb.org

**Beneficiary Countries:**

CHILE

**Beneficiary entity:** National Institute of Industrial Property (INAPI) /Instituto Nacional de Propiedad Industrial (INAPI)

**Sector:** SCIENCE AND TECHNOLOGY

## II. KCP Type

### Origination

Originated in client: KCP is the result of clients' demands.

The client may require to address a current public discussion, an advice to draft a law or a regulation, support for policy analysis and formulation, a capacity improvement for the execution of a recently approved program, an analysis of a public policy or private sector problem, or generate consensus around a specific issue.

### Scope

Forward-looking purpose:

Demand for this KCP serves a longer-term, forward-looking purpose that may require the accumulation of new knowledge and experience. These products usually require a longer deployment time.

## III. Alignment of the KCP proposal with IDB's Institutional Priorities (GCI9).

### 3. Institutions for Growth and Social Welfare

#### Innovation

By ensuring that all private sector enterprises in Chile – and particularly Small and Medium Enterprises (SMEs) – can have access to all relevant technological and business related information contained on IPR documents, stimulating



technology transfer and innovation, the present KCP proposal will address one of the overarching objectives of the IDB's 9<sup>th</sup> General Capital Increase (GCI9): Development through the private sector. According to the GCI9, "increasing support for the private sector, especially for SMEs, can be a very effective tool to speed up the region's lagging growth, create more jobs, and improve the lives of the poor"<sup>1 2</sup>.

Furthermore, by "strengthening institutional capacities", "fostering increases in labor productivity", and "upgrading institutions needed to take full advantage of the benefits of opening markets"; the KCP proposal is aligned with three of the five GCI9 sector priorities outlined in the *Report on the Ninth General Increase in the Resources of the Inter-American Development Bank*.<sup>3</sup>

3.1 Explain how the knowledge produced with this KCP will be used (policy advice, institutional strengthening, input for programming and strategy, pipeline development, input for other KCPs):

Currently, the processing of applications for trademarks and patents is mostly made in paper and personally. This has implications for internal management, such as: a) increase in processing times; b) high storage costs; c) slow recovery of records; d) impairment of work environments by accumulating records, among others. Likewise, external users are also negatively impacted. All IPRs activities, such as the transfer of technology and the commercialization of products or services in connection to IPRs is complicated and burdensome since it has to be done in the capital city, Santiago de Chile, manually going through paper archives. The solution to these barriers resides in the institutional and technological modernization of INAPI. The activities generated by this KCP will allow a better use of the knowledge generated by innovation activities formalized in the Chilean IPR system, reducing the backlog in terms of internal processing times, and providing timely and cheap access to the previous stock of knowledge (both protected and in public domain) to SMEs, university researchers and public research organizations spread out along the complex and long Chilean geography.

The knowledge and capacity building generated by this KCP will be used to strengthen INAPI's capabilities to protect the results of intellectual property investments and to disseminate both protected and public domain knowledge, so as to foster technology transfer and improve the operations of knowledge markets in Chile. In fact, the current project will strengthen capacities in order to have a more productive use of the digital infrastructure financed by the EU-INAPI and WIPO-INAPI projects and thus allowing for a more efficient administration, management and use of all IP related rights and knowledge.<sup>4</sup>

Finally, the knowledge and capacity building produced by this proposed KCP will serve as an important input in the design and execution of other potential KCPs and similar projects related to IPR in other countries of the Latin America and the Caribbean region. For example, the Bank's Science and Technology Division (SCT) currently participates in WIPO meetings and invites them to the Bank's Regional Policy Dialogues (RPD), where issues of intellectual property are frequently discussed and where the knowledge generated by this specific project could be disseminated to other countries in the region. Other collaborations between the IDB and WIPO include the specific support granted by WIPO in the implementation of the Regional Public Goods Project RG-T1686 (National Intellectual Property Offices in South America); and the increasing collaboration given by both organizations in order to coordinate the inclusion of IPRs strategies within IDB loan operations.

#### IV. OBJECTIVES, EXPECTED RESULTS AND ACTIVITIES (Maximum 4 pages)

4.1 Describe the challenge that this KCP addresses (e.g. policy, institutional, technical):

Chilean companies - particularly SMEs -, researchers and other users of IP knowledge undergo a series of challenges to innovate, amongst which, the most important are: a restricted access to stocks of patents which is not currently all digitalized; and weak capacities and expertise of human resources in charge of the application of the regulatory framework, technology transfer, dissemination, evaluation and search optimization. These problems are reflected in the increasing importance that Chilean companies are giving to intellectual property and access to information. An analysis of Innovation Surveys for the 2005-2008 period, shows that Chilean companies believe that the lack of information on technologies and the degree of imitation in the market are both major obstacles to innovation.

<sup>1</sup> Inter-American Development Bank. Report on the Ninth General Increase in the Resources of the Inter-American Development Bank. May 21, 2010. Page 8.

<sup>2</sup> According to Chile's innovation survey, the lack of information is identified by all types of firms as a major obstacle to innovation. However, while it affects 15% of large firms, it affects 20% of SMEs.

<sup>3</sup> Inter-American Development Bank. Report on the Ninth General Increase in the Resources of the Inter-American Development Bank. May 21, 2010. Pages 8 & 9.

<sup>4</sup> The policy priority for the Chilean government of strengthening the operational capacities of INAPI also becomes clear from the high relevance given to this in the recently announced National Competitiveness Strategy of May 2011 (Impulso Competitivo. Policy white paper is attached in electronic format)



Particularly, 25% of Chilean SMEs report that imitation is a major obstacle to innovation, and what is more worrying is that the frequency of this problem grew by more than 20% since 2005.<sup>5</sup>

For a country seeking to foster knowledge in the global economy, it is critical to have a better protection of its intellectual assets. Until very recently, the intellectual property legal and regulatory frameworks in Chile resembled the ones suitable for an economy where the copy and imitation of existent technologies was consistent with a catching-up phase. However, to the extent that Chile is converging towards the technological frontier, its dependence on innovation with a higher level of inventive quality will become critical to compete in the global economy, and thus the overall legal and institutional framework that regulates intellectual property rights needs to be revamped.

Chile is gradually taking the necessary steps in the right direction. As a consequence of its membership to the World Trade Organization (WTO), the different legal bodies that regulate industrial property (including patents) and copyrights became increasingly harmonized with the WTO standards. However, despite the progress in the legal frameworks, the registration, promotion and protection of intellectual property rights are still based on a processing infrastructure which is old and outdated, impacting the efficiency of the agency and the access that SMEs and other users of the system (such as researchers) have to the information that they need. For example, in the case of INAPI, there is currently a backlog of 5.9 years<sup>6</sup> to process a patent application and this figure might grow as a consequence of Chile becoming a member of the Patent Cooperation Treaty (PCT)<sup>7</sup>. To avoid this, INAPI needs to change its processes and modernize its technological platforms. In order to increase the level of intellectual property protection by domestic SMEs but also to favour technology transfer and knowledge dissemination. This process has already begun, and important steps have been taken in order to modernize the agency. In April 2012 a complete "platform of knowledge" will be launched and starting the same year all INAPI members will work on the new IT platform IPAS.

In summary, although Chile has taken important steps to strengthen its intellectual property system, progress has mainly focused on the modernization of the legal framework. Only very recently, since 2009, the country has started to advance in the strengthening of the application authorities and regulatory bodies, being INAPI the most important among them. Similarly to the majority of the patents and trademark offices of the world, INAPI has an important stock of technological information of products and processes available. In this regard, beyond its typical obligations as a register, INAPI is legally responsible for, on the one hand, promoting the enforcement of intellectual property rights, and, on the other hand, facilitating access to technological information (both registered and in the public domain) with the aim of promoting technology transfer and research and development. INAPI is a key innovation system agent not only for the correct working of the domestic market of knowledge, but also for its integration in the global knowledge markets.

#### 4.2 Describe lessons learned from previous similar KCP:

Three previous IDB Technical Cooperation's (TC's) that have dealt with Intellectual Property Rights:

- (i) Peru - Implementation of Patent Based Technology Information Platform (PE-T1050)
- (ii) Colombia - Innovation and Competitiveness through Intellectual Property (CO-M1054)
- (iii) Jamaica - Using Intellectual Property to Improve the Competitiveness of Jamaican MSMEs (JA-M1014)

All the above mentioned TC's have dealt with IPRs issues but in the context of different Latin American countries and with distinct objectives. The most similar of all to the current proposal, project PE-T1050 focused on the design and execution of information platforms needed to offer IPR related services on-line. One important lesson learned is that whereas information platforms are a critical input in the modernization processes of the corresponding agencies, there are a series of technological compatibility and usage issues that need to be addressed in the digitization process, and which require software development and extensive training sessions within the organization, as well as with final users. Likewise, the technological upgrades introduced require organization changes that need to be addressed parallel to the digitization process. Both of these components have been considered in the current proposal.

Projects CO-M1054 and JA-M1014 were considered to a lesser degree as providers of lessons learned for the current proposal since they both focused on more distinct IPR issues. CO-M1054 had as its main objective the simplification of the IP registration system accessible to Colombian SMEs through the creation of a single window at chambers of

<sup>5</sup> These indicators have been taken from the IDB's Sectoral Note "Innovación y Desarrollo Tecnológico en Chile" (June 2011) prepared for the Chile Country Strategy.

<sup>6</sup> While there are no statistics collected in Latin America to help us "benchmark" this backlog to other countries in the region, we have the following data from other offices/agencies of countries that could still serve as a reference for Chile: #years in examination (pendency); USPTO (US): 2.91 years; EPO (Europe): 3.42 years; KIPO (Korea): 1.83 years; JPO (Japan): 2.92 years.

<sup>7</sup> Although the precise impact cannot be calculated at this time, it is expected that Chile's membership to the Patent Cooperation Treaty (PCT) will significantly increase the number of patent applications received.



commerce, as well as the corresponding training and technical assistance needed to support a more effective use of intellectual property in Colombian businesses. On the other hand, JA-M1014 focused on the early registration, licensing and accreditation of trademarks, as well as support in the implementation of market penetration initiatives for iconic Jamaican products.

#### 4.3 State the KCP objectives:

The general objective of this KCP is to strengthen the institutional capacities of INAPI to deliver, transfer and disseminate existing technological information from its different databases, as well as facilitate the internal processing of IPRs applications and reducing their pendency time. This institutional strengthening and improvement of internal efficiency will be done through the fulfillment of three specific objectives:

- (1) Digitization of INAPI's stock of patents<sup>8</sup>,
- (2) Organizational redesign of the Trademark Sub-Directorate,
- (3) Strengthening of capacities in Sub-Directorate of Technology Transfer and users for accessing and processing of the technology stock.

#### 4.4 State the KCP expected results:

The expected result of this project is an IP office for Chile that can face the new challenges brought by the surge of IPR applications in a democratic manner, by providing equal service to all users along the country without having to increase administrative costs and by ensuring universal access to all relevant technological and business related information contained on IPR documents. To be more precise the main results for each one of the specific objectives will be:

- (1) Digitization of INAPI's Patents stock: The expected result will be a complete digital database with all documents scanned and accessible through (OCR) the online IT platforms that are being implemented in INAPI.
- (2) Organizational redesign of the Trademarks Sub-Directorate: The expected result will be a proposal for implementation and assistance in the execution of a new internal organizational structure capable of absorbing and facing the new challenges brought by digitization. This component will be complemented by an IT structure for operations indicators.
- (3) Strengthening of capacities in the Technology Transfer Sub-Directorate, as well as in external users - business and Government associations, universities, research institutions and SMEs - for accessing and processing the technology stock: The expected result will be the creation of capacities among both current and new users as identified by the executors of the project.

In terms of impact indicators, expected results are: (i) an increase to 2.0 in the number of patents per 1,000,000 inhabitants (from 1.3 today); (ii) a reduction to 20% in the percentage of companies that state that imitation is a major obstacle to innovation (from 25% today); (iii) a minimum of 600 monthly searches on INAPI's database; (iv) a reduction of patent pendency time to 5.3 years (from 5.9 today); (v) a reduction of the processing time for trademarks to 6.3 months (from 7.3 today); (vi) an increase of 20% in the number of participants in the workshops that INAPI holds each year.

#### 4.5 Provide a description of the main outputs and related activities expected to be carried out:

The main outputs and related activities are directly related to the three specific objectives of the projects and can be described as follows (1 component for each specific objective):

- (1) Digitization of the stock of 10,000 patents (applications that have already been published and registered, or are pending) in Chile: The expected output is a set of documents with the technical characteristics necessary to be uploaded by a search engine to allow searches on the Internet supported by the Platform that is been created on the EU-INAPI project. The scope of the documents to digitize was determined by a group of experts using as criteria the relevance of the information for innovation and competitiveness purposes. As a result of that analysis, it was determined that in this first stage, patent applications and registrations should be included. Previous documents can be included, but after a cost-effectiveness analysis, it was decided they were not a priority. As a consequence of this process, a total of 10,000 patent documents (registered and pending) will be transferred to a digital format. This number includes all patents granted and all filed and published applications from 2008 to date. After being



transferred to a digital format, the documents will be made accessible through a search engine. This tool is currently being developed on a project that INAPI has in collaboration with the European Union.

Note on the importance of digitizing the stock of 10,000 patents:

Technical advances, mass internet, and the speed at which science advances, require that industrial property offices make every effort to ensure that each and every one of the patent documents, containers of much of the technological and commercial information relevant to a country, are available to all interested parties anywhere in the world.

In the case of INAPI, this process will be implemented, starting in 2012, for all new incoming patent registrations. However, not only new patents are important. Documents relating to older patents are equally important, since they can serve as a basis for increasing the development of new lines of research and even marketing of inventions with potential, but without the necessary visibility. The digitization of these patents is crucial, because it will ensure universal access by firms, researchers and other users, to all relevant technological and business related information contained on IPR documents.

(2) Redesign of the organizational structure of the Trademarks Sub-Directorate: Transforming INAPI into a digital organization will require the redesign of its internal processes and structures in order to take full advantage of the new possibilities without wasting any resources. This component will be carried out by an external consulting agency, and it will cover the following activities: (i) analysis of the business context, (ii) redesign of all internal processes, (iii) development of the proposed structure and validation by INAPI; (iv) modeling of the required organizational structure; and (v) Role adjustment and strategy for fully implementation of the proposed changes. This component will be complemented by an IT structure for operations indicators

(3) Capacity building and dissemination. Specific abilities will be provided to the Sub-Directorate of Technology Transfer, as well as to external users with regard to the usage of web tools to search patent documents for both research and commercial purposes, information technology searches, and especially of patent documents. The targeted groups for these workshops are SMEs, universities and other research institutions. The component will cover the following activities: (i) design of workshops on search on patent documents for research and commercial purposes; (ii) 5 workshops to create awareness, build capacities and provide tools for conducting searches on IPR related documents. These workshops will also explain the uses and provide simple search strategies of the trademark database; (iii) Evaluation of workshops.

#### 4.6 Identify the main audience or expected users of knowledge generated or disseminated by this KCP

In the short term, we have identified a series of direct and indirect beneficiaries. In the long term, these beneficiaries should increase, as the importance and necessity of IP, in particular for transfer of technology, becomes part of the national and international culture.

Direct Beneficiary:

(1) National Institute of Industrial Property (INAPI)

Indirect beneficiaries:

(1) Patent Applicants: Applicants having a residence in Chile reach an average of 320 filings per year (11.34%), while foreign applicants reach an average of 2510 (88.66%) per year.

(2) Trademark applicants: The total of new trademarks applied for in 2010, reached 31,700. Renewals averaged 13,500, which gives an annual total of 45,000 applications.

(3) Technology Based Small and Medium Enterprises (SMEs): According to the 2007 Innovation Survey there are 40,000 innovative SMEs in Chile.

(4) Academic Institutions and Research Centers: According to data from the Ministry of Education in Chile, there are 61 institutions of higher education in Chile. The total number of academics from universities in the year 2008 reached 49,865, of about 5,000 are dedicated to applied research. These researchers, and specially those from the engineering, biology, pharmacy and chemical sciences schools, should be the main indirect beneficiaries.

(5) Public Research Organizations.

(6) Law Firms: At the national level, there are approximately 50 law firms that, among its services, offer the processing of patent and trademark applications both to residents and non-residents, as well as legal actions designed to prevent and combat infringements of intellectual property rights.

We have also identified as indirect beneficiaries business innovation support agencies in Chile (CORFO and CONICYT), as well as all industrial property offices in the region that could benefit from the experiences learned and the work done at INAPI with regards to this project.

#### 4.7 Additional technical information

If necessary, in an appendix, please provide further technical details that you consider relevant to evaluate the technical quality of this KCP. Appendix Doc#( IDBDocs): [36311376](#)

### V. KCPs RESULTS FRAMEWORK. Main Outcomes and Outputs.

#### 5.1 Results Matrix:

Results Matrix									
	Unit	Baseline		Year 1		Year 2		Expected Completion Date	Data Source
		Value	Year	Planned	Actual	Planned	Actual		
<b>Outcome</b>									
Number of patent grants per 1,000,000 inhabitants	# of patents	1.3	2010	1.6		2.0			USPTO
Percentage of companies that state that imitation is a major obstacle to innovation	% of firms	25	2008	23		20			Innovation & technological development survey
<b>Output</b>									
Monthly rate of IP related searches on INAPIs database	# of searches/month	N/A		N/A		600		5/1/2013	Website function
Productivity of Sub-Direction of Patents <sup>9</sup> . Sum (number of months between entry and end of processing each patent in period t) / (N°. of patents completed in period t)	# of months	69	2011	64		63 <sup>in</sup>		12/31/2012	Monthly Report. Department of Planning and Management
Productivity of the Sub-Direction of Trademarks. Sum (number of days between entry and the completion of the processing of each brand in period t) / (N° of brand	# of days	220	2011	198		189 <sup>11</sup>		9/1/2012	Monthly Report. Department of Planning and Management
Regional coverage of workshops. (Number of participants of the training program from regions)	# of participants	1,050	2010	N/A		1,260		6/1/2013	Workshop Reports. Transfer of knowledge Department
Number of attendants to the workshops from universities.	# of participants	1,414	2010	N/A		1,697		6/1/2013	Workshop Reports.

<sup>9</sup> Considering that the digitization of patents only covers 55.6% of applications and that the productivity of the Patent Sub-Directorate depends on other factors such as a) Application of OCR, b) Redesign of processes c) secular growth in the increase of applications, among other variables, the indicator will be considered as low weight when calculating the overall indicators committed.



Number of attendants to the workshops from SMEs	# of participants	220	2010	N/A		264		6/1/2013	Transfer of knowledge department Workshop Reports. Transfer of Knowledge Department
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**VI. BUDGET (\*):**

Costs	Project Cost – IDB Financing					Total request	Counter-part Resources	Other Financing	
	Year 1			Year 2					
	Consult.	Travel (consultants only)	Other						
<b>Component 1</b>	90.000	0				90.000	237.417		
• Cost of digitizing 10,000 Patents	73.922					73.922	188.235		
• HR costs for the digitization of patents						0	34.370		
• OCR	16.078					16.078			
• Inventories						0	14.812		
<b>Component 2</b>	71.671	0	0	0		71.671	23.431	0	
• Organizational re-design	55.500					55.500			
• IT structure for operations indicators	16.171					16.171			
• Costs in HR by INAPI						0	23.431,00		
<b>Component 3</b>	0	0	32.843			32.843	20.471		
• Diffusion			32.843			32.843	5.887		
• Costs in HR by INAPI						0	14.584		
<b>Sub-total</b>	161.671	0	32.843			194.514			
						7.000	8.139		
<b>Total</b>	161.671	0	32.843			201.514	289.458		
Approximate value of in-kind counterpart									

(\*): More details may be required by donors (e.g. consultant cost per day);

6.1 Describe the source and type of counterpart resources

The total budget for this proposed KCP is estimated at US\$490.972. It is estimated that the Knowledge Economy Fund (KEF) will finance US\$201,514.00, the local counterpart US\$289.458, of which 10 % will be in-kind.

**Letter from INAPI:**

The resources are committed in our general budget, professionals of INAPI will carry out the project, and the responsibility is assigned to the entire agency

As the team responsible for the development and implementation of the digitization project, we would like to express our commitment to the success of this enterprise. Our different background and experiences at INAPI have convinced us of the need of a project of this nature. From an IT perspective, a public policy perspective and a management perspective, the need for digitization and good organizational structure is clear.

We strongly believe that if this project succeeds, INAPI will take the final jump from a good office to one that can become a reference for the region. IP is an important player in the promotion of development, therefore the IP office needs to be an example of efficiency and modernity. In the case of INAPI this is particularly important. The Government of Chile is making all the efforts to increase investment on research and development. It is just creating new challenges that INAPI will be able to improve its infrastructure, especially with regards to access to information and organizational efficiency. On the other hand, we believe the goal of the Government efforts can only be achieved if the society as whole can know how to use all the tools available, hence the importance of capacity building on our project.

Finally, we would like to express our enthusiasm in developing this enterprise. We believe our combined capacities complement each other. We are confident we will be able to be successful and that INAPI will in fact become a better and stronger office both for our internal needs than for those of our users.

Marcela Galleguillos  
 Javier Heresi  
 Aisen Etcheverry

6.2 Types of Consultants: Firms or individuals and main activities/outputs:

Type: Individual or Firm (if available)	Nationality (if available)	Estimated Cost	Main Activities / Outputs
Firm	CHILE	55,500	Organizational redesign of the Trademarks Sub-Directorates
Firm	CHILE	73,922	Digitizing of 10,000 Patents
Individual / Firm	CHILE	16,078	OCR Patens
Individual / Firm	CHILE	16.171	IT structure for operations indicators.

VII. Bank costs:

For the Bank's internal purposes, please provide information in Bank costs associated with the execution of this KCP:

7.1 Bank staff participation in KCP:

Staff Name	Bank Unit	FTEs
CRESPI, GUSTAVO ATILIO	SCL/SCT	0.05
LARSSON, MIKAEL K.	SCL/SCT	0.1
ANGELELLI, PABLO JAVIER	SCT/CUR	0.02

VIII. Risks:

Fill-out the KCP's Environmental Screening and Classification using this link to the [Environmental Screening and Classification Toolkit](#). Then save it in IDBDOCS and record its number in the box below (\*):

36462758

8.1 Implementation

There is a risk that targeted users - business and government associations, universities, research institutions and SMEs - will not adopt and be able to exploit all the potential of the new digitalized system. This risk will be mitigated by the inclusion in the project of five training workshops to create awareness, build capacities and provide tools for users conducting searches on IPRs related documents.

Risks:



8.2 Please identify key environmental and social risks and impacts, and the strategy to address them:

N/A

**IX. Coordination with other MDBs**

Summarize collaboration or coordination with other MDBs, donors and other strategic partners (if any): INAPI is coordinating efforts with the World Intellectual Property Organization (WIPO), and the European Union (EU), which are currently providing technical assistance to INAPI.

**X. Monitoring and evaluation plan.**

Fill-out the KCP's Development Effectiveness Matrix (DEM) using this link to the PCD [DEM template](#). Then save it in IDBDOCS and record its number (\*): 36317294

10.1 Summarize the basic elements of the Monitoring and Evaluation plan, including key activities and associated budget:

Monitoring: INAPI will be responsible for monitoring the program and preparing the reports. It will prepare three progress reports documenting the activities performed during the period, following the format agreed upon with the Bank. Each report will include the work plan and the schedule of disbursements for the following four -month period. The progress reports will be submitted to the Bank within 30 calendar days after the end of each four -month period. These reports will serve as the basis for the executing agency to prepare a final report to be submitted within three months as of the project completion's date. The Bank will use these reports to monitor the program, and will review the consulting contracts to be executed by INAPI with any consultant hired for the project under *ex post modus operandi*. Two (2) supervision missions from an IDB consultant (SCL/SCT) to monitor the general execution of the project will also be included. Said trips will have a corresponding budget of US\$3,500.00 each, and a total of US\$7,000.00.

Evaluation: INAPI will follow and monitor the execution of the project as follows:

1. Project development meetings: The team in charge of executing the Project will have one (1) meeting per week in order to evaluate the advances on the components in execution.

The team will also hold one (1) monthly meeting with INAPI's Director to inform of the advances and issues that came up during said period.

2. Evaluation

Reports:

Component 1, Digitization: INAPI shall draft monthly reports on the advances of the digitization process. Component 2, Reorganization: INAPI shall draft a report after each step agreed with the consulting company; i) Diagnosis of context; ii) Organizational design; iii) Organizational model; iv) Identification and alignment of roles.

Component 3, Diffusion: INAPI shall draft reports on each one of the seminars.

The respective reports should include the evaluation of the activities planned and implemented according to the following criteria: (1) compliance with activities, (2) deviations in the schedule, (3) monitor compliance with agreed objectives described in indicators, (4) Information on the financial execution of activities.

Additionally, an impact evaluation of the project will be conducted on INAPI users. Based on Chile's innovation surveys, companies that are typical INAPI users will be identified, and changes in their opinions with regards to major obstacles to innovation - such as access to information and imitation -, will be tracked. The use of instrumental variables will help determine whether or not the changes could be attributed to the project.

10.2 Exceptions to Bank policies:  
none

10.3 Contractual Clauses:  
none

Terms of Reference Doc#( IDBDOCS):

(\*) All documents saved in IDBDOCS must have read permissions granted to the group DOCS Users