

AN EVALUATIVE STUDY: THE ECONOMIC IMPACT OF INTELLECTUAL PROPERTY RIGHTS (TRADEMARK) ON THE LOCAL ECONOMY IN GEOPARK BAYAH DOME

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Abstract

The objective of this study is to evaluate the economic impact of registering Bayah Dome Geopark products as intellectual property (IP), with a specific emphasis on the local community. This research employed a quantitative approach, utilising data collected through a survey distributed to five business owners who have registered their product trademarks. The focus on trademarks is justified by the fact that the intellectual property owned by Geopark partners is primarily in the form of trademarks. The objective of the survey was to assess changes in economic indicators, including income, sales, and other aspects of business growth following trademark registration.

The results were subjected to descriptive statistical analysis in order to provide a clear overview of the quantitative data. The preliminary findings suggest that the registration of trademarks has had a favourable impact on brand recognition, consumer trust, and business growth. This improvement has facilitated more favourable market positioning for local businesses, thereby enhancing their overall sustainability. However, the process of trademark registration is not without challenges. In particular, respondents reported significant obstacles, including high costs and lengthy waiting periods.

The study concludes that trademark registration can serve as an effective instrument for enhancing the economic welfare of local communities, facilitating business expansion and fostering consumer trust. However, there is a clear need for policy improvements to streamline the registration processes, reduce costs, and provide targeted support for small businesses. This research illuminates the pivotal challenges and prospects of trademark registration, proffering pragmatic recommendations to augment the economic potential of Geopark regions across Indonesia.

Keywords: Intellectual Property, Geopark, Trademark, Bayah Dome, Economic impact

A. INTRODUCTION

The term "intellectual property" (IP) is used to describe a category of assets defined by the World Intellectual Property Organization (WIPO) as a range of creations and outputs of human intellect. These include inventions, literary and artistic works, designs, symbols, names, and images

used in commerce. In Indonesia, the 2016 Trademarks and Geographical Indications Act (No. 20) defines intellectual property (IP) as "exclusive rights granted to individuals or legal entities for works, inventions, or intellectual products produced through human thought." In Indonesia, intellectual property (IP) is classified into two principal categories: communal IP, which includes generic resources, traditional cultural expressions, traditional knowledge, and geographical indications (GIs), and personal IP, which encompasses copyrights, patents, trademarks, trade secrets, integrated circuit layout designs, industrial designs, and plant varieties.

The advancement of intellectual property rights in Indonesia is informed by three fundamental tenets: registration, protection, and commercialisation. Registration represents the inaugural phase of the process, whereby legal recognition and protection are sought. This is followed by measures designed to prevent unauthorised use. The objective of commercialisation is to optimise the economic value of IP, thereby benefiting creators and contributing to local and national economic growth. These principles facilitate the sustainability of IP and enhance the competitiveness of local products in global markets (WIPO, 2019).

The economic benefits of trademark protection are evidenced by a number of successful cases in which local products have gained significant market value and cultural recognition. To illustrate, the Napa Valley wine industry in the United States employs trademark protection to command premium pricing, contributing approximately \$9.4 billion annually to the local economy and \$34 billion nationwide. Similarly, the Pochampally Ikat fabric from Telangana, India, experienced a 25% increase in price and a 15% annual growth in exports following the registration of the trademark, thereby ensuring higher incomes for artisans and the preservation of cultural heritage.

In Indonesia, Presidential Regulation No. 9 of 2019 concerning the Development of Geoparks defines a Geopark as an integrated area that prioritises the sustainable use of geological heritage, conservation, education, and local economic development. The Geopark Bayah Dome in Lebak Regency engages in collaborative endeavours with local Micro, Small, and Medium Enterprises (MSMEs) with the objective of developing distinctive products with considerable economic potential. The registration of a trademark represents a strategic move with the objective of enhancing the value of a product and ensuring the sustainability of income for local communities.

This study evaluates the economic impact of trademark registration on the growth of local businesses in Geopark Bayah Dome. By analysing changes in income, sales and business expansion following registration, this research identifies both the benefits and challenges associated with trademark registration. It also provides actionable recommendations to improve economic outcomes for Geopark regions in Indonesia.

B. RESEARCH METHOD

This study employs a quantitative approach to evaluate the economic impact of trademark registration on local businesses in the Geopark Bayah Dome area. The research method is structured as follows:

1. Research Design: A cross-sectional survey design was employed for the collection of data from business owners who have registered their product trademarks. This method enables a rapid and comprehensive evaluation of the current economic benefits and challenges associated with trademark registration.
2. Data Collection:

- a. **Primary Data:** Primary data were gathered via a structured questionnaire distributed to five business owners situated within the Geopark Bayah Dome region. The questionnaire was designed to gather information on various economic indicators, including changes in income, sales volume, production output, and workforce size before and after trademark registration.
- b. **Survey Structure:** The questionnaire consisted of 17 questions covering key aspects such as:
 - i. Duration of trademark ownership
 - ii. Perceived benefits such as market recognition and consumer trust
 - iii. Challenges encountered during and after the trademark registration process
 - iv. Economic performance metrics (e.g., income, sales growth)
 - v. Opportunities and expectations post-registration
3. **Data Analysis:**
 - a. **Descriptive Statistical Analysis:** The collected data were subjected to descriptive statistical analysis in order to provide an overview of the economic changes experienced by the respondents. This included the calculation of percentages, mean values, and frequency distributions to highlight trends and patterns.
 - b. **Visual Data Representation:** Graphs and charts were employed to demonstrate alterations in economic indicators, such as sales growth and workforce expansion, thus facilitating a clearer understanding of the influence of trademark registration.
4. **Sampling Method:** Purposive sampling was employed to select participants who met the criteria of having registered trademarks and being active business operators in the Geopark Bayah Dome area. This ensured that the sample was pertinent to the research focus and provided meaningful data.
5. **Limitations:** Due to time and resource constraints, this study was limited to a sample of five business owners. While this sample size provides initial insights into the economic impact of trademark registration, it may not fully represent the broader population of businesses in the Geopark Bayah Dome area. Therefore, it is recommended that future research be conducted with a larger sample size to enhance the generalisability of the findings.
6. **Ethical Considerations:** The research was conducted in accordance with the ethical standards of the academic community. Participation in the survey was voluntary, and respondents were informed about the purpose of the study and assured of the confidentiality of their data.

C. FINDINGS AND DISCUSSION

A survey was conducted and questionnaire results were obtained from 5 respondents. The first respondent, Kuldesain, produces works of art made from materials such as amber, plastic, plaster, bamboo, and wood. The second respondent, Wanabatik, provides non-formal educational services and courses in fashion design, including training in batik-making and production. The third respondent, Tonggeret Tipakidulan, offers art studio services such as dance, acting, singing, mime, calligraphy, and photography. It also organizes classes in various art forms, entertainment events, cultural activities, live performances, educational events, and music production, including concerts and related services. The fourth respondent, Iqbal Art, specializes in art made from wood, including

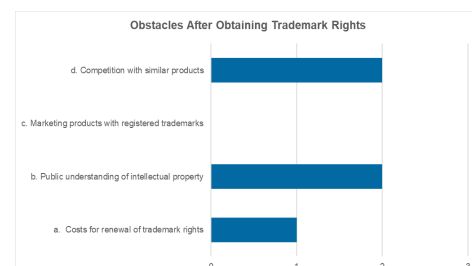
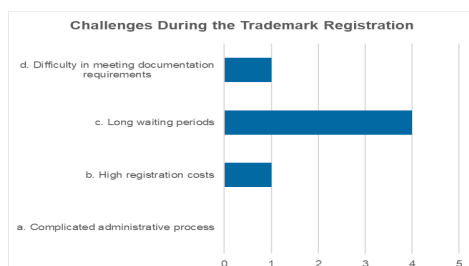
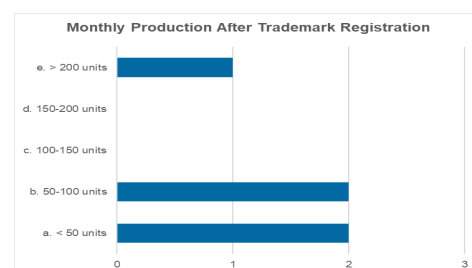
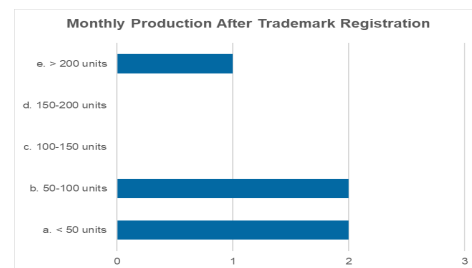
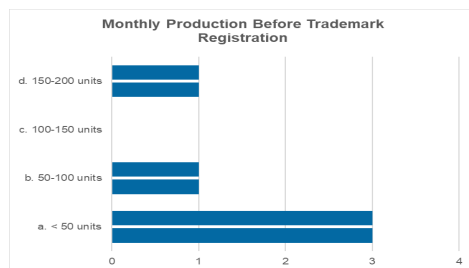
wooden sculptures, carvings, frames, and decorative wood panels. The fifth respondent, Arenkula, produces a range of food products derived from palm sugar, such as granulated palm sugar, ginger-palm syrup, and various snacks made with palm ingredients.

Based on the survey results, a descriptive and visual analysis was conducted on the responses to 17 questions from the five selected respondents, including:

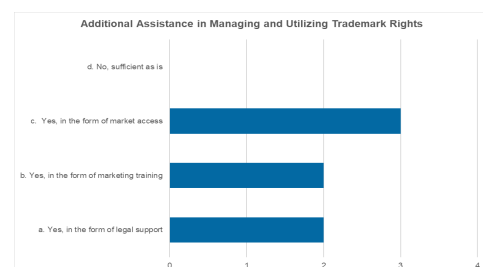
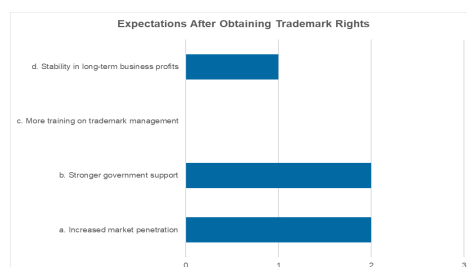
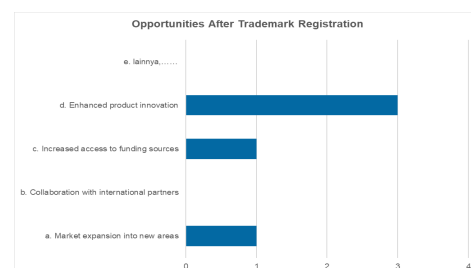
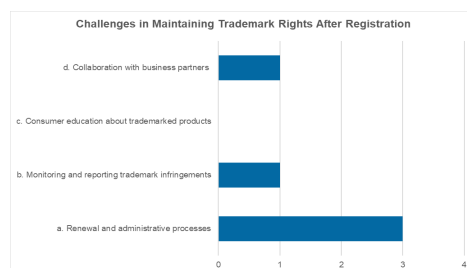
1. Question 1: "How long have you had trademark rights?". The results of the questionnaire indicate that 100% of the respondents have owned their trademark rights for 1-3 years.
2. Question 2: "What are the benefits of trademark registration?". The second question allows respondents to select more than one answer, thus enabling the researcher to obtain more detailed information from the results of the study. The results of the questionnaire indicate that 80% of respondents reported benefits in terms of increased market recognition and legal protection against trademark infringement, 60% reported benefits in terms of increased consumer trust, 20% reported benefits in terms of increased sales and revenue (figure 1).
3. Question 3: "Does trademark registration contribute to sales?". The results of the questionnaire indicate that 60% of respondents believe that trademark rights contribute significantly to sales, while 40% believe that they contribute moderately (figure 2).
4. Question 4: "What was the extent of the increase in the selling price following the acquisition of trademark rights? The results of the questionnaire indicate that 40% of respondents observed an increase of less than 10%, 40% experienced an increase of between 10 and 25%, and 20% observed an increase of greater than 25%. These findings suggest that the registration of trademark rights is associated with an increase in the selling price (figure 3).
5. Question 5: "What percentage change in revenue occurred after obtaining trademark rights?" The results showed that 60% of respondents experienced an increase of less than 10%, 20% saw a 10%-25% increase, and 20% reported an increase of 25%-50%. This suggests that trademark registration contributes to revenue growth (figure 4).

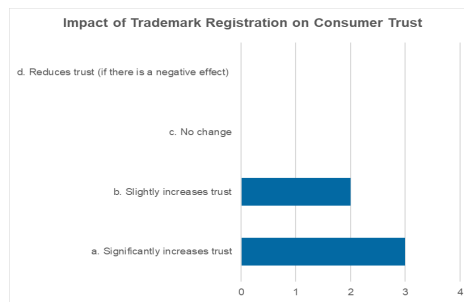


6. Questions 6 and 7: These questions assessed the volume of production before and after obtaining trademark rights. The data indicated an increase in production levels after trademark registration, as shown by shifts in the frequency distribution towards higher production categories (figure 5 and 6).
7. Questions 8 and 9: These questions explored the number of employees before and after obtaining trademark rights. The results showed an increase in the number of employees, with a shift in the frequency distribution towards larger workforce categories post-registration (figure 7 and 8).
8. Question 10: inquired about the primary challenges encountered when pursuing trademark rights. Respondents were permitted to select more than one option to facilitate the collection of comprehensive data. The findings indicate that 80% of respondents encountered obstacles due to prolonged waiting periods, followed by 20% who faced difficulties in meeting the requisite criteria and 20% who cited high costs (figure 9).
9. Question 11: Asked about obstacles after obtaining trademark rights. The results demonstrated that 40% of respondents encountered obstacles pertaining to competition with similar products, followed by 40% experiencing difficulties related to public understanding of intellectual property (IP) and 20% citing obstacles concerning the cost of renewing trademark rights (figure 10).



10. Question 12: "Have you experienced any legal disputes related to trademark rights?". The survey showed that 100% of respondents had not faced any legal disputes related to their trademark rights.
11. Question 13: enquired as to whether respondents encountered obstacles to the maintenance of acquired trademark rights. The results demonstrate that 60% faced challenges to extend brand rights, 20% encountered difficulties related to surveillance and infringement, and 20% faced challenges related to collaboration with business partners (figure 11).
12. Question 14: "Have you gained any opportunities after obtaining trademark rights?". The results demonstrate that 60% of respondents had obtained opportunities related to increased product innovation, 20% had gained increased access to funding sources and 20% had opportunities for market expansion to new regions. This evidence suggests that the acquisition of brand rights has enabled all respondents to gain opportunities that support the progress of their business (figure 12).
13. Question 15: inquired of respondents as to their expectations subsequent to the acquisition of trademark rights. The results demonstrate that 40% of respondents anticipate receiving support from the government, 40% expect increased market penetration, and 20% anticipate stable business profits in the long term (figure 13).
14. Question 16: "Do you need assistance with development and management (for commercialization) after registering trademark rights?". The results demonstrate that 60% of respondents necessitate assistance with access to a broader market, 40% require marketing training, and 40% require legal assistance in the event of potential future violations (figure 14).
15. Question 17: "What impact has trademark registration had on consumer trust?" Results indicated that 60% of respondents stated it had a significant impact, while 40% reported a slight increase in consumer trust. This suggests that trademark registration enhances consumer trust in business products (figure 15).





D. CONCLUSION

Based on the analysis conducted from the questionnaire results, the following conclusions were obtained:

1. Enhanced Brand Recognition and Consumer Trust: Trademark registration improves brand recognition and builds consumer trust, helping businesses establish a stronger market presence.
2. Positive Economic Impact: The process contributes to business growth, leading to increased production capacity and employment opportunities, thereby supporting local economic development.
3. Challenges in Registration and Maintenance: Business owners face difficulties such as long wait times, high costs, and administrative burdens, which hinder the registration and renewal processes.
4. Need for Government and Institutional Support: There is a strong need for policy support to streamline the registration process, subsidize costs, and provide ongoing guidance and legal protection.

The findings of this study underscore the significant positive impact of trademark registration on business growth, brand recognition, consumer trust, and legal protection for local businesses in the Geopark Bayah Dome area. Trademark registration has proven to be a valuable tool in enhancing the competitiveness and sustainability of local enterprises, particularly by driving production expansion and job creation. However, this process is not without challenges, as high costs, lengthy registration times, and limited public awareness of intellectual property rights remain prevalent obstacles. Addressing these challenges will be crucial to further enhancing the benefits of trademark registration for local businesses.

Based on the conclusions drawn from the analysis, the following policy recommendations are proposed. To effectively address these challenges and optimize the benefits of trademark registration, targeted policy interventions are recommended, focusing on enhancing accessibility, providing financial and technical assistance, and promoting continuous education on intellectual property.

1. Accelerate and Simplify the Trademark Registration Process: Implement digital tools and streamline administrative requirements to reduce wait times, with a focus on supporting MSMEs.
2. Provide Financial and Technical Assistance: Offer subsidies or financial aid for trademark registration costs, along with free or discounted technical and legal guidance to assist businesses in the application and renewal processes.

3. Enhance Training and Public Awareness: Conduct regular training in marketing, brand management, and intellectual property rights, and launch public education initiatives to increase understanding of the value of intellectual property.
4. Strengthen Market Access and Legal Protection: Facilitate access to trade fairs and partnerships to expand market reach, and improve enforcement efforts against trademark infringement to ensure stronger legal protection for registered trademarks.

These recommendations aim to maximize the benefits of trademark registration while addressing the key challenges identified in the analysis.

In conclusion, trademark registration plays a pivotal role in fostering sustainable local economic development by strengthening the competitive edge of businesses in the Geopark Bayah Dome. However, maximizing its benefits requires sustained support and collaboration between government agencies, private sector partners, and local business owners. By implementing the recommended policy measures, stakeholders can work together to create a more enabling environment for intellectual property, ultimately contributing to the growth and prosperity of the local economy.

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