

دور حقوق الملكية الصناعية في تنمية الشركات الصغيرة والمتوسطة في أفغانستان

– *The Role of Industrial Property Rights in the Development of SMEs in Afghanistan*

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– **Abstract :**

Global trade has significantly expanded, and its principal actors are no longer limited to large corporations; rather, SMEs account for the majority of commercial exchanges worldwide. This reality is particularly evident in developing countries such as Afghanistan, where approximately 687,060 enterprises operate, the vast majority of which are SMEs. Accordingly, Afghanistan's economic growth is deeply tied to the development of these enterprise. This study, conducted through a library-based and descriptive-analytical approach, seeks to answer the central research question: What role do industrial property rights (IPRs) play in the development of SMEs in Afghanistan? The findings reveal that IPRs—particularly patents, trademarks, trade secrets, and industrial designs—offer significant advantages, including license sales, attraction of domestic and foreign investment, transformation of specialized knowledge into valuable assets, enhanced marketing, constructive competition, increased export opportunities, legal protection, and the commercialization of innovation. Nevertheless, Afghan SMEs face notable challenges in adopting IPRs, including limited awareness, high registration and maintenance costs, and prolonged registration procedures. Addressing these barriers requires reducing costs and timeframes while enhancing awareness through targeted workshops and seminars. In conclusion, IPRs not only constitute a vital tool for SME growth but also serve as a driving force for Afghanistan's broader economic development.

Keywords: (Afghanistan, Economic Development, Industrial Property Rights (IPRs), Innovation, (SMEs)

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الملخص :

شهدت التجارة الدولية توسعاً غير مسبوق في العقود الأخيرة، ولم تُعد الأنشطة الاقتصادية حكرًا على الشركات الكبرى، بل أصبحت المؤسسات الصغيرة والمتوسطة (SMEs) تمثل المحرك الأساس للمعاملات التجارية في مختلف أنحاء العالم. ويبرز هذا الواقع بشكلٍ جليٍّ في الدول النامية، ولا سيما في أفغانستان، حيث يُقدَّر عدد المؤسسات العاملة بنحو (687,060) مؤسسة، تشكّل الغالبية العظمى منها منشآت صغيرة ومتوسطة. ومن ثمّ، فإن النمو الاقتصادي الأفغاني يرتبط ارتباطاً عضوياً بتطور هذه الفئة من المؤسسات. تهدف هذه الدراسة، المعتمدة على المنهج الوصفي-التحليلي والمنهج المكتبي، إلى الإجابة عن الإشكالية المحورية الآتية: ما الدور الذي تؤديه حقوق الملكية الصناعية في تنمية المؤسسات الصغيرة والمتوسطة في أفغانستان؟ أظهرت نتائج البحث أن منظومة حقوق الملكية الصناعية - وعلى وجه الخصوص براءات الاختراع، والعلامات التجارية، والأسرار الصناعية، والتصاميم الصناعية - تُسهم إسهامًا جوهريًا في تعزيز مكانة المؤسسات الصغيرة والمتوسطة من خلال تمكينها من: استثمار الأصول المعرفية عبر بيع التراخيص، واستقطاب الاستثمارات المحلية والأجنبية، وتحويل المعرفة التقنية إلى رأس مال غير مادي ذي قيمة اقتصادية، وتطوير استراتيجيات التسويق، وخلق بيئة تنافسية بناءً، وزيادة فرص النفاذ إلى الأسواق الخارجية، وضمان الحماية القانونية للابتكارات، وتفعيل عمليات تجارية قائمة على الابتكار والإبداع.

ومع ذلك، تُواجه المؤسسات الصغيرة والمتوسطة في أفغانستان جملة من التحديات البنيوية والتشغيلية في مجال تطبيق حقوق الملكية الصناعية، تتمثل في ضعف الوعي القانوني والاقتصادي بأهميتها، وارتفاع تكاليف التسجيل والصيانة، وطول وتعقيد الإجراءات الإدارية. ومن أجل تجاوز هذه العوائق، تقتضي الضرورة تبني سياسات فعّالة لتقليص النفقات والفترات الزمنية، إلى جانب إطلاق برامج وطنية للتوعية وبناء القدرات عبر ورش عمل ودورات تدريبية متخصصة.

ختامًا، تلخص الدراسة إلى أن حقوق الملكية الصناعية تمثل أداة استراتيجية محورية في دعم نمو المؤسسات الصغيرة والمتوسطة، كما تُعد رافعة أساسية لتحقيق التنمية الاقتصادية الشاملة والمستدامة في أفغانستان.

الكلمات المفتاحية: أفغانستان، الابتكار، التنمية الاقتصادية، المؤسسات الصغيرة والمتوسطة، حقوق الملكية الصناعية.

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1. INTRODUCTION

Commercial enterprises stand as the driving gears of trade at both the domestic and international levels, to the point that the global marketplace would be almost inconceivable in their absence. Within this landscape, small and medium-sized enterprises (SMEs)—which, unlike large corporations, operate with comparatively limited financial capital and smaller workforces—have been expanding at an accelerating pace. Their relative ease of establishment, operation, and management makes them far more accessible than large-scale firms. In developing economies such as Afghanistan, SMEs are often regarded as the very lifeline of commerce, since they employ a greater share of the labor force than large corporations. Supporting these enterprises, therefore, is not merely an economic choice but a strategic imperative for national development.

Yet, despite their persistent efforts to innovate and bring forth new, high-quality products, SMEs remain vulnerable to the theft, imitation, and misappropriation of their intellectual and creative outputs by competitors. It is in this context that industrial property rights—a cornerstone of intellectual property law—emerge as indispensable safeguards. Since their formal recognition under the Paris Convention of 1883, industrial property rights have encompassed vital mechanisms such as patents, trademarks, trade secrets, and industrial designs, all of which are designed to protect innovation, foster creativity, and preserve fair competition.

This study, conducted through a library-based and descriptive-analytical approach, seeks to answer the central research question: What role do industrial property rights (IPRs) play in the development of SMEs in Afghanistan? To address this inquiry, the paper first outlines the conceptual foundations of industrial property and SMEs, then examines the strategic importance of industrial property rights for these enterprises, followed by a detailed account of the benefits SMEs derive from their effective application. Finally, the study identifies the core challenges that hinder Afghan SMEs from fully utilizing these rights and proposes viable, policy-oriented solutions for overcoming them.

2. Industrial Property Rights

Intellectual property, in its broadest sense, denotes the comprehensive body of legal rights arising from the creations and innovations of the human mind in diverse realms such as industry, science, literature, and the arts. It embodies not merely a legal construct but a vital framework that recognizes human ingenuity as a cornerstone of societal progress and economic

advancement. Nations safeguard intellectual property for two fundamental and interrelated reasons: first, to give statutory recognition to the moral and economic entitlements of creators over their works, thereby incentivizing innovation and protecting the fruits of intellectual endeavor, while simultaneously preserving the public's right of access to those works to ensure cultural enrichment and technological progress; and second, to foster creativity as a deliberate instrument of governmental policy, ensuring the dissemination and application of its fruits across economic sectors, and to uphold the principles of fair trade, thereby contributing to the advancement of both economic prosperity and comprehensive social development (WIPO Handbook, 2008, p.3). This protection forms a critical foundation for sustaining competitive markets, stimulating research and development, and maintaining a balance between private rights and public interest (WIPO Handbook, 2008, p8).

The term “industrial property” encompasses a broad and nuanced spectrum of legal protections, primarily covering inventions and industrial designs. In its simplest formulation, an invention represents a novel, non-obvious solution to a specific technical problem, serving as a vehicle for technological progress and economic competitiveness. An industrial design, on the other hand, refers to the aesthetic creations that determine the outward appearance of industrial products, including aspects such as shape, pattern, color, or ornamentation, which play a decisive role in consumer choice and market differentiation. Beyond these core categories, industrial property extends more broadly to include trademarks, service marks, trade names, and commercial designations, incorporating indications of source and appellations of origin, as well as legal protection against acts of unfair competition. Within this domain, the element of intellectual creation — though undeniably present — is comparatively less pronounced than in other areas of intellectual property. What is of central importance, however, is that the subject matter of industrial property typically consists of distinctive signs and creations that convey essential information to consumers, particularly with regard to the nature, quality, and origin of goods and services placed on the market. The core purpose of legal protection, therefore, is to safeguard against the unauthorized use of such signs, especially in circumstances likely to mislead consumers, and more broadly, to prevent deceptive commercial practices. Such protection not only strengthens the trust of consumers in the marketplace but also fosters fair competition, stimulates innovation, and promotes sustainable economic growth (WIPO Handbook, 2008, p 12).

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3. Small and Medium-sized Enterprises (SMEs)

It is now universally acknowledged that global markets and transnational economies are not solely governed by large corporations. The emergence of small and medium-sized enterprises (SMEs), endowed with distinctive characteristics, has triggered profound—and at times extraordinarily rapid—transformations in global markets.

The definition of SMEs, however, varies depending on the legal frameworks of individual countries. In the United States, for instance, the principal criterion for distinguishing between large enterprises and SMEs is the number of employees within a company. By contrast, in countries such as Iran and India, in addition to employee headcount, the amount of capital circulating within a company—either on a monthly or annual basis—is also considered a determining factor in identifying and differentiating large enterprises from small and medium-sized ones. In Afghanistan, explicit legal provisions delineating SMEs are absent. Consequently, SMEs have been inconsistently classified under varying practices—sometimes overlapping or even contradictory—into categories of small, medium, and large industries. According to the Business Establishment Survey conducted by the Central Statistics Organization and published in 2020, the primary criterion for the categorization of firms and industries was the number of workers and employees. Based on this institution's data and analysis, enterprises employing 1–5 workers are classified as micro-enterprises, those with 6–20 workers as small enterprises, 21–100 workers as medium enterprises, and those with more than 100 workers as large enterprises. The International Finance Corporation (IFC), however, defines SMEs as enterprises employing between 10 and 99 workers. Furthermore, according to the findings of the World Bank Group's 2020 report, small enterprises are those with 5–19 employees, medium enterprises with 20–99 employees, and large enterprises with more than 100 employees (World Bank Group, 2020, p3).

*In addition, according to this report, Afghanistan is home to a total of **687,060 enterprises**—ranging from large to medium, small, and micro industries—which are categorized on the basis of their respective workforce as follows.*

Table 1. Main variables of all economic establishments by size of employment

Employees		Establishment	Employees
From	To		
1	1	408,105	408,105
2	2	163,519	327,039
3	3	52,009	156,028
4	4	22,415	89,660
5	5	14,062	70,312
6	8	13,290	96,076
9	12	3,332	33,934
13	16	8,175	129,692
17	20	202	3,730
21	30	1,361	32,926
31	50	273	10,272
51	100	212	13,795
101	200	56	7,593
201	500	37	10,674
510	1000	6	4,488
Above 1000		4	14,916
Total		687,060	1,409,241

Source: (Central Statistics Organization-Business Establishment Survey, 2020, p75).

Based on the above criteria, Afghanistan hosts a total of 660,110 micro enterprises, 24,999 small enterprises, 1,846 medium enterprises, and 103 large enterprises. Collectively, these firms employ 1,409,241 workers, of whom approximately 1,371,570 are engaged in micro, small, and medium enterprises,

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while 37,671 are employed in large industries and corporations. Consequently, the number of individuals working in SMEs significantly surpasses those employed in large-scale enterprises.

Moreover, according to research conducted by the Preparation of the Small and Medium Enterprises (SMEs) Development and Growth Project in the Democratic Republic of Congo, in collaboration with the World Bank in October 2020, it is an established fact that 80 to 90 percent of economic activities in developing countries are dependent on SMEs (World Bank Group, 2020, p. 3). Therefore, due consideration must be given to the pivotal role of SMEs, and robust measures should be adopted to safeguard and promote them through intellectual property rights (IPR), since protecting these enterprises is tantamount to protecting the livelihoods of over one million individuals actively employed within them.

4.The Importance of Industrial Property Rights for Small and Medium-Sized Enterprises (SMEs)

4.1Patent

According to paragraph 1 of Article 3 of the Law on the Protection of Inventors and Discoverers, enacted on 2016/9/28 (Afghanistan), an invention is defined as the creation of a new phenomenon through the innovative use of existing tools, aimed at producing an industrial, agricultural, or service-oriented result or product previously unknown. Paragraph 3 of the same article stipulates that a patent is the legal right granted to the inventor under the provisions of the law. Once registered, inventors receive a patent certificate, defined in paragraph 4 of Article 3 as an official document issued by the registration office, serving as formal recognition of the invention.

SMEs, usually characterized by limited human resources, can exhibit remarkable flexibility in producing and distributing new products in response to economic and market demands. In contrast, such initiatives are often less feasible for large-scale industries due to the high costs of retraining substantial workforces, acquiring new machinery, and allocating significant time and resources. Therefore, the innovations emerging from SMEs must be adequately safeguarded, as the absence of robust protection would inevitably extinguish the flame of creativity and innovation. Patent rights provide SMEs with exclusive ownership over their inventions, enabling them to prevent imitation,

misappropriation, or piracy. In this way, SMEs can consolidate their economic standing in the marketplace and engage in fair competition with commercial rivals. Moreover, the stronger the patent protection, the more stability and credibility SMEs achieve, which in turn attracts greater domestic and foreign investment, thereby accelerating growth and development (Ignatius, 2025, p44).

4.2Trademarks

In today's highly competitive domestic and global markets, corporate reputation and brand identity are indispensable assets. To achieve recognition and establish a distinctive market presence, companies rely on specific brands and trademarks. Pursuant to paragraph 1 of Article 3 of the Trademark Registration Law enacted on 2009/9/1 (Afghanistan), a trademark is defined as a sign or combination of signs that differentiates the goods or services of one entity from those of another. Thus, the primary purpose of a trademark is to distinguish products and foster unique recognition and credibility for a company, as it forms an essential component of corporate identity.

In contemporary trade and economic systems, trademarks constitute a fundamental instrument for attracting customers and differentiating a company's goods from those of competitors. SMEs, which invest significant time and effort in producing quality goods, require stronger protection. Trademarks provide such protection in a straightforward and effective manner. By securing a trademark, SMEs can attract and retain customers, enhance their reputation and credibility, and generate substantial revenue (Mariadoss, 2025, p. 23). Empirical studies further demonstrate that SMEs holding registered trademarks enjoy, on average, a 15% increase in annual revenue compared to periods when no trademark protection was in place (Ficher, 2019, p83).

4.3Trade secrets

Companies invest immense effort in producing innovative or high-quality goods and are understandably reluctant to allow the underlying processes and know-how to be easily and freely accessible to competitors. Trade secrets—better described as valuable intellectual and proprietary assets—represent a cornerstone of SME growth, stability, and economic resilience. As defined in paragraph 1 of Article 3 of the Law on the Protection of Trade and Industrial Secrets, enacted on 2016/10/22(Afghanistan), trade secrets encompass financial, technical, scientific, commercial, production, and other forms of confidential information, as further elaborated in paragraph 1 of Article 5 of the same law.

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Given the managerial flexibility SMEs possess in manufacturing processes, they play a decisive role in market control. Should their proprietary knowledge be disclosed or misappropriated, the pace of innovation and development would inevitably decline. Trade secret protection enables SMEs to safeguard crucial intellectual assets such as methods of production, manufacturing formulas, processes, product distribution strategies, and related components, thereby reinforcing their property base, revenues, stability, and comprehensive development (Ignatius, 2025, p44).

4.4 Industrial Designs

Industrial designs serve as a critical factor in attracting consumers and influencing their purchasing preferences, often prompting them to select one product over another. According to paragraph 1 of Article 3 of the Industrial Design Protection Law enacted on 2016/8/27 (Afghanistan), an industrial design refers to a new or original two- or three-dimensional design that defines the appearance of an industrial product through a combination of lines, colors, shapes, and other visible attributes.

Industrial designs primarily focus on the external appearance of industrial goods. SMEs frequently invest in developing unique designs—for example, the design of a bottle, a chair, a pen, or even a mobile phone—and after significant effort, introduce such products into the market. These products are subsequently recognized and marketed by virtue of their distinctive design. Thus, protecting SMEs through industrial design rights, and preventing imitation by competitors, not only enhances commercial and economic growth but also contributes to improving both the quality and quantity of goods (Sharma & Kumar, 2021, pp 3469–3470).

5. Advantages of Intellectual Property Rights for SMEs

Small and medium-sized enterprises (SMEs) can, through the use of industrial property rights, obtain numerous advantages and benefits. Industrial property rights enable SMEs, by selling licensing rights to their goods and products, to increase their assets, attract domestic and foreign investment, convert their specialized knowledge into tangible assets and thereby realize substantial gains at the time of sale or merger, strengthen their marketing capacity and compete in domestic and foreign markets, export their products to foreign markets without fear or risk, enjoy appropriate legal protection, and

commercialize their innovations. Below we attempt to explain each of these advantages in turn.

5.1 License sales

Although SMEs in Afghanistan often demonstrate considerable creativity and innovation in producing quality products and distributing them to domestic — and sometimes foreign — markets, it is sometimes observed that, due to the absence of a robust and effective intellectual property system, these innovations are easily copied and imitated by other companies and commercial rivals. If SMEs register their innovations and creativity, no other company can lawfully exploit SMEs' products. Moreover, when other companies observe a strong IP protection regime, they not only refrain from unlawful use, imitation, and copying, but—because of rapid market growth and trade in the relevant product—may be compelled to pay licensing fees to the SMEs for producing that product. Thus, intellectual property both preserves SMEs' know-how and, through licensing sales, increases SMEs' revenues; in this way the engine of creativity and innovation gains momentum (Sharma and Kumar, 2021, p3473).

5.2 Attraction of domestic and foreign investment

Domestic and foreign investors are typically willing to invest in and allocate their capital to SMEs when they feel that their assets and capital are secure and when they expect substantial returns. Industrial property rights afford SMEs in Afghanistan the opportunity to leverage the protective and firm rules of this field to harness human resources for creativity and innovation, and to compete without fear in domestic, regional, and even global markets. Consequently, SMEs' economic stability is preserved and investors—seeing a strong IP framework on the one hand and the protection of SMEs by industrial property rights on the other—become interested in investing and readily place their funds at the disposal of SMEs. It should also be noted that IP-protected SMEs generally attract more funds and investments compared to non-IP-protected SMEs (Mariadoss, 2025, p24).

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5.3 Transformation of specialized knowledge into a valuable asset

SMEs in Afghanistan can increase their value when they maintain a strong and robust relationship with industrial property rights. Possession of intellectual assets—especially patents, trademarks, industrial designs, and trade secrets—raises a company's tangible and economic value and increases its price at the time of sale or merger; this is because other companies are usually interested in acquiring, or willing to merge with, firms that enjoy strong commercial and economic reputation and goodwill. Industrial property rights give value to SMEs' specialized knowledge and convert it into assets that add to the company's real wealth. As a result, other companies are more readily willing to purchase or merge with such firms (Sharma and Kumar, 2021, p3473).

5.4 Marketing and constructive competition

Competition in Afghanistan's commercial markets—because of their complexity and the many actors involved—is somewhat challenging for SMEs, which, due to lower risk tolerance, are highly vulnerable. However, SMEs can consolidate their market position through trademarks and prevent all forms of imitation and theft. Registered industrial designs also help SMEs protect their innovations and creativity. Thus, SMEs' commercial reputation and prestige in Afghan markets increase, and healthy, constructive competition replaces imitation and copying. When other companies are unable to copy and fear heavy penalties and seizure of assets, they are forced to produce higher-quality goods and products to avoid losing their market position. Moreover, the effective use of industrial property rights by SMEs fosters market differentiation, enabling them to stand out in competitive environments. In Afghanistan—where market trust is a significant factor for consumer choices—trademarks serve not only as a legal shield but also as a strategic marketing tool. They contribute to building brand equity, customer loyalty, and long-term recognition. Similarly, industrial designs enhance product appeal and consumer preference by ensuring uniqueness and protecting aesthetic value. Beyond protecting innovations, such legal safeguards incentivize a culture of continuous improvement among SMEs. They encourage enterprises to invest in research and development, knowing that their proprietary creations will be protected against unauthorized reproduction. This protective framework cultivates a marketplace driven by quality and innovation rather than imitation, ultimately promoting sustainable economic

growth and fostering trust in the broader business ecosystem of Afghanistan (Mariadoss, 2025, p24).

5.5 Increased export opportunities

When a product bears a registered trademark, foreign buyers gain confidence that the goods are legitimate and that their quality is protected by law, which increases their willingness to purchase the product. Moreover, when SMEs benefit from a trademark and their product has a distinctive brand, no foreign company can simply copy or imitate it. This facilitates and, in the medium term, increases the exportability of SMEs' products. This effect becomes more pronounced where identical or similar products already exist in foreign markets; in such cases, having a brand and a trademark distinguishes the product from comparable offerings and enhances its credibility (Sharma and Kumar, 2021, p3473).

5.6 Legal protection and commercialization of innovations

SMEs must resort to industrial property rights to protect the labor and effort of their workforce, prevent bankruptcy, increase income, raise annual revenues, and reduce risk. The optimal and systematic use of industrial property rights—particularly through trademarks, patent registration, industrial designs, and trade secrets—constitutes legal protection for SMEs operating in Afghan markets where new products are easily copied. Furthermore, for SMEs to sustain their market presence and to commercialize their innovations and creative outputs, they must make effective use of industrial property rights. Otherwise, their products will remain without legal protection and their efforts to develop new products will be wasted. In addition to safeguarding innovations, industrial property rights empower SMEs to establish a competitive edge in both local and global markets. By securing exclusive rights, SMEs are able to differentiate their products, strengthen brand recognition, and build consumer trust. This, in turn, enhances their ability to command premium prices and expand market share. Moreover, robust intellectual property protection fosters an environment conducive to investment, enabling SMEs to attract both domestic and foreign capital for research and development initiatives. Equally important is the role of industrial property rights in promoting sustainable business growth. These rights incentivize SMEs to continue innovating by ensuring that the rewards of their creative endeavors are legally secured. In volatile and competitive market environments—such as those in Afghanistan—this legal assurance becomes a critical factor for survival and long-term

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development. Without it, SMEs risk losing not only the value of their innovations but also the economic stability and growth potential that stem from those innovations (Ignatius, 2025, p44).

6. Challenges faced by Afghan SMEs in the adoption of industrial property rights and its solutions

6.1 Lack of Awareness and Specialized Knowledge Regarding the Importance of Industrial Property Rights and Their Benefits for SMEs

Domestic and foreign industries in Afghanistan generally refrain from embracing industrial property rights—such as the registration of trademarks, industrial designs, trade secrets, and patents—due to unfamiliarity with the existence of strong and enforceable legal frameworks in this field, as well as because of complete ignorance or insufficient awareness of the benefits that industrial property rights can bring to SMEs. This lack of knowledge not only prevents SMEs from securing their innovations but also weakens their ability to compete effectively, limits potential revenue growth, and hinders opportunities for entering new markets. Moreover, without clear understanding of industrial property rights, SMEs may fail to utilize these rights as strategic tools for long-term sustainability, branding, and protection against unfair competition.

In this regard, it is deemed necessary that awareness-raising seminars and specialized training workshops be organized by the esteemed Ministry of Commerce and Industry in each province for SME owners, in order to clarify all ambiguous concepts in this domain. Such initiatives should include practical examples, case studies, legal frameworks, and step-by-step guidance for registration processes. This approach would not only empower SMEs with knowledge but also build a culture of intellectual property protection that strengthens innovation, enhances competitiveness, and fosters sustainable economic development in Afghanistan.

6.2 High Registration Costs and Legal Fees

SMEs in Afghanistan are often reluctant to engage with industrial property rights due to the burdensome costs of registration and the annual fees required to secure protection for their products. This constitutes a significant challenge for SMEs that lack sufficient capital both for production and for legal registration.

To address this challenge, it is recommended that registration fees for SMEs be substantially reduced, enabling them to allocate and manage their limited financial resources more effectively. Such a reduction in costs would not only encourage greater participation in the intellectual property system but also foster innovation and competitiveness among SMEs. Lower barriers to entry for industrial property protection can lead to wider adoption of trademarks, patents, industrial designs, and trade secrets, thereby enhancing the SMEs' capacity to safeguard their unique products and processes. Moreover, this would create a ripple effect by strengthening the formal economy, attracting potential investors, and increasing the overall resilience of Afghanistan's commercial sector. Ultimately, cost-effective access to industrial property rights would serve as a catalyst for sustainable growth and the long-term development of SMEs in Afghanistan.

6.3 Time-Consuming Registration Process

Modern trade and economic markets, both within Afghanistan and internationally, are evolving at a rapid pace; in many instances, a product may lose its market position in less than a year—or even within a single month—due to the emergence of newer and more efficient alternatives. For this reason, SMEs must be able to respond to market demands in a timely manner.

Consequently, the lengthy and cumbersome procedures for registering trademarks, industrial designs, trade secrets, and patents constitute a major obstacle to SMEs in meeting market needs, and thereby hinder their comprehensive growth and development. It is therefore imperative that the timeframe for registration processes be shortened, and that the registration of trademarks, trade secrets, industrial designs, and patents be prioritized as part of the core responsibilities of the Ministry of Commerce and Industry.

Reducing the duration of these procedures would not only allow SMEs to adapt swiftly to changing market dynamics but would also enhance their competitiveness both domestically and internationally. An expedited registration process would encourage innovation by ensuring that SMEs can secure legal protection for their products and ideas without delay, thus reducing vulnerability to imitation and unfair competition. Furthermore, streamlining these processes would improve investor confidence, as timely protection of intellectual property rights is often considered a marker of a stable and business-friendly environment. Ultimately, this would contribute to the

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sustainable growth of SMEs and bolster Afghanistan's economic resilience in an increasingly competitive global market.

7. CONCLUSION

Therefore, industrial property rights, which constitute a significant part of intellectual property rights, represent a powerful instrument for growth and a driving force for economic development for small and medium-sized enterprises (SMEs) that have established a notable presence in domestic, foreign, and global markets. Industrial property rights—particularly patents, trademarks, trade secrets, and industrial designs—offer numerous benefits to SMEs, including the exploitation of license rights, attraction of domestic and foreign investments, and substantial profits derived from specialized knowledge during the merger or sale of a company. Additionally, expansive marketing opportunities, constructive and fair competition, increased export potential, legal protection, and the commercialization of innovations and creative endeavors are among the other advantages that industrial property rights can provide to SMEs.

On the other hand, the utilization and adoption of industrial property rights by SMEs in Afghanistan is accompanied by notable challenges. The lack of awareness and specialized knowledge regarding the importance and benefits of industrial property rights for SMEs, the considerable costs associated with registering trademarks, patents, and industrial designs, and the lengthy duration of the registration process are among the principal obstacles confronting SMEs. Consequently, addressing these challenges requires, as a primary step, a reduction in both the timeframes and costs associated with the registration process. Furthermore, appropriate measures should be taken to enhance awareness and strengthen the specialized knowledge of SME owners through the organization of awareness-raising seminars and targeted training workshops.

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