

- Have you applied to register your trade marks in all of the countries in which you are currently doing business or have an intention of doing business in the near future?
- Are the names of the registered proprietors of your trade marks correct?
- Are all of your trade marks in use? A trademark registration may be revoked due to non-use.
- When are your trade marks due to be renewed? In most jurisdictions Trade marks are generally valid for 10 years and have to be renewed at the end of the period for continued protection.

It is also important to consider registering internet domain names corresponding to your key trade marks. The registration requirements for South-East Asian domain names vary from being unrestricted to all users as in Laos, Vietnam and the Philippines, to requiring special conditions such as a local presence, as is the case in Malaysia, Singapore and Cambodia, or even to requiring locally registered trade marks as in Thailand.

For more information on domain name protection in South-East Asia, check out our **South-East Asia IPR SME Helpdesk Guide to Protection of Online IPR in South-East Asia**, which is available to download from our website - <http://www.southeastasia-iprhelpdesk.eu/en/content/protection-online-ipr-south-east-asia-updated-2016> - and our e-learning module (ELM) on **Protecting your Domain Name in South-East Asia**, available to access at <http://www.southeastasia-iprhelpdesk.eu/en/node/535>

For more information on trade mark protection in South-East Asia, check out our **South-East Asia IPR SME Helpdesk Guide to Trade Mark Protection in South-East Asia**, which is available to download from our website - <http://www.southeastasia-iprhelpdesk.eu/en/content/south-east-asia-ipr-sme-helpdesk-guide-trade-mark-protection-south-east-asia-countries>

(ii) Copyrights

Copyright is relevant to many business across all sectors. Businesses in all industries should take appropriate steps to identify existing copyrights and consider registering the most important ones wherever the option is available.

What is Copyright?

Copyrights protect intellectual creations expressed in an original form and which are as a result of a creative effort on the part of the author. Copyright protects original works of authorship including literary, dramatic, musical, and artistic works, such as poetry, novels, movies, songs, computer software, and architecture. All your advertising materials and promotional literature can be protected by copyright. Copyright also extends to databases, instruction manuals, computer software source codes, drawings and photographs. However, it should be noted that copyright protects only the tangible expression of an idea, not the idea itself. Types of creations which do not meet the requirements for copyright protection include mathematical theories, algorithms, feelings, procedures, thoughts, or methods of operation.

Registration of Copyright

Copyright is an automatic right that subsists from the moment a work is created, meaning that some rights may exist automatically without the need to register them formally. However, in most ASEAN countries, except Singapore and Brunei, it is possible and

advisable to register a copyright since the proof of ownership you obtain by doing so may save you time and money later on in the event of a legal dispute.

It is also advisable to display the copyright on all applicable works, as indicated below:

“© [your company name][year the work was created]”.

Ownership of Copyright

When conducting an audit you should confirm the ownership of all copyrighted work. Copyright is generally owned by the person who created the works of expression. There are however, some special exceptions:

- *If the work is created by an employee in the course of his or her employment, the employer owns the copyright, except in Indonesia.*
- *In relation to certain types of commissioned work, the person commissioning the work shall be entitled to any copyright subsisting in the work.*

In most countries in South-East Asia, the special exceptions mentioned above can be excluded or modified by the parties by agreements. In such a situation, you should ensure that you have the relevant clauses in your employment contracts with the employee to confirm the ownership of the work.

For more information on copyright protection in South-East Asia check out our **South-East IPR SME Helpdesk Guide to Copyright Protection in South-East Asia**, which is available to download from our website -<http://www.southeastasia-iprhelpdesk.eu/en/content/guide-copyright-protection-south-east-asia>

(iii) Industrial Designs

Manufactured product designs can be as important as other IP types in distinguishing your products in the market. You may in appropriate cases (see below) register the design of the shape of your products before they are sold or marketed to prevent third parties from copying their appearance.

What is a Design?

A design is the ornamental or aesthetic aspect of an article - it refers to the features of shape, configuration, pattern or ornament applied to an article by an industrial process. You will obtain an exclusive right to use the design by registering it.

In general, here are two key criteria for a design to qualify for registration:

- The Design must be new: It must (1) not be similar to any other design that has been register or published anywhere; (2) differ from ‘generic’ functional product designs found in the trade; and, (3) not have been previously publicly displayed.
- The Design must be industrially applicable – for example, via a mass production process.

Copyrights protect intellectual creations expressed in an original form and which are as a result of a creative effort on the part of the author.

Ownership Rights

The general rule is that the owner of a design is the person who created the design, and he or she is the one entitled to apply for the registration of it, except where a design is created (i) by an employee in the course of employment, or (ii) under commission; in which cases it shall be owned by the employer or commissioning party, unless there is an agreement stating otherwise. The registration can then be renewed up to a maximum number of years which can vary in each country.

(iv) Patents

Products or processes offering new technical solutions or providing new ways of doing something may be 'patentable'. Once a patent is granted in your specific South-East Asian country of interest, no other party can manufacture or sell any product which utilises the patented invention in that country.

What are Patents?

The grant of a patent gives its owner an exclusive right to make, use, import or sell a product, or an exclusive right to use a process, which is the subject of the patent. Full disclosure of the invention is to be provided in the patent documents so that the invention can be utilised by "a person skilled in the art". In exchange for such disclosure, the patentee secures a monopoly right to exploit the patent for a certain period of time.

Criteria for Registration

For an invention to be patentable, it must meet the following requirements:

- It must be new – "novel" – an invention shall be considered new if it does not form part of the current state of art. The current state of art shall be taken to comprise all matter which, at the time of the invention, has been made available to the public whether in the specific country or elsewhere, by written or oral description, by use or by any other way;
- it must involve an inventive step – "not obvious" – to a person skilled in the art, and;
- it must be capable of being industrially applied (i.e. mass produced).

It is critical to ensure that there is no disclosure of details of an invention, except under strict condition of confidentiality, before a patent application is filed. Where disclosure is inevitable, for example to a potential investor who would finance the filing of patent applications, a lawyer should be engaged to prepare an appropriate non-disclosure agreement (NDA) and advise on steps that should be taken to safeguard the invention before any disclosure is made.

Patent Protection in Various Countries

Patent rights are territorial meaning that a local patent would grant rights only in that jurisdiction and have no impact on activities in other countries. It is usually not enough to secure a patent in only one country. In most cases, after a patent application is filed in the home country, a corresponding applications would also be filed in other countries claiming the date of the first application in the home country, known as "a priority date claim".

Utility Models

In South-East Asia, utility models (also known as petty patents, utility innovations or utility solution patents) are available in Cambodia, Indonesia, Laos, Malaysia, the Philippines, Thailand and Vietnam. A utility model is similar to a patent but is typically less stringent in its requirements and offers a shorter term of protection. Utility model applications do not generally require substantive examination and applying for a utility model is considered to be a cheap and quick way to protect inventions or innovations that may not obtain protection under the patent system. As the utility model protects technical solutions with lower levels of inventiveness, it can be a good asset for expanding your patent portfolio.

For more information on patent and utility model protection in South-East Asia, check out our **South-East Asia IPR SME Helpdesk Guide to Patent Protection in South-East Asia**, which is available to download from our website - <http://www.southeastasia-iprhelpdesk.eu/en/content/patent-protection-south-east-asia-updated-2016>

(v) Confidential Information/Trade Secrets

Some assets that cannot be granted protection through registration can still be protected as trade secrets. Any confidential business information (for example sales methods, distribution methods, consumer profiles, advertising strategies, lists of suppliers and customers, manufacturing processes, etc.) which can be of considerable commercial value to businesses and which provides an enterprise with a competitive edge, may be considered a trade secret.

Protection of trade secrets is not applied uniformly across the South-East Asian countries. Trade secrets can be protected by unfair competition laws, the provisions of labour law, criminal law, civil law, invention law, or IP law. In common law jurisdictions they can also be protected by the rules developed in case law relating to secret information. No matter which jurisdiction your business operates in, you can protect your trade secrets as long as you do not make the information public.

Protection of Confidential Information

You may wish to protect your confidential information in the following ways through use of non-disclosure agreements (NDAs) and proper employment clauses:

- ☑ *Clearly mark confidential information as "confidential" to avoid disputes as to whether the information is confidential.*
- ☑ *Where it is unavoidable to disclose confidential information to third parties, for example suppliers, investors, licensees or sub-contractors, it is vital to put in place an NDA, which the third party should sign before you disclose the confidential information.*
- ☑ *Where confidential information is disclosed during employment, the employment contracts should address the use of such confidential information and the consequences of unauthorized use.*

For more information on trade secret protection in South-East Asia, check out our **South-East Asia IPR SME Helpdesk Guide to Trade Secrets in South-East Asia**, which is available to download from our website - <http://www.southeastasia-iprhelpdesk.eu/en/content/south-east-asia-ipr-sme-helpdesk-guide-trade-secrets-protecting-your-trade-secret-south-east>

5. Identification of Documentation Relating to Intellectual Property

Documentation relating to intellectual property generally falls into two categories: **agreements between the company and third parties** (e.g. licensees, employees, distributors or sub-contractors), and **filings, registrations and documentation evidencing IP rights**. These should be reviewed to ensure adequate and up-to-date protection of your IP.

- > **Agreements between the company and third parties**
 - ✓ **License Agreements** – review all licensing agreements to ensure that the company and the licensees are continually in compliance with the terms of licences.
 - ✓ **Assignment Agreements** – review assignments to determine whether the company was granted an assignment from, for example, inventors or authors of a work.
 - ✓ **Employment and Sub-contractor Agreements** – review agreements to determine provisions governing the transfer of IP rights from employees or sub-contractors to the company. In addition, the agreement should document clauses setting restrictions on use of confidential information during and after the termination of the employment/contract.
 - ✓ **Joint-venture Agreements** – the agreement should clearly delineate which party owns the intellectual property in the venture.

Other Agreements

- ✓ Technology Transfer Agreements
- ✓ Material Transfer Agreements
- ✓ NDAs
- ✓ Non-Competition Agreements
- ✓ Settlement or co-existence Agreements
- ✓ Royalty Agreements
- ✓ Distribution and Manufacturing Agreements

For more information on the above agreements in South-East Asia, check out our **South-East IPR SME Helpdesk Guide to Using Contracts to Protect your IP in South-East Asia**, which is available to download from our website - <http://www.southeastasia-iprhelpdesk.eu/en/content/using-contracts-protect-your-intellectual-property>

- > **Filings and registrations**
 - ✓ Filing details of all local and foreign IP applications.
 - ✓ Registration details of all local and foreign IP applications.
 - ✓ Renewal details of all local and foreign IP applications.

These documents should be assembled and checked against the list of your companies' IP to assess the extent of protection you currently have and any imminent future changes, such as rights expiration or renewal.

Registered IP should be reviewed to determine what applicability it has to the company's products and services. Patents that have been filed may not protect the latest products and may no longer be relevant. Trade marks may not be in use or might have been modified. In relation to the countries of interest, filings may not have been made in markets that were not relevant some years ago and recently became relevant from either sales or manufacturing perspective.

6. Assessment of IP Ownership

A key goal for any IP audit is to establish the company's ownership and control over the audited IP. It is important to assess who owns the IP assets in the company.

For each item of IP, the company should identify the owner(s). This could be:

- The company and or its affiliates
- Independent contractors
- Employees
- Joint owners
- Co-inventors
- Licensors

The Company may also wish to conduct searches to assess the foreign ownership of IP assets, in order to determine which IP can be registered and protected in other markets. These could be:

- Searches in the trade mark, patent, design or copyright registries for IP filings/registrations.
- Searches for filings in domain name registries.

7. IP Analysis and Valuation

After consolidation of the information, you can use the results of the IP Audit to do an IP analysis and evaluate your IP assets.

IP Analysis – You should ask yourself if your IP assets serve the strategic objectives of your business and identify which of these IP assets are most relevant to you. Thereafter, you should be aware of what are the possible actions to take for maximising their potential, to serve you best. In doing so, you may wish to divide the results of the IP inventory into the following groups:

1. Essential and useful to your business. These are used on an ongoing basis and give competitive advantage to your business.
2. IP assets of real potential, but not necessary to your business. These may be valuable/necessary to another party
3. Assets that seem, after consideration, to have no great value to your company or to any other party.

You should also consider which IP assets are worth protecting (in case they are not yet protected).

Evaluating IP assets – The results of the IP audit form the basis for determining the value of your IP assets. Each and every IP asset is valued based upon different IP valuation methods, however some key factors that should be considered are:

- ✓ Royalties paid for similar assets. For example, the annual income from a currently licensed invention patent of a similar level of technology.
- ✓ Market recognition of the asset. For example, how popular products carrying this trademark are relative to the same good types of competing brands.
- ✓ Devaluation speed of that type of asset. For example, an invention patent that will expire after a fixed term, or product content (i.e. a trade secret) that is expected to be imitated by competitors, thus reducing market share.
- ✓ The cost of developing alternative IP assets to fulfil comparable market needs. For example, the original cost of brand development - indicating the price to replace it; similarly the original cost in time and money of developing production and distribution networks for a product (a trade secret).

8. Utilising Audit Results and Preparing your IP Management Strategy

(i) Optimising your IP Assets

You should consider ways to allocate your IP in order to maximise income and minimise expenditures, in accordance with the following points:

- **Building value in IP asset creation** – in-house exploitation / sell or license the assets which you do not use or need / buy or license the IP from the others in case it is necessary to properly use your IP assets.
- **Building value in existing IP assets** – creating or improving the relevant in-house policies, procedures and management practices and removing lapses in the administrative, legal and regulatory practices necessary for creating and maintaining IP assets.
- **Reducing costs of third party IP claims** – advance warning of infringement allows the company to cease infringing activities, obtain a licence and/or understand its liabilities and establish possible defences.
- **Benefiting from infringements of your IP rights by third parties** - litigation and negotiation options for discovered potential infringement by third parties.

(ii) Determining which IP Assets are in Line with your Business Plan and Should be Further Developed

In the course of the IP Audit, the company should also understand the types of products on which the company intends to focus its resources, as well as the markets it intends to serve. Following the audit, it will be possible to outline an IP portfolio that matches the company's business objectives. This will highlight any key unregistered and/or unprotected IP that should be dealt with as a priority. It will also help to identify and reduce the costs of unused IP assets, either by taking the decision not to register/renew these rights or to license them to third-parties.

An audit should review the systems in place to guard against IP risks. These risks need to be regularly analysed.

(iii) Continuing to manage your IP Assets

Having established an overview of your business's IP via the audit, it is important to put in place procedures for the effective management of these assets. This could include:

- **Formation of an IP asset management team** – Identify one or more resource within the staff and assign them responsibility for overall management of the IP portfolio and IP development. They will help in identify the allocation of economic resources, and advise on the ways the portfolio could be developed to obtain overall business objectives.
- **IP Policy Monitoring** – The adequacy of IP asset management policies, procedures and practices should be regularly reviewed and improved with the assistance of the administrative staff. This could include, IT security for sensitive documents, non-disclosure clauses in employee contracts, and entry/exit procedure for company visitors.

iv) Risk Identification and Mitigation

Infringement of third party rights or failure to protect IP assets may be costly, and risk mitigation is important to avoid incurring of in unexpected litigation costs. An audit should review the systems in place to guard against IP risks. These risks need to be regularly analysed.

The history of company's IP enforcement strategy should be reviewed to determine the effectiveness of the actions taken or avoided and to identify the potential weakness of its IP strategy in relation to the budget available or the decisions taken.

A good standard of effectiveness is to check whether the current IP practices and processes protect the company's core assets, such as technology and brand.

With a view to internationalise, EU SMEs should obtain the relevant IP protection to enable the enforcement of their rights internationally. Care should be taken to ensure that the IP protection is valid in the countries where the SMEs are manufacturing their products as well as in the countries where they propose to distribute and sell.

As cost-saving measures, internet and e-commerce sites should be routinely monitored and take-down notices should be issued, to remove infringing content. These are relatively inexpensive measures enabling businesses to monitor markets globally to identify counterfeits and infringement without delay.



