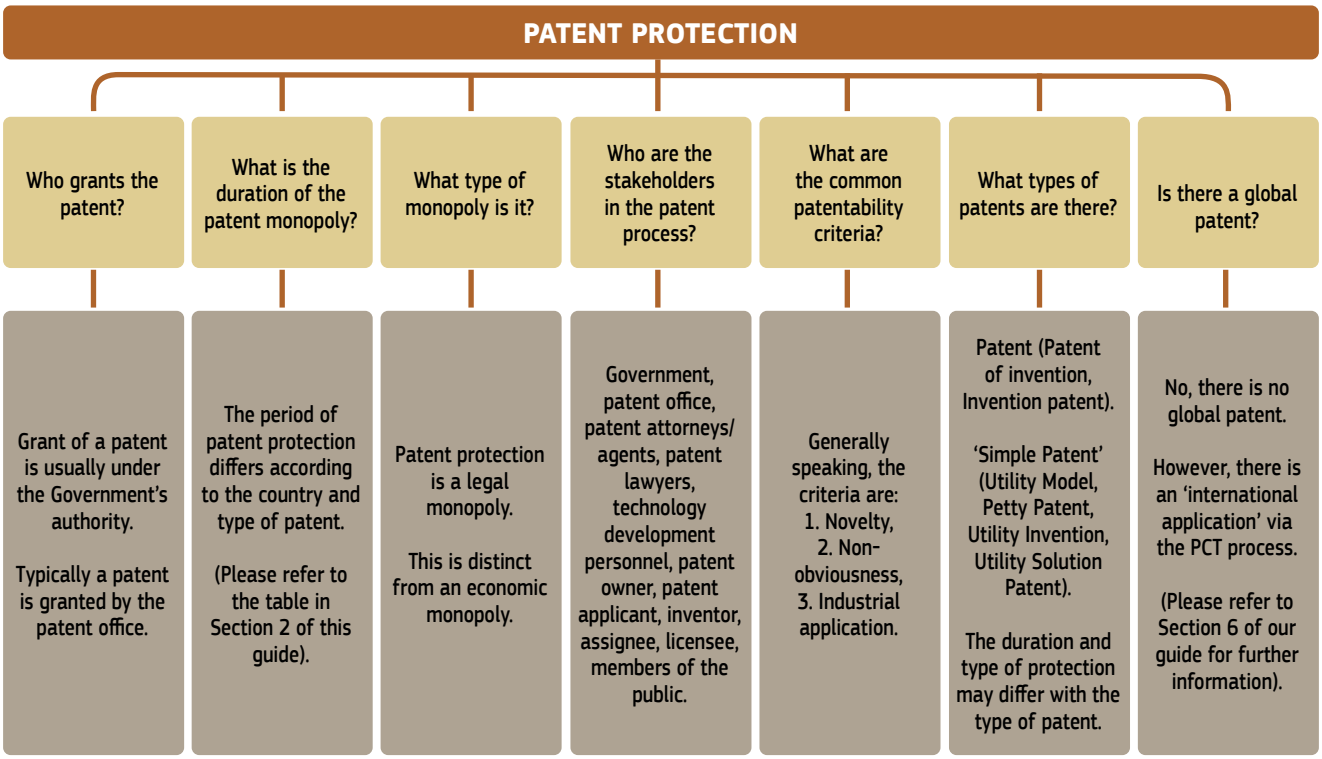
European Commission

SOUTH-EAST ASIA
IP SME HELPDESK

Guide to Patent Protection in South-East Asia

1. Introduction: What is a patent and how is it relevant to my business?

A patent is an exclusive right granted for the protection of new inventions, which are products or processes offering new technical solutions or providing new ways of doing something. The product or process in question must be capable of industrial application. To qualify for patent protection, inventors or owners must file a patent application as registration is required to obtain protection for a patent. Patent protection lasts for a limited time, usually 20 years. In return for this legal monopoly of limited duration, the owner of a patent must disclose the invention to the public. A patent is a territorial right and has its effects only within the national boundaries of the country for which it is granted.



A patent provides protection of the invention to the owner of the patent, meaning that the invention cannot be commercially made, used, distributed, or sold without the patent owner's consent. Patent rights are enforceable in courts, which, in most legal systems, hold the authority to stop patent infringement as well as declare the invalidity of a patent in question.

Obtaining patent protection is a crucial aspect of business in the modern global economy. Increasingly, the economic strength and growth potential of a company are being assessed by its patent portfolio. Companies that own patents and do (or plan to do) business in South-East Asia (SEA), and wish to create long-term value by either finding investors for patents or licensing patents at a later date, are strongly advised to know and use the local patent systems. It is vital that you apply for patent protection in the South-East Asian countries of interest to your business, especially if the launch of your respective product/technology on the South-East Asian market is on the horizon. While patents registered in Europe, being territorial rights, have no legal effect in any of the ten countries in SEA, it is worth noting that under the Patent Cooperation Treaty (PCT), it is possible to seek patent protection for an invention in several countries simultaneously by filing a single 'international' patent application instead of filing several separate national applications. In SEA, only Myanmar is not a contracting state of the PCT as of September 2023.

It is therefore important to note that through the PCT, you may be able to seek patent protection in other countries (including South-East Asian countries) through a more convenient, efficient, and possibly cost-effective mechanism. You can learn more about the PCT route and its advantages and disadvantages in section 6 of this guide.

2. Patentable inventions, getting protected, and IP strategies

a) Patentable inventions

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

1. It must be ***novel,***[*1]
2. the advancement or development from the 'prior art' (existing technology) must not be obvious to the average person in the relevant industry (commonly referred to as the inventive step*) and
3. it must be ***industrially applicable.***

The above requirements mean that the patent application needs to be reviewed by patent examiners to check whether patentability requirements are met. However, it is important to note that not all patent offices have the facilities to conduct such a review. A typical examination would require access to databases of prior art to be checked against for novelty and inventiveness over what is already disclosed or practised. As an alternative to local examination, some patent offices in SEA grant patents by relying on the grant or positive examination results of a corresponding patent application filed with more established patent offices such as those in the United States, Japan, South Korea, and the European Patent Office (EPO).

Without such foreign grants of corresponding patent applications, the patent application process is likely to be delayed for as long as five to seven years in some South-East Asian countries, including Cambodia and Thailand.

b) Getting protected

Once you have an idea that you believe qualifies for patent protection, you should not disclose the idea to anyone except those who have signed an ***undertaking of confidentiality,*** i.e. a ***non-disclosure agreement****. An invention needs to be kept secret because it must be new at the time of filing at a patent office. If an invention is disclosed prior to filing, novelty is said to be destroyed and it may not be considered new. This means that a disclosure of the invention by the inventors before the filing date of the patent application can result in the invention becoming unpatentable. However, many countries, including South-East Asian countries, have incorporated exceptions into their patent law to preserve the novelty of an invention for specific circumstances where disclosure has been made. One such circumstance provided is that the patent application is filed within a 'grace period' which is typically 6 months (in Indonesia) or 12 months (in the remaining SEA countries) following the disclosure.

A further reason to enter a non-disclosure agreement is that novelty-destroying disclosures made in breach of confidence can be disregarded in many countries within a limited time from the disclosure. Therefore, if someone breaches the non-disclosure agreement and discloses your invention, you may still retain the novelty of the invention and still be able to protect it with a patent.

[1] All words followed by an asterisk symbol (*) are further explained in the glossary.

Businesses planning to introduce a new product or process into the ASEAN market may risk infringing existing third-party prior patents. Like for other types of IP rights (IPR), there is a pivotal step before filing a patent application which can save the applicant significant resources and reduce risks. A freedom-to-operate (FTO) analysis for the identified market should be conducted to ensure that the commercial production, marketing and use of a new product, process or service will not infringe the IPR of a third party. While it is difficult to have a zero-risk guaranty, it is possible to minimise the risks by notably seeking the analysis and opinion from specialised patent attorneys regarding potential infringements and the future patent validity. If the FTO analysis indeed identifies high-risk third-party patents, the business owner would have several courses of actions to take, including approaching the patent owner for a license or modifying the product or process to avoid infringement.

Patent protection is territorial in nature. There is no such thing as a worldwide or regional South-East Asian patent. This means that a person who wishes to get patent protection in Singapore will have to apply to the Intellectual Property Office of Singapore (IPOS). A patent granted in Singapore will not provide the patent owner with legal protection in Vietnam or elsewhere in the SEA region

c) Choose the right strategy for your business

Intellectual property (IP) protection measures should not be limited to filing only patent applications. It is advisable for companies to implement a well-planned overarching IP strategy covering the legal, technical, administrative, and political aspects of IP. It is also advisable for companies to regularly conduct IP due diligence exercises to assess the scope of their technology and to monitor IP trends in the industry so that they are well-positioned to outlast their competitors.

In some cases, firms rely on ***trade secret protection**** or ***non-competition agreements**** to protect their innovations or unique 'know-how'. Inventions can be protected as trade secrets if you do not disclose any information on them, i.e. keep them a secret. Such protection can theoretically last forever – as long as you keep your invention undisclosed. Protection in the form of trade secrets is free-of-charge and does not require registration – however, internal steps to maintain confidentiality should be taken. In practice, it may be quite difficult for a company to implement measures to keep an invention secret, particularly when employees leave the company and could take precious 'know-how' or sensitive knowledge with them. It is important to note that non-competition agreements are not always enforceable and should not be relied upon as the sole precaution measure to ensure the information will be kept secret. While trade secret protection is desirable in theory, if a company is investing heavily into a particular area of technology development and the 'stakes are high', from a practical angle, it is rather more advantageous to seek patent protection.

For more information on protecting your trade secrets in SEA, check out the South-East Asia IP SME Helpdesk Guide 'Protecting your Trade Secrets in Southeast Asia'.

Disclosing an invention through publication or other means, rather than seeking patent protection, may also be an option if your business does not require 'exclusivity'. This option has the advantage of blocking others from getting a patent on the same invention. However, this means that anyone, including your competitors, will be free to reproduce the invention and carry out business with it.

Some companies use patent protection as a defensive strategy, asserting their patent when an infringement claim is made by a competitor.

d) Different types of patents in SEA

In Cambodia, Indonesia, Laos, Malaysia, the Philippines, Thailand, and Vietnam, inventions can be protected by 'simple patents'. Depending on the South-East Asian country in question, the name may differ - Petty Patents (Laos), Utility Models (the Philippines and Cambodia), Utility Innovations (Malaysia) or Utility Solution Patents (Vietnam). Simple patents are often registered for mechanical products and tools. These inventions should be novel and industrially applicable. In most cases, there are no requirements for an inventive step (Cambodia, Indonesia, Malaysia, the Philippines, Thailand, and Vietnam) and in others, the degree of innovation required is less than for a patent (Laos). The process for obtaining a simple patent is generally shorter than that of patents. There is, however, usually a reduced term of protection (typically 10 years from the filing date).

In Indonesia, Malaysia, the Philippines, Thailand, and Vietnam, it is possible to request the conversion from a patent application to a simple patent application. Indonesia only accepts the conversion to simple patents for domestic Indonesia patent applications (this is not possible for PCT national phase entry). This is especially helpful for patent applications that have been found to lack inventive step during substantive examinations. Without the option of converting a patent application to a simple patent application, an application that is novel but lacks inventive step will simply have to be abandoned. However, with the option to convert a patent application to a simple patent application, the invention may still be protected as a simple patent.

See our table below, which outlines the period of protection for different types of patents in each South-East Asian country:

SOUTH-EAST ASIAN COUNTRY	TYPE	PERIOD OF PROTECTION
Brunei	Patent	20 years from the filing date.
Cambodia	Patent	20 years from the filing date.
	Utility Model	7 years from the filing date.
Indonesia	Patent	20 years from the filing date.
	Simple Patent	10 years from the filing date.
Laos	Patent	20 years from the filing date.
	Petty Patent	10 years from the filing date .
Malaysia	Patent	20 years from the filing date.
	Utility Innovation	10 years from the filing date and extendable for another 2 consecutive 5-year terms.
Myanmar	There is presently no functioning system of patent protection in Myanmar. Myanmar's Patent Bill was passed in 2019 but has not yet been brought into force.	
The Philippines	Patent	20 years from the filing date.
	Utility Model	7 years from the filing date.
Singapore	Patent	20 years from the filing date.
Thailand	Patent of Invention	20 years from the filing date.
	Utility Model/Petty Patent	6 years from the filing date and extendable twice for 2 more years (i.e. maximum of 10 years).
Vietnam	Invention Patent	20 years from the filing date.
	Utility Solution Patent	10 years from the filing date.

3. Patent application process

The patent application process varies from country to country in the SEA region. For a detailed breakdown and further information on the application procedures in individual South-East Asian countries, please contact us at expert@sea-iphelpdesk.eu or consult our IP Country Factsheets which are available to download from the South-East Asia IP SME Helpdesk website.

The costs of obtaining a patent (from filing to grant) in different South-East Asian countries can vary significantly - from EUR 1,300 to EUR 7,000 (including official and professional fees). This range of costs may differ depending on the professional fees of the IP agent you choose. Where translation is required, additional costs of between EUR 11 to EUR 26 per page may be incurred.

*Please see our table below with information on filing fees and required languages for **patent applications** in different South-East Asian countries:*

SOUTH-EAST ASIAN COUNTRY	FILING FEES FOR PATENT	OFFICIAL OR AUTHORIZED LANGUAGES
Brunei	Official fee EUR 110.	English.
Cambodia	Official Fee from EUR 147. Additional fees are payable for excess number of claims above 10.	Khmer.
Indonesia	Official fee EUR 135.	Bahasa Indonesia.
Laos	Official fee EUR 90. Additional fees are payable for excess number of pages above 50 and excess number of claims above 15.	Lao or English (to be translated into Lao within 90 days of the application filing date).
Malaysia	Official fee EUR 110.	Bahasa Malaysia or English.
Myanmar	There is presently no functioning system of patent protection in Myanmar. The Patent bill was passed in 2019 but has yet been brought into force.	There is presently no functioning system of patent protection in Myanmar. The Patent bill was passed in 2019 but has yet been brought into force.
The Philippines	Official Fee from EUR 110. Reduced official fee is available for small entity applicants. Additional fees are payable for excess number of pages above 30 and excess number of claims above 5.	Filipino or English.
Singapore	Official fee EUR 150.	English.
Thailand	Official fee EUR 16.	Thai.
Vietnam	Official fee starts from EUR 17. Additional fees are payable for excess number of pages above 6 and number of independent claims.	Vietnamese.

a) Checklist

When applying for a patent with the local intellectual property office or relevant authority in SEA, additional items and documents will be required. Please see our table below, which includes the required items to start the application process in each country.

ITEMS/DOCUMENTS REQUIRED FOR REGISTRATION	BR	KH	ID	LA	MY	MM	PH	SG	TH	VN
Application form	X	X	X	X	X		X	X	X	X
Application fee	X	X	X	X	X		X	X	X	X
English translation	X	X			X		X	X		
Patent specification	X	X	X	X	X		X	X	X	X
Power of Attorney/form to appoint a local agent (if no domicile or real business operations in the country)		X	X	X	X		X		X	X
Declaration of Ownership		X	X		X				X	
Priority right	X	X	X	X	X		X	X	X	X
Deed of assignment (if the applicant is not the inventor)		X	X						X	X
Local translation		X	X	X			X		X	X

b) Who can register?

SOUTH-EAST ASIAN COUNTRY	WHO CAN REGISTER?
Brunei	The owner of an invention is entitled to register it. Any other party may register an invention if they hold the rights over it (assignment or employer).
Cambodia	The owner of an invention is entitled to register it. Any other party may register an invention if they hold the rights over it (assignment or employer).
Indonesia	The owner of an invention can file a patent application. If filed by a person other than the inventor, the application must be furnished with a statement with adequate supporting evidence that the applicant is entitled to the invention.
Laos	The owner of an invention is entitled to register it. Any other party may register an invention if they hold the rights over it (assignment or employer).
Malaysia	The rights to register a patent shall belong to the inventor unless the rights have been lawfully derived from the inventor to a particular person (assignment or employer).
Myanmar	There is presently no functioning system of patent protection in Myanmar. Myanmar's Patent bill was passed in 2019 but has not yet been brought into force.
The Philippines	Patent rights belong to the inventor, his/her/their heirs, or assignees. When two or more persons have jointly made an invention, the right to a patent shall belong to them jointly.
Singapore	The inventor(s) of the invention themselves, or people owning the rights to a patent by virtue of an agreement, may make an application for a patent.
Thailand	The owner of an invention is entitled to register it. Any other party may register an invention if they hold the rights over it (assignment or employer).
Vietnam	Any individuals who have created inventions by their own labour and at their own expense may register patents. In addition, anyone who has supplied funds and materials which facilitated the creator to create the invention can also register a patent, including employers or those who have work commissioned (unless otherwise has been agreed between the two parties).

When the applicant of a patent application is residing in a foreign country, they must appoint an authorised representative to file the patent application.

4. Patent prosecution and priority date

Patent prosecution refers to the application process, from filing a patent application to a patent grant and the issuing of an official certificate. The entire process may last 2.5-7 years. In South-East Asian countries, this often involves communication with the patent examiners and may require the provision of information/evidence of corresponding patents granted in other countries with more sophisticated IP regimes. The patent specifications might also have to be amended to correspond with the specification approved under any of these foreign grants. It is imperative that you assess the capability of your advisors by speaking with them directly. You can refer to our list of External IP Experts in the region that support the South-East Asia IP SME Helpdesk **here**.

Priority Date

When seeking patent protection for the same invention in several countries, the **principle of priority** should be employed. Under this principle, you will not have to file your application in multiple countries at the same time. The date of the first filing of a patent application in a country which is a signatory of the **Paris Convention for the Protection of Industrial Property** (Paris Convention) will be considered the **priority date**. This date is important in determining the novelty of your invention. When you apply for protection for the same invention in other member countries of the Paris Convention in the twelve months immediately following the priority date, the filing date of your first application is considered to have priority over other applications filed after that date. In other words, your later applications will be regarded as if they had been filed on the same day as the first application. If another person comes up with the same idea and discloses it after the priority date, the novelty of your invention is still safe. On the other hand, if the idea is disclosed before the priority date, your invention may not be patentable.

It is important to understand that the priority right only extends to the exact invention that was disclosed in the initial patent application. Any subsequent improvements not included in the initial application should be kept secret as disclosure of these improvements can result in the invention(s) relating to these improvements becoming unpatentable.

Generally, it is recommended to avoid the disclosure of an invention or any subsequent improvement of the same before filing a patent application. As discussed in section 2. b), some countries may offer a grace period exception where a disclosure would not be taken into account in determining the patentability of an invention if it occurred within a certain prescribed timeframe.

The following example is a useful illustration of the application of the priority right in practice.

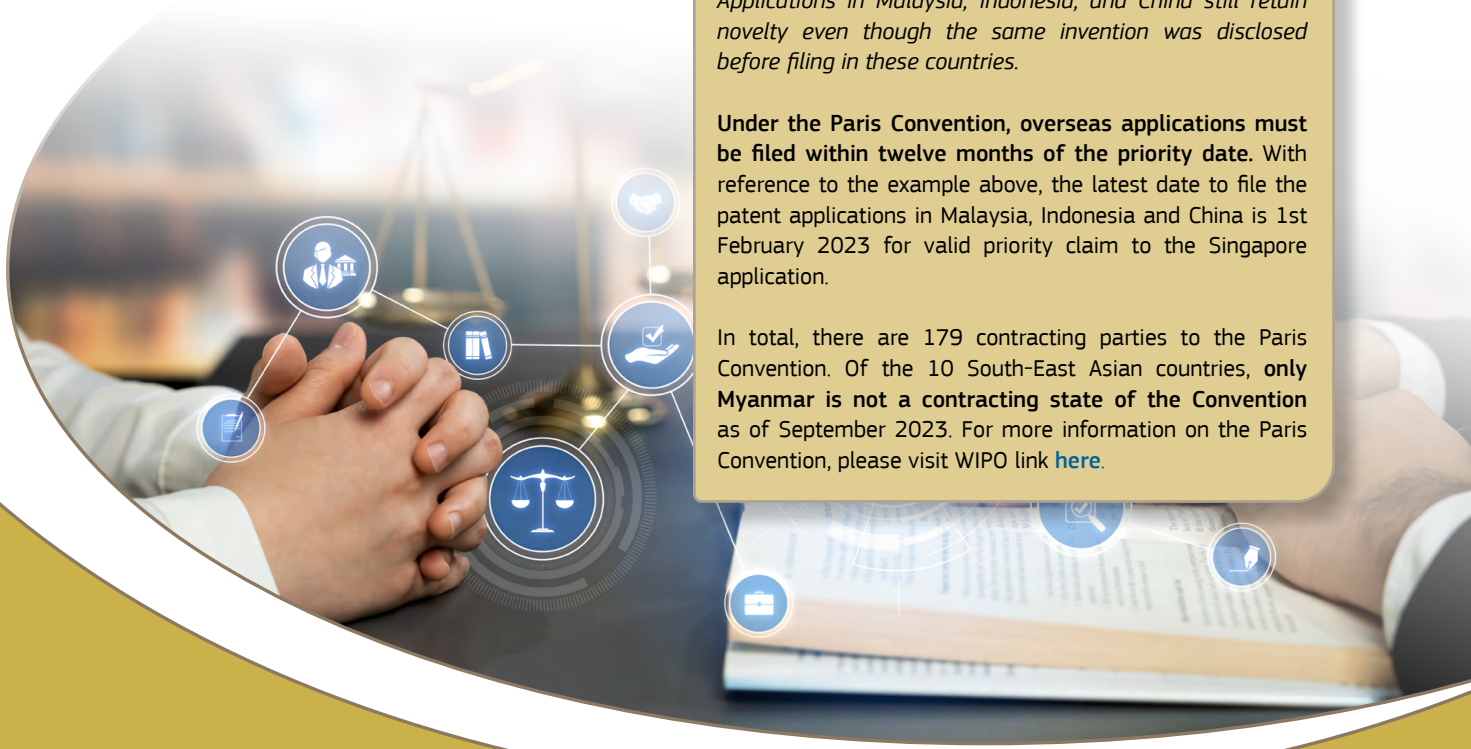
An inventor files a patent in Singapore on 1st February 2022. Thereafter he decides to apply for patent protection in Malaysia, Indonesia, and China. He applies for protection in these countries on 1st June 2022. However, it emerges that there was a disclosure by a competitor of the same invention in Malaysia on 1st March 2022. Despite this, the inventor's application for patent protection in Malaysia, Indonesia and China can still be considered novel because he is able to claim priority based on the country of first filing – i.e. Singapore – on 1st February 2022, before the disclosure by the competitor.

- *1st February 2022: first filing in Singapore = the priority date,*
- *1st March 2022: disclosure of invention,*
- *1st June 2022: filing in Malaysia, Indonesia and China.*

Applications in Malaysia, Indonesia, and China still retain novelty even though the same invention was disclosed before filing in these countries.

Under the Paris Convention, overseas applications must be filed within twelve months of the priority date. With reference to the example above, the latest date to file the patent applications in Malaysia, Indonesia and China is 1st February 2023 for valid priority claim to the Singapore application.

In total, there are 179 contracting parties to the Paris Convention. Of the 10 South-East Asian countries, **only Myanmar is not a contracting state of the Convention** as of September 2023. For more information on the Paris Convention, please visit WIPO link **here**.



5. Accelerating the process: the Patent Cooperation Treaty (PCT), Patent Prosecution Highway (PPH), and ASEAN Patent Examination Co-operation (ASPEC)

The PCT is an international treaty, administered by WIPO, with 157 contracting parties. As of September 2023, Myanmar is the only South-East Asian country which is not a contracting state of the PCT. The PCT makes it possible to seek patent protection for an invention simultaneously in several countries by filing a single 'international' patent application instead of filing several separate national applications. The granting of patents remains under national control, but the PCT essentially allows inventors to defer the national filings in overseas countries until the end of the 30th month from the priority date. The PCT route allows for a longer 'wait and see' period before the applicant decides on the countries in which they require a patent. There are advantages and disadvantages to consider when using the PCT system over filing individual foreign patent applications.

Advantages of the PCT Route

a) Applicants may file a single PCT application in one language as opposed to filing a series of national applications.
b) PCT allows up to 18 months extra time if seeking protection in foreign countries to do the following: (i) more time to assess the business case of your invention and whether you still want to invest in it, (ii) more time to select the countries in which you wish to obtain patent protection, (iii) receipt of a search and opinion from a PCT Examiner which gives an indication as to whether the invention may be patentable, and the scope of the extent of protection which may be allowable, (iv) more time to prepare the necessary translations, and, (v) delay the payment of any related national fees.
c) The international search report and written opinion prepared by International Searching Authority (ISA) contain important information about the potential patentability of your invention.
d) PCT delays any major costs associated with internationalising a patent application.

Disadvantages of the PCT Route

a) The overall costs of obtaining patent rights in particular countries are higher.
b) The overall time of obtaining patent rights in particular countries is longer.

It is recommended that you seek additional advice from your patent attorney on whether the PCT Route best suits your needs. For more information about the PCT, check out the South-East Asia IP SME Helpdesk Guide 'Patent Cooperation Treaty (PCT)'.

The Patent Prosecution Highway (PPH) is an initiative between certain IP offices which provides a means of significantly accelerating the examination of a patent application in one IP office where examination work has already been conducted at another IP office. In other words, the PPH enables an application whose claims have been determined to be patentable in the office of the first filing to undergo an accelerated examination in the office of the second filing with a simpler procedure upon a request from the applicant on the basis of bilateral office agreements. It also allows information-sharing between involved IP offices.**PPH pilot programmes** have been adopted by a number of patent offices in SEA.

Brunei	PPH agreement with Japan.
Indonesia	PPH agreement with Japan.
Malaysia	PPH and PCT-PPH[2] agreement with Japan, China, the EPO, and Korea.
Philippines	PPH and PCT-PPH agreement with the US, Korea, the EPO, and Japan.
Singapore	PPH agreement with Brazil, China, Mexico, and the EPO. Also a member of the **Global PPH** (a plurilateral PPH pilot program covering several types of PPH).
Thailand	PPH agreement with Japan.
Vietnam	PPH agreement with Japan and Korea.

The PPH allows for search and examination results from, for example, **IPOS** to be used as reference work in any IPOS PPH partner office and vice-versa. To qualify, you must have a corresponding patent application for the same invention filed in IPOS or PPH partner offices. For more information on the PPH and its benefits, visit the following **link.**

In addition, Singapore is a member of the Global Patent Prosecution Highway (GPPH) pilot programme and is the only country from SEA to be part of such a programme. Under the GPPH pilot, a request for accelerated examination of an IPOS patent application can be made by relying on the patent search and examination results (national work products) or international search and/or examination results under the PCT (PCT work products) established by any of the other GPPH participating offices. The GPPH network has 27 other participating offices, including the Japan Patent Office, the United States Patent and Trademark Office, the Korean Intellectual Property Office, and the German Patent and Trademark Office.

ASEAN Patent Examination Co-operation (ASPEC) is a regional patent work-sharing programme involving 9 of the 10 IP Offices in South-East Asian countries (Myanmar is not yet involved). The objectives of ASPEC are to reduce complexity, save time, and improve the quality of search and examination. Reference made to an earlier examination already performed in one IP office will help an examiner in another IP office to better understand the invention claim, reduce searches, and develop a more comprehensive examination strategy. For example, a Malaysian patent application will be able to take advantage of an expedited process before the IPOS, allowing for the eventual speedier grant of patent protection. ASPEC is free-of-charge and operates in English in all South-East Asian IP Offices (except Myanmar). In order to benefit from ASPEC, you need to make a specific request in due time. Please also note that local search and examination fees before the local IP Office in SEA will still apply. For more information on ASPEC, visit the **ASEAN IP Portal** or the websites of the IP Offices in SEA.

[2] PCT-PPH allows search and examination results from a contracting party of the PCT to be used as reference work in any other PPH-partner office of the other contracting parties of the PCT and vice-versa.

6. What makes up a patent?

A **patent specification document** describes and defines the invention and contains a description, claims and optionally drawings. The description discusses the prior art and describes the problems solved by the invention and the practical application of the invention. The most important part of the specification is the claims, which defines the limit of the patent holder's monopoly and differentiates the invention from the prior art.
Drawings may be included in the patent specification if they help with further describing the invention.

Patent specifications are prepared by patent attorneys who have received specialised training for this purpose and are qualified in one or more jurisdictions. Patent attorneys have different technical backgrounds, ranging from electronic or mechanical engineering to biotechnology. It requires special training and years of practical experience in order to properly draft a patent specification (particularly the claims section) that can withstand a patentability challenge and give adequate protection against variants of the idea behind the patent.

As South-East Asian countries do not have a common official language, the patent specification will usually have to be in the respective country's national language. Foreign applications will need to be translated into the respective local language, except in Brunei, Malaysia, the Philippines, and Singapore, which all accept specifications in English (see the earlier table on filing fees and required languages).

It can be difficult or impossible to have a specification corrected once a patent has been granted, even to correct a translation error. Therefore, it is crucial to get the translation right, especially for the most important part of the specification, the claims, which define the boundary of protection for the invention.

The importance of translation

Where applications are processed in the local languages of South-East Asian countries, an accurate translation is extremely important. An inaccurate translation could result in the patent being vulnerable to invalidation and may also make it difficult to enforce later on. This can be the case even if a patent has already been granted. It is not an uncommon occurrence whereby patent owners later discover that their invention, as defined by the local translation, deviates from the original patent application as a result of poor translation. It is vital that your patent does not get lost in translation, and it is, therefore, advisable to seek professional proofreading services for your documents.

7. Enforcement *

Markings such as «Patent No. 12345» found on products are meant to notify the public that these products are protected by a patent. An example of patent marking is shown in the picture below:

Patent number is clearly identified.

If a person chooses to infringe upon a patent despite being aware of its existence, they will be liable for damages. In Singapore and Brunei, an infringer who does not have any knowledge of the existence of a patent or reasonable grounds for believing it exists will not be liable for damages. This is the reason that warning notices of patents are published in newspapers. The patent owner can sue sellers, distributors, and manufacturers of goods covered by the patent. If the patent owners are successful in the litigation, the court can order the following:

(i) an injunction to restrain the defendant from infringing the patent;
(ii) the defendant to pay damages to the patent owner or pay the profits made by the infringer; and
(iii) delivery of the remaining infringing materials.

If the patent holder can show that there is some basis on which their patent has been infringed upon, and that damages will not be a sufficient remedy before a trial, the court may grant an urgent injunction even before it gives its final decision (a preliminary injunction will order the defendant to stop an infringement. You should still be able to receive damages during the period of infringement). This is an effective means of dealing with infringers.

In **Indonesia, Cambodia, Laos, Malaysia, the Philippines, Thailand, and Vietnam**, patent infringement may also give rise to criminal liability. In these countries, patent owners may use a police raid procedure in place of a temporary injunction procedure to bring an immediate stop to the infringement.

The above-mentioned countries make patent infringement a criminal offence in addition to giving the patent owner the right to sue for damages and injunction in a civil action. A criminal action may be effective because of the effect it may have on the infringer owing to the threat of incarceration. However, it should be noted that the prosecution might be handled by a public prosecutor rather than an attorney of your choosing. In such cases, there is a risk that the prosecutor may not be able to understand patent litigation or your technology enough to give an effective/accurate ruling on the case.

As part of the enforcement avenues available in SEA (unfortunately not available in all 10 countries), administrative actions can also be an efficient option to fight against infringement. For more information about the Administrative Actions in SEA, check out the South-East Asia IP SME Helpdesk Guide **'Administrative Actions in SEA'.**

8. Case studies

(i) Case study 1 – Belgian food processing company in SEA

Background

A Belgian entrepreneur set up a local food processing operation called 'Belsa Food' in Indonesia. One of their plant managers developed an innovation in the existing raw material cleaning process. The Belgian entrepreneur, believing that Belsa Food could commercialize this process by manufacturing equipment with this innovation, offered a reward-sharing scheme and brought the plant manager to an attorney to discuss future contractual arrangements, as the existing employment agreement was silent on ownership of intellectual property in inventions.

In the meantime, the plant manager secretly instructed a patent attorney to apply for a patent in his own name. The patent was drafted by a local attorney in Bahasa Indonesia.

As soon as the Belgian entrepreneur discovered the patent filing, he asked the plant manager to surrender the patent application to Belsa Food. The plant manager refused.

Action Taken

Court litigation ensued over rights to the patent application. Twelve months passed, and the plant manager no longer had the funds to file an overseas application within the priority period. The right to file overseas was lost while the dispute dragged on.

Outcome

The court finally ordered that Belsa Food had the rightful claim to the patent application. The Belgian entrepreneur instructed his own attorney to review the patent application. The attorney quickly realised that the specification of the invention had been badly drafted. The risk now was that a third party could easily design around the patent to get to the same idea behind the innovation. In other words, the specification was drafted too narrowly to effectively protect the innovative concept, and the rules for amendment could not help to improve the specification.

The Belgian entrepreneur was also informed that Belsa Food had lost the right to apply for patent protection overseas. The grant of the patent locally would also take a long time as examiners do not usually independently examine patents, instead relying on foreign patent grants in order to grant the corresponding local applications.

In the meantime, the plant manager found an investor for an improved version of the earlier innovation. His new investor advised him to have the patent specification prepared in English so that they could file it internationally.

Belsa Food no longer had the resources to pursue the business opportunity behind the innovation.

IP Lessons Learned

- Ownership of IPRs must be specified in employment contracts.
- It is important to use a trained and experienced patent attorney – standards can vary significantly, even among those who may have passed local professional examinations.
- Due consideration must be given to filing overseas when drafting a patent specification.
- PCT can be used to defer the application deadline by thirty months. This allows you to assess the commercial viability of the invention and likely market before you spend money to file locally, which may also require significant costs for translation into the local language.

(ii) Case study 2 – British Pharmaceutical Manufacturer in Malaysia

Background

A British pharmaceutical manufacturer is a market leader in the production of an anti-cancer drug, which it has been exporting to every major developed country for the last 20 years, and more recently to developing countries, particularly in SEA.

The active ingredient of the drug was patented, but the original patent expired three years ago. However, a new, improved process for making the drug was patented 10 years ago, and this patent is still in force in various countries, including Singapore, Malaysia, and Indonesia.

Two years ago, the manufacturer discovered that a generic manufacturer based in Vietnam was making and exporting the anti-cancer drug to Malaysia and that this manufacturer's drug was being sold in these countries for half the price of their own drug. This was having an adverse effect on sales.

Action Taken

The British manufacturer was informed that patents were national rights, and therefore action could only be taken in the countries where a patent existed.

A patent for a product is infringed if a third party makes, imports, sells, offers to sell, stores, or uses the product without the permission of the patent owner. A patent for a process is infringed if, without the permission of the patent owner, a third party uses that process or makes, imports, sells, offers to sell, stores or uses the product directly obtained from that process.

The British manufacturer was advised to contact a local expert to determine the exact process steps used by the generic manufacturer.

Outcome

It was not possible to take action against the generic manufacturer for infringement of the product patent as no patents had been filed in any South-East Asian countries (it is possible they would have had a longer term than those in developed countries due to differences in national laws).

In addition, it was not possible to take action against the generic manufacturer for infringement of the process patent in Vietnam directly, as no patent had been filed in this country. Since the process patent had been filed and published many years ago, it was not possible to extend the protection to Vietnam.

However, the generic manufacturer was importing the drug into Malaysia. The local expert determined that all but one of the process steps used by the generic manufacturer were identical to that defined by the claims of the patent.

In the non-identical step, the claim specified that an 'aliphatic alcohol containing 1-3 carbon atoms' should be used as a solvent, whereas the generic manufacturer used acetonitrile for the same effect. On reviewing the patent, the Malaysian court determined that, while claims should be construed purposively (i.e. 'what did the patentee mean', not 'what was literally stated'), the meaning of 'aliphatic alcohol containing 1-3 carbon atoms' was very clear (i.e. methanol, ethanol and propan-1-ol) and in fact, only narrow references to ethanol were used in the examples. As such, the court held that the use of acetonitrile instead of alcohol did not infringe the patent, and therefore the product was not made directly by the same process. Consequently, the patent was not infringed.

The loss in sales was estimated at EUR 30,000. However, the cost of litigation came to EUR 50,000.

IP Lessons Learned

- It is important to submit your patent applications in potential future markets in SEA.
- Process patents are usually more difficult to enforce than product patents.
- Malaysia is one of the few countries in SEA with a dedicated IP court – judgments may not be consistent in other countries.
- The cost of litigation can be high (both financially and in management time) and may outweigh the cost of lost business, so reaching a settlement is often more cost-effective.

9. Take-away messages

- Protecting your rights can be difficult; however, in the long run, it will save you a lot of time and money if you ensure that you apply for the relevant patents before using your product in South-East Asian markets.
- Tailoring your IP rights protection strategy to the specific needs of your company is vital; prevention and effective monitoring are key components and should be fully assessed.
- Filing simultaneously for a simple patent and a patent provides a quicker way of securing your IP: simple patents are often overlooked by foreign entities but can be a powerful tool when used effectively, often in conjunction with a patent (see pages 6 and 7 for more information about this IPR).
- Conducting regular IP due diligence exercises is essential in assessing the strength of your technology and patent portfolio and maintaining an edge over your competitors.

10. Useful links

Helpdesk resources

1. Helpdesk Confidential Enquiry Service: expert@sea-iphelpdesk.eu.
2. Helpdesk IP Country Factsheets: https://intellectual-property-helpdesk.ec.europa.eu/regional-helpdesks/south-east-asia-ip-sme-helpdesk/factsheets_en .
3. Helpdesk Case Studies: https://intellectual-property-helpdesk.ec.europa.eu/regional-helpdesks/south-east-asia-ip-sme-helpdesk/case-studies_en.
4. Helpdesk FAQs: https://intellectual-property-helpdesk.ec.europa.eu/regional-helpdesks/south-east-asia-ip-sme-helpdesk/faq_en.

External resources

1. Patent Cooperation Treaty: http://www.wipo.int/pct/en/.
2. Paris Convention for the Protection of Industrial Property: https://www.wipo.int/treaties/en/ip/paris/.
3. World Intellectual Property Organization (WIPO): http://www.wipo.int/portal/en/index.html.
4. European Patent Office: http://www.epo.org/.
5. ASEAN IP Portal: http://www.aseanip.org.

11. Glossary

*** Novelty:** For an invention to be new, it must not have been previously made available to the public, e.g. previously disclosed to the public. In countries with an absolute novelty requirement, any enabling disclosure, anywhere in the world, in any language, could destroy the novelty of an invention. Countries may differ on the type of disclosure which would destroy novelty. In Singapore, for example, any form of enabling disclosure – whether printed, oral, or otherwise – could potentially be novelty-destroying.

*** Inventive step:** Not only must the idea be new, but it must also be inventive. If an idea is obvious from what is already known, it would not be a patentable invention. Mere workshop improvement will not be considered inventive. An idea may be new because it contains a feature not found in any other product of the same nature. This satisfies the first requirement of novelty. It is then necessary to ask if the development is inventive. Whether an idea involves an inventive step will have to be looked at from the viewpoint of a person of ordinary skill in the relevant field.

*** Confidentiality Agreement** - A confidentiality agreement or non-disclosure agreement (NDA) is a private, legally binding contract whereby valuable information is kept safe. It establishes the conditions under which one party (the disclosing party) discloses information in confidence to another party (the receiving party). All types of information can be transmitted in these agreements, such as ideas, 'know-how,' and descriptions of inventions or business information. The common characteristic, however, is that the disclosed information is valuable for the disclosing party to the extent that it must be kept away from the public domain. A confidentiality agreement is crucial for SMEs in business negotiations and for employers in relation to their employees.

*** Enforcement (IP)** - Enforcement is the act of making sure IP rules are adhered to or obeyed. It refers to actions, remedies, measures, and procedures by which authorities or victims of infringement act in an organised manner to enforce IP rights by discovering, punishing, and holding the infringers accountable for the associated damage. This includes, among others, stopping unauthorised use, deterring future infringements, and obtaining recovery for damages resulting from the infringing act.

*** Trade secret protection** - Trade secret protection is the keeping of sensitive business information such as a formula, practice, process, design, instrument, pattern, commercial method, or compilation of information secret such that a business can obtain an economic advantage over competitors or customers.

*** Non-Competition Agreement** - An agreement between two parties, typically an employee and employer, where the employee agrees not to use information learned during employment to enter into or start a similar profession or trade in competition against the employer for a set period of time.

The South-East Asia IP SME Helpdesk provides free, confidential, business-focused advice to small and medium enterprises (SMEs) in the European Union (EU) and the other countries of the Single Market Programme (SMP)[13] relating to Intellectual Property Rights (IPR) in SEA.

Enquiry Helpline:

IP-related questions can be submitted to the Helpdesk via email (expert@sea-iphelpdesk.eu). Our experts will reply with tailor-made advice within three working days.

Training & Live Webinars:

The Helpdesk regularly organises training sessions (onsite or virtually) on IP-related topics in SEA. Training may be conducted across Europe or within SEA, tailored to the needs of SMEs and relevant stakeholders.

Publications:

Business-focused guides, country factsheets, and training materials on IP issues in SEA are all free and downloadable from the online portal.

Website & Newsletter:

Our website (www.sea-iphelpdesk.eu) provides easy access to a wide range of material, and the monthly Newsletter selects the latest news and articles from the IP landscape in South-East Asia.

IP Business Tools

Available on our website, these are free services designed to guide SMEs in the European Union and SMP countries in IP-related cost management and to assess IP management readiness and maturity.

[13] At the time of publication, the Single Market Programme countries are all EU member states plus Norway, Iceland, Liechtenstein, Turkey, Ukraine, North Macedonia, Kosovo and Bosnia and Herzegovina.

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