

# IPO TENTIAL

## ASEAN INTELLECTUAL PROPERTY NEWS UPDATE

PINTAS



"Today's Asset, Tomorrow's Value"

### Merry Christmas & Happy New Year 2022

MAY YOUR DAYS BE FILLED  
WITH LOVE, JOY, AND PEACE.



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### Merry Christmas & Happy New Year 2022

#### Greetings from Pintas IP Group

Pintas IP Group wishes you a joyous celebration and prosperous days ahead. Also, we are monitoring closely new directions from IP Offices in ASEAN countries.

In the interim, we are giving our best endeavors in ensuring operational continuity for your Asean IP needs through our customer service and e-services platforms, Pintas Digital Platform (eCommerce), and IP Hall Case Management System (management and monitoring module) accessible 24 hours every day.

Once again we thank you for your continued support in this uncertain time, our thoughts go out to those who have been affected by this difficult time and we pray for your good health and well-being.





# TAX

## MALAYSIA IP NEWS UPDATE

### Tax Exemption for Intellectual Property Income

These past few years Malaysia faced quite uncertain economic and social changes as a result of the ongoing pandemic. Many companies have closed down or downsized due to the drop in sales as the country went through phase after phase of Movement Control Orders. As we have yet to fully see the light at the end of the tunnel, it is worth learning how companies can save in order to keep their businesses afloat. This article will explain the available Tax Incentive for Intellectual Property Development with reference to the “Guideline on Incentive for Intellectual Property (IP) Development” published by the Malaysian Investment Development Authority (MIDA).



#### Objectives of the Incentive

The incentive aims “...to encourage researchers to exploit intellectual property through the licensing of patented knowledge, to encourage enterprises to invest in research and knowledge creation and to support the exploitation of intellectual property.”[1] Further endorsing post research and development (R&D) economic activities which will create more jobs and new products/services for the economy.

#### The Incentive

The guideline provides that qualifying intellectual property (IP) income will receive full income tax exemption for a period of up to 10 years.

In order to ensure that only income derived from IP developed in Malaysia is eligible for the incentive, the exemption will be subject to the guidelines on Modified Nexus Approach (MNA) which is a formula adopted by the Forum on Harmful Tax Practices (FHTP) to calculate qualifying income based on actual R&D expenditure incurred by companies.

- Modified Nexus Approach

The nexus approach is based on the substantial activity requirement which essentially requires that there must be a direct nexus between the income receiving benefits and the activity contributing to that income. As such, only income arising from IP where the actual R&D activity is undertaken by the business itself can benefit from the exemption.

#### Eligible Applicants

New or existing companies that own the rights of the qualifying IP and are receiving income from the qualifying IP activities related to the promoted activities/list prescribed under the Promotion of Investments Act 1986 (PIA) and Income Tax Act 1967 (ITA) will be eligible to apply.

It should be noted however that companies currently enjoying incentives under Section 34A or Section 34B of the ITA will not be eligible for this incentive.





## Qualifying Intellectual Property Assets

- Patent or Utility Innovation
- Copyrighted software
- Family of qualifying IPs

## Criteria for Eligibility

- The company must be incorporated under the Companies Act 2016 and residing in Malaysia.
- The R&D activities must be conducted in Malaysia, where such R&D activities lead to the development, improvement, modification or creation of the Qualifying IP Asset.
- The IP must be filed/registered with MyIPO or any equivalent body outside of Malaysia, and must be related to the activities as prescribed under the promoted list/activity of the PIA and ITA.
- The company must have at least 30% science and technical staff (S&T) having degree or diploma with a minimum experience of 5 years from related fields.
- The company must incur adequate amount of operating expenditure annually to support the company in conducting its business operation in Malaysia. Such expenditures should include local services for insurance, legal, banking, ICT and transportation; if those services could be sourced from local/domestic service providers. However, this amount shall not include the cost of goods sold/cost of sales, and expenses that are not directly involved in the company's proposed activities.

## Qualifying R&D Expenditure

- Eligible R&D expenditure for MNA calculation will be in line with the types of eligible expenditure under Section 34A of the ITA.
- Cost-sharing agreements expenditure will be permitted provided that the cost of payable R&D is clearly stated in the agreement.
- Qualifying expenditure can be backdated up to 3 years from the date the IP was registered/filed.

## Effective Date of Incentive/ Exemption Period

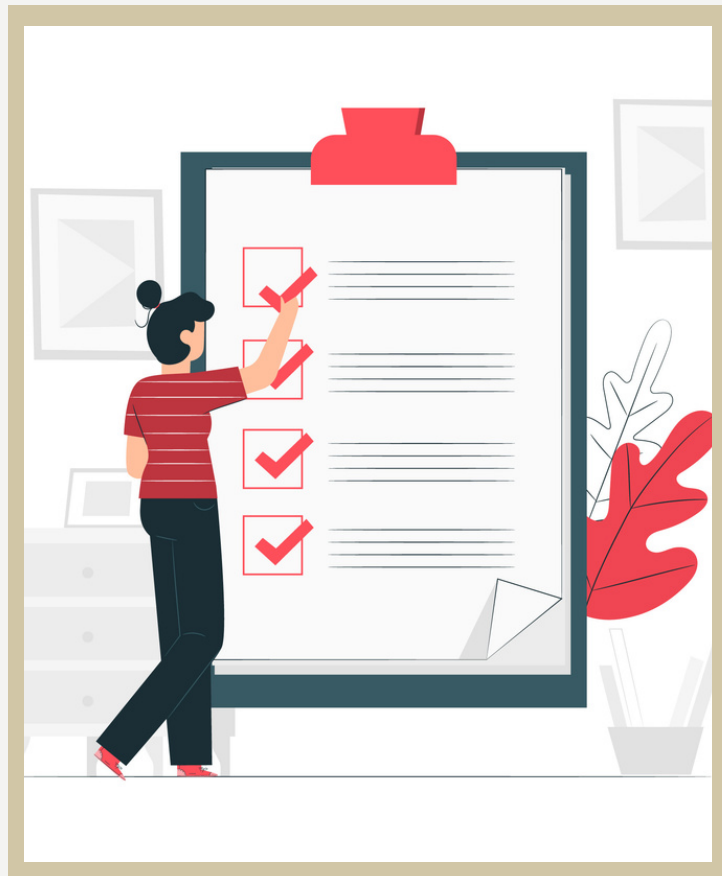
- The date the IP was filed will be the starting date of the exemption period of the incentive.
- With regards to subsequent IP filings, the exemption period will be granted within the period approved for the first IP.

## Qualifying Intellectual Property Income

- Royalty
- Licensing Fees

## Effective Date of Application

Applications received by MIDA from the 1st of January 2020 until the 31st of December 2022 are eligible to be considered for the incentive.



## Conclusion

One of the main contributors to the growth of an economy is R&D. As more products are brought to the market, more businesses are formed leading to more jobs for the masses. Since the outbreak of the pandemic, there has been an increase in the unemployment rate, many have lost their basic income and are struggling to get by. The incentive has become more relevant now as it seeks to improve the economy by encouraging companies that are involved with R&D activities to continuously progress in their efforts, and in doing so they may be eligible to enjoy 100% income tax exemption from the income earned from their IP.

[1] Page 1 of the "Guideline on Incentive for Intellectual Property (IP) Development"



## SINGAPORE IP NEWS UPDATE

# Singapore Intellectual Property Strategy (SIPS) 2030: Planning Ahead for Businesses

The Singapore Intellectual Property Strategy (SIPS) 2030 announced earlier this year on World Intellectual Property Day on the 26th April 2021, is a national strategy that supports enterprises and the wider innovation community. The SIPS 2030 is built on Singapore's 2013 IP Hub Master Plan and 2017 updates, in which it aims to maintain Singapore's top position as a top-ranked IP regime by ensuring a conducive environment for businesses to thrive, protect, manage and transact their intangible assets (IA) and intellectual property (IP). The SIPS 2030 is coordinated at the whole-



Since the 2013 IP Hub Master Plan, Singapore has made great strides in developing an IP ecosystem that supports innovation activities and is well-connected to the global markets. Additionally, the global economy has evolved significantly, whereby IA and IP have significantly increased in prominence as one of the key drivers of economic growth. As a result, enterprises need to be equipped with the tools and the know-how to manage their IA/IP more effectively for growth. The SIPS 2030 comprises three main focus areas, each for addressing a different aspect of Singapore's economy – i.e. supporting international activities, growing local enterprises and building a high-calibre workforce.

## What Does This Mean ?

So, what does this mean for businesses looking for protection of their IA/IP in Singapore in view of the SIPS 2030?

## Big Data and Artificial Intelligence (AI) Innovations

With immense growth in the generation and collection of data which fuels innovations such as machine learning, Singapore is introducing an exception for computational data analysis in their Copyright Bill which allows copyrighted works to be used for purposes such as text and data mining, data analytics, and machine learning.

In order to cater to the fast-paced nature of digital and AI innovations, the Intellectual Property Office of Singapore (IPOS) has initiated two application-to-grant acceleration programmes, particularly the "12 Months File-to-Grant Programme" and the "SG Patent Fast Track Programme" which replaces the previously launched FinTech Fast Track and Accelerated Initiative. The SG Patent Fast Track Programme is set to run until 29th April 2022.

## Global IP Hub

Singapore aims to empower innovators and creators through digitalization with several initiatives which include:

- A next-generation IP filing system targeted to launch by mid-2022, to ease filings and provide analytical insights for innovators and enterprises.
- Establish Singapore as an IP dispute resolution hub by continuing to strengthen IP dispute resolution capabilities through working with law schools and professional training providers, developing a pool of technical experts, and promoting Singapore's IP resolution offerings globally.
- Set up a new online platform, dubbed IP Grow, to provide an online marketplace for IA/IP services, enabling enterprises to access resources and services to aid them along their innovation journey in Singapore and abroad.
- IPOS is also studying other approaches to managing IA, such as digital time-stamping services such as WIPO PROOF in relation to trade secrets and other non-registrable digital assets.



Singapore is well-positioned as a node to facilitate protection of innovations both locally and overseas, particularly in relation to patents. As IPOS is part of the Global Patent Prosecution Highway (GPPH) arrangement, this enables work-sharing arrangements to be conducted between 26 other participating patent offices. This allows businesses to use patent search and examination reports, including search and/or examination results under the Patent Cooperation Treaty (PCT), from an earlier patent office to accelerate the patent prosecution in another jurisdiction.

## IP AS A BUSINESS ENABLER

The SIPS 2030 aims to help enterprises realise that IP is not simply just a legal construct, but a business enabler to take ideas and new products and/or services to the market. Through the SIPS 2030, enterprises are able to have increased access to IA/IP advisory and related services. Enterprises may also build their IA/IP awareness from public/private partnerships through initiatives such as the Workforce for IP-Savvy Enterprises (WISE) and Growing with Resilience through InTangibles (GRIT). Besides that, the SIPS 2030 also aims to provide a safe and reliable IA/IP Valuation Ecosystem. Given the importance of reliable valuation of IA/IP assets for related transactions such as licensing, technology transfer and collateralisation, SIPS 2030 aims to develop a credible and trusted IA/IP valuation and financial

## SKILL DEVELOPMENT IN IA/IP

One of the important pillars of the SIPS 2030 strategic plan is to build up an IA/IP-savvy workplace. Institutes of Technical Education. Programmes will be launched in higher-learning institutes to nurture the next generation of IA/IP-savvy youths. Working professionals and senior executives get to participate in training programmes on IA/IP strategy, commercialisation and risk management which will help them make strategic management decisions. Further, The Skills Framework for IP will continue to support enterprises analyse and plan IA/IP manpower needs according to the scale of their business. Structured guidance and training will be provided for individuals in these sectors to identify and acquire IA/IP skills relevant to their career progression.



## LOOKING AHEAD

As plans for SIPS 2030 is unveiled, Singapore sets out to broaden its position as a trusted business, financial, and IP hub to the rest of the ASEAN countries, and perhaps globally too. This will undoubtedly attract lots more countries to establish operations or move corporate headquarters to Singapore, which would further grow and develop the country even more.

## SOURCES

<https://www.ipos.gov.sg/manage-ip/singapore-ip-strategy-2030>  
<https://www.jdsupra.com/legalnews/the-road-ahead-singapore-s-intellectual-3266670/>  
<https://www.conventuslaw.com/report/unveiling-singapore-ip-strategy-2030-building-a/>





## SINGAPORE IP NEWS UPDATE

# Continue To Enjoy Fast-Track Filing Of Patents As IPOS Extends 2 Patent Acceleration Programmes

The Intellectual Property Office of Singapore (IPOS) announced in August this year (2021) the extension of two pilot patent acceleration programs, The ASPEC Acceleration for Industry 4.0 Infrastructure and Manufacturing Pilot Programme and the Patent Prosecution Highway (PPH) agreement with the China National Intellectual Property Administration (CNIPA), to allow for a patent application in the ASEAN region and China to continue to benefit from expedited examination process.

## The ASPEC Acceleration for Industry 4.0 Infrastructure and Manufacturing Pilot (ASPECT AIM) Programme

The ASPEC AIM Programme has been extended for two years until the 26th of August 2023 which will allow applicants in the ASEAN region to enjoy the benefits of ASPEC AIM in order to fast track their industry 4.0 inventions. This, however, is still subject to 50 applications per year.

The ASPEC Patent Examination Co-operation (ASPEC) was launched on the 15th of June 2009. It is the first regional patent work-sharing program among 9 participating ASEAN Member States Intellectual Property Offices of Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, the Philippines, Singapore, Thailand, and Vietnam.

Patent applicants may use the search and examination reports of participating IP Offices to accelerate the patenting process in any one of the other participating IP Offices. As such, this reduces the search and examination process which in turn saves time and effort, further expediting the patent prosecution whilst enhancing the quality of the search and examination due to the accessibility of the database between the participating member states.

## The Patent Prosecution Highway (PPH)

The PPH Programme between IPOS and CNIPA will be extended to the 31st of August 2026. The PPH agreement of which commenced on the 1st of September 2013, is said to be extended until the 31st of August 2026.

The PPH Agreement is a work-sharing programme whereby patent applicants can rely on the results of the patent examinations which were issued from one patent office to accelerate the prosecution of patent applications filed in another office of which is a party to the PPH agreement.

The extension allows patent applicants to continue to enjoy accelerated patent prosecution in China or Singapore by relying on a relevant examination result issued by an IP Office in either of the two countries. The extension of the two mentioned programmes will be a great benefit for patent applicants that wish to fast-track their application process as both programmes help speed up the examination process for applications not only in the ASEAN region but also globally through the PPH Programme. Find out more on how you can benefit from these programmes by contacting us today.



## LAOS IP LAW UPDATE

# Regulation Update For Patent Filling In Laos

The Laos' Department of Intellectual Property (DIP) recently published its Decision on Patents and Petty Patents No. 1714/MOST, which dated 15 December 2020, in the Official Gazette on 23 December 2020. The decision made was a replacement for and a comprehensive revision of a similar decision made in 2012, and it is currently the latest step in the country's resolute efforts to strengthen its patent regime. The regulation update clarifies and simplifies many key points, in which the most significant points are as follows.

### Priority Date

Applications that are filed under the Patent Cooperation Treaty (PCT) now have a 31-month time limit for entering the national phase, counting from the priority date, also known as, date of filing the patent application. This improves on the 2012 decision, which had the time limit set at 30 months upon successful application under the PCT.

### Submission of Original Documents

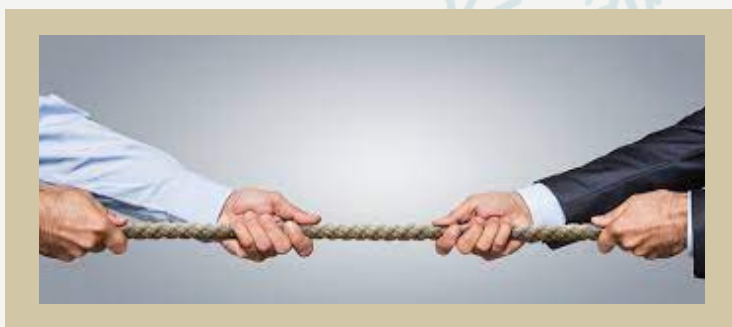
As per the previous 2012 decision, original documents must still be submitted within 60 days upon filing a patent application. Nevertheless, if a pre-filled, unsigned form for the power of attorney and deed of assignment is submitted, scanned copies of the notarized power of attorney and deed of assignment must be submitted within 15 days, which is down from 60 days under the 2012 decision.

### International Classification

Applicants may ask the Department of Intellectual Property (DIP) for indication of the international class of patent and petty patent applications, wherein applicants may file an amendment form with the DIP free of charge if any amendments are required to say, class. However, international classification was not mentioned in the 2012 decision.

### Publication Timeline

Applications for patents or petty patents will be published on the 19th month after the filing of the application or priority date. Contrary to the 2012 decision, said the previous decision did not disclose any publication timeline for patent or petty patent applications.



### Opposition

Procedures set forth for an opposition to a patent or a petty patent application are clear and concise under the latest decision, as the procedures were not disclosed in the 2012 decision. An opposition may only be allowed 90 days from the first publication of the patent or petty patent application.

### Examination Request Period

The 2012 decision only provided a broad description for examination. However, the 2020 decision provides clear guidelines on procedures, requirements, and the timeline of this phase. The applicant must request for substantive examination within 24 months upon the date of filing of the application for patents and within six months for petty patents. Further, international substantive examination results may be filed within three months of their receipt.



## Claims

Applications for patents or petty patents will be published on the 19th month after the filing of the application or priority date. Contrary to the 2012 decision, said the previous decision did not disclose any publication timeline for patent or petty patent applications.

## Error Connection

The 2020 decision permits the correction of errors found in the publication of a patent after it has been granted, in which correction requests must be made within 60 days of the date of publication.

## Cancellation and Withdrawal

Third parties may file for cancellation of applications with the DIP within five years after the relevant publication date in the Official Gazette. If more than five years has elapsed since the relevant patent's publication date, the application should be filed with the People's Court. The 2012 decision has only made mention about cancellation or withdrawal in broad terms.

## Annuity Payments

For annuity payments, there is a six-month grace period for renewal and annuity payments for all patent applications.

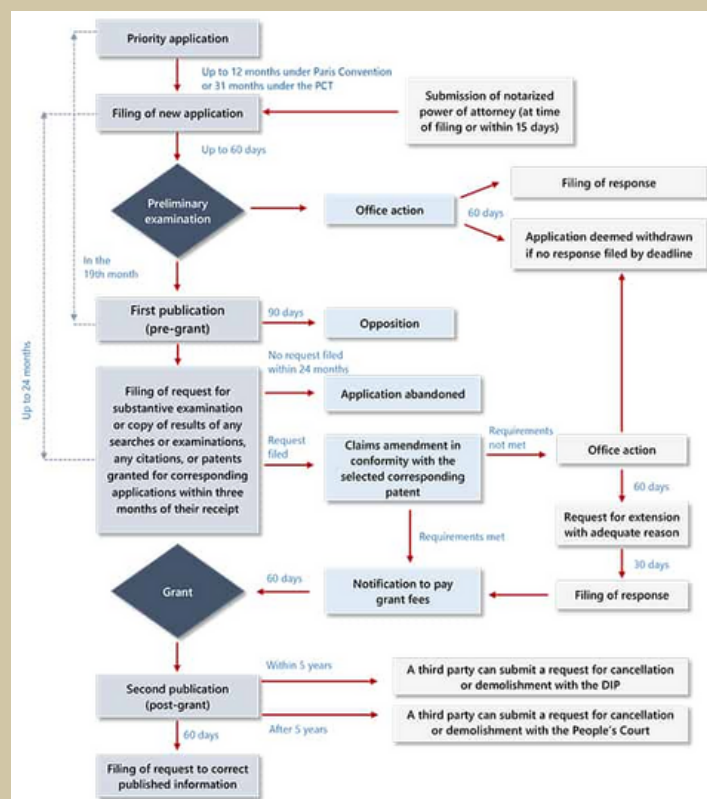
## Trust Pintas with filing your patents in Laos

The Pintas team is trained to assist you from the early stages of your Patent Application in Laos up until the end. With a big team of drafters ranging from various educational fields and tight management of Patent deadlines by the procedural team, Pintas will be able to assist you with a worry-free Patent Application process.

Filing a patent in Laos may be a confusing process that may take a lot of time, effort, and money. Nevertheless, you'll give yourself – and your brilliant invention – the best chance at actually changing lives for the better if you work with IP consultants who have experience and knowledge to efficiently bring your patent application to a favourable outcome.

## Filing Process for Patents and Petty Patents

The new decision on patents and petty patents was the main topic for a roundtable discussion between Tilleke & Gibbins and the Lao DIP on 31 March 2021. In preparation for the meeting, IP specialists at Tilleke & Gibbins developed a flowchart of the patent-filing process in Laos, which emphasizes on key points of the new decision and provides a touchstone for the dialogue, allowing for practical and productive discussions of each step of the process. Additionally, the process flowchart acts as a helpful guide for those unfamiliar with the process, which is illustrated in the flowchart below:



The new process flowchart serves as a useful practice overview and may provide helpful insights on best practices for obtaining a patent in Laos. As a result, this may help reduce the backlog of pending patent applications in the coming years. The successful realization of this improvement would be positive news for Laos, as it would allow incoming registrations of these crucial rights to be completed in a timely manner, thereby attracting more potential investment in technology from companies that would be able to rely on legal protections for their patented inventions.



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Managing Director of Pintas IP Group

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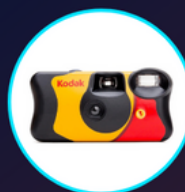
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### KODAK & DIGITAL PHOTOGRAPHY IP@CASE STUDY

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### IKEA IP@CASE STUDY

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### ARMS IP@CASE STUDY

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For more enquiries, contact us at :

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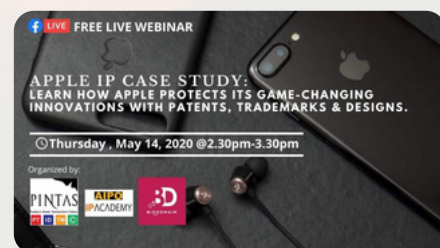
## IP Case Studies



IP Amazon Case Study



IP Dyson Case Study



IP Apple Case Study

## IP Best Practices



Promote & Trademark Your Brands in Social Media & Digital World



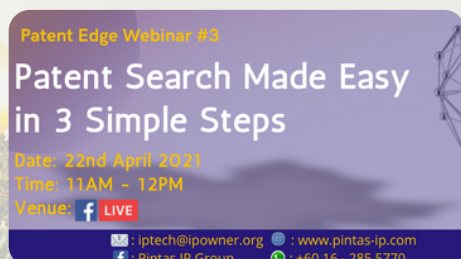
Intangible Assets More powerful than you think



5 Keys Intellectual Property Right That Every Inventor Should Know



5 Basic Functions Of Intellectual Property Rights



Patent Search Made Easy In 3 Simple Steps



3 Main Criteria To Obtain A Patent

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