

# I POTENTIAL

## THE LATEST ASEAN INTELLECTUAL PROPERTY UPDATE



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### Happy Chinese New Year!

#### 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.



## Artificial Intelligence and Intellectual Property in ASEAN

The rise of Artificial Intelligence (AI) is reshaping industries across the globe, and the fields of intellectual property (IP) law and policy in ASEAN countries, including Singapore, Malaysia, Thailand, the Philippines, Indonesia, and Vietnam, are no exceptions. These nations, as innovation-driven economies, are actively navigating the complex interplay between AI advancements and existing IP frameworks, particularly concerning the ownership of AI-generated works.

### AI as a Catalyst for Innovation

AI has emerged as a transformative force, revolutionizing fields ranging from healthcare to finance and manufacturing. Across ASEAN, governments and industries are leveraging AI to drive innovation, enhance productivity, and create competitive advantages in the global market. However, the rapid development of AI technologies brings significant challenges to the traditional notions of IP ownership. Specifically, questions arise about how to attribute authorship and ownership for works and inventions generated by AI systems.

### Intellectual Property Ownership of AI-Generated Works

Traditionally, IP laws are designed to protect creations of the human mind, such as inventions, literary and artistic works, designs, and trademarks. However, AI systems' ability to autonomously generate content—whether it's music, art, code, or inventions—poses a critical challenge. Each ASEAN country has adopted different approaches and is grappling with the complexities of this issue:

### Singapore's Approach

Singapore, as a hub for technology and innovation, has been proactive in addressing IP challenges:

- **Copyrights:** The amended Copyright Act 2021 provides clarity for human creators but does not specifically address AI-generated works, leaving the issue open for further discussion.
- **Patents:** The patent framework requires human inventorship, excluding AI-generated inventions from protection unless attributed to a human collaborator.
- **Opportunities:** Singapore's focus on fostering innovation includes exploring ways to accommodate AI within its IP framework, making it a leader in regional discussions.

## Malaysia's Position

In Malaysia, the Intellectual Property Corporation of Malaysia (MyIPO) governs the IP framework. Currently:

- **Copyrights:** The Copyright Act 1987 grants protection to works created by human authors. AI-generated works are not explicitly covered, raising uncertainties about their eligibility for protection.
- **Patents:** The Patents Act 1983 mandates that an inventor must be a natural person, excluding AI systems from being recognized as inventors.
- **Challenges:** Without legislative reforms, the ownership of AI-generated works remains ambiguous, requiring creators to seek guidance from IP professionals.

## Thailand's Developments

Thailand is gradually adapting its IP laws to address AI advancements:

- **Copyrights:** The Copyright Act B.E. 2537 (1994) protects works by human creators but lacks provisions for AI-generated content.
- **Patents:** Inventorship under the Department of Intellectual Property (DIP) is limited to natural persons, excluding AI systems.
- **Challenges:** The absence of clear guidelines for AI-generated works creates uncertainties for innovators relying on AI technologies.

## The Philippines' Perspective

The Philippines is fostering innovation through AI but faces similar challenges in its IP regime:

- **Copyrights:** The Intellectual Property Code (Republic Act No. 8293) protects works created by human authors, leaving AI-generated works unaddressed.
- **Patents:** The Intellectual Property Office of the Philippines (IPOPHL) requires human inventorship, creating barriers for recognizing AI-driven inventions.
- **Outlook:** Legislative reforms are needed to provide clarity on the ownership of AI-generated IP.

## Indonesia's Approach

Indonesia, as a growing tech hub, is advancing its IP laws but still lacks provisions for AI-generated works:

- **Copyrights:** The Copyright Act No. 28 of 2014 protects original works by humans, leaving AI-generated content in a legal gray area.
- **Patents:** The Directorate General of Intellectual Property (DGIP) mandates that inventors must be human, excluding AI systems.
- **Future Directions:** Clear policies are essential to address ownership and authorship issues for AI-generated creations.

## Vietnam's Landscape

Vietnam is evolving its IP framework to align with its ambitions as an innovation-driven economy:

- **Copyrights:** The Law on Intellectual Property 2005, amended in 2022, protects human-generated works but does not explicitly address AI-generated content.
- **Patents:** The National Office of Intellectual Property (NOIP) requires human inventorship, excluding AI-generated inventions from protection.
- **Challenges:** Vietnam's IP laws must be updated to reflect the realities of AI-generated works and their ownership.

## Cross-Border Challenges and Opportunities

AI-driven IP ownership issues transcend national borders. For businesses and creators across ASEAN, these challenges underscore the need for collaborative efforts, including:

- Developing a unified regional framework to address AI-generated IP.
- Sharing best practices for determining authorship and ownership.
- Building capacity among IP professionals to navigate the complexities of AI-driven innovations.

## Future Directions

To remain competitive in the AI era, ASEAN countries must:

- **Modernize Legislation:** Update IP laws to explicitly address the ownership of AI-generated works.
- **Seek Expert Guidance:** Encourage collaboration between innovators and IP professionals to ensure appropriate protection.
- **Foster Regional Cooperation:** Develop harmonized approaches to AI-related IP challenges across ASEAN.

## Conclusion

The issue of IP ownership for AI-generated works presents both challenges and opportunities for ASEAN countries. By modernizing legislation and fostering regional collaboration, ASEAN can establish a robust framework to address these complexities and support the growth of AI-driven innovation. Protecting intellectual property remains the cornerstone of sustainable innovation in the AI era.

Should you wish to learn more, contact Pintas IP today. Our team of experts are ready to assist you in securing your creative and technological advancements for sustained success.





## Hong Kong Implements a 5% Tax Concession for Qualified IP Earnings

### Hong Kong Implements a 5% Tax Concession for Qualified IP Earnings

On 26 June 2024, Hong Kong's Legislative Council approved a bill establishing a patent-box regime that imposes a 5% tax rate on qualifying income. This move aims to drive innovation and strengthen Hong Kong's status as a leading hub for intellectual property (IP). Effective retroactively from 2023, the tax concession significantly lowers the standard corporate tax rate of 16.5% for eligible IP-related income.

#### Highlights of the Patent Box Regime

The regime is designed to benefit businesses earning revenue from qualifying IP assets, such as patents, utility models, and software copyrights. By reducing the tax burden, Hong Kong encourages companies to retain and leverage their IP assets locally, promoting innovation and economic progress.

To benefit from the tax reduction, taxpayers must demonstrate that their income is derived from IP assets that were developed or substantially improved through R&D activities in Hong Kong. This requirement adheres to the Organisation for Economic Co-operation and Development (OECD) "Nexus Approach," ensuring tax advantages are tied to genuine economic contributions.

#### Eligible Income for Tax Reduction

The 5% tax rate applies to:

- **Royalties and Licensing Revenue:** Income generated from licensing IP rights to third parties.
- **Proceeds from IP Asset Sales:** Earnings from the transfer of ownership of qualifying IP.
- **Embedded IP Income:** Revenue derived from products or services that incorporate eligible IP.

#### Documentation and Compliance Requirements

Businesses must maintain comprehensive records to validate their claims, including:

- **Detailed accounts of R&D activities conducted in Hong Kong.**
- **Documentation proving the development, acquisition, or enhancement of IP assets.**
- **Evidence linking revenue streams to qualifying IP assets.**

The Hong Kong Inland Revenue Department (IRD) will closely oversee compliance to prevent misuse of the regime.

## Economic Benefits

With this regime, Hong Kong joins other jurisdictions like the UK, Singapore, and China in offering tax incentives for IP. The competitive tax framework aims to attract multinational corporations and startups to establish R&D operations in Hong Kong.

The initiative is expected to diversify the economy by stimulating investments in high-tech and knowledge-driven industries, aligning with Hong Kong's broader goal of becoming an innovation-led economy.

## Potential Challenges

While the patent-box regime offers clear advantages, businesses may encounter hurdles such as:

- Satisfying the stringent requirements of the Nexus Approach.
- Properly allocating income streams to qualifying IP.
- Meeting complex compliance and reporting obligations.

It is advisable for businesses to seek expert guidance to maximize the benefits of the regime and ensure adherence to regulatory requirements.

## Conclusion

The patent-box tax regime underscores Hong Kong's commitment to fostering innovation and enhancing its global competitiveness in the IP sector. By offering a significantly reduced tax rate on qualified IP income, the initiative supports businesses in monetizing their IP assets while positioning Hong Kong as a preferred destination for R&D investment.

For companies looking to enhance their tax strategies and contribute to Hong Kong's innovation ecosystem, this regime provides a compelling opportunity.

## Let Pintas Ltd Help You Benefit from the Patent Box Incentive

We assist patent owners in applying for the Patent Box tax incentive through Pintas Ltd, our Hong Kong-based company. Leveraging our expertise in intellectual property and tax optimization, we ensure you meet all necessary criteria to fully capitalize on the benefits of this regime. Our dedicated team provides personalized guidance to ensure compliance with regulatory requirements while maximizing the advantages of the 5% tax concession.

Leverage our expertise to secure your eligibility and optimize your tax strategy. Contact Pintas Ltd today to learn how we can support your business in capitalizing on this valuable opportunity.





## Trademark Management in Singapore: Simplify Management with Partial Replacement in the Madrid Protocol"

### Trademark Management in Singapore: Simplify Management with Partial Replacement in the Madrid Protocol

As of 1 February 2025, a significant change will take effect in Singapore regarding the replacement of national trade mark registrations with international ones under the Madrid Protocol. Rule 26 of the Trade Marks (International Registration) Rules will come into operation on this date, aligning with the amended Rule 21(3)(d) of the Madrid Protocol Regulations. These changes will enable holders of protected international trade marks in Singapore to request a partial replacement, simplifying administrative procedures and enhancing flexibility for managing trade mark rights.

Previously, a complete replacement required all goods and services in the national registration to be included in the international registration. Under the new rules, partial replacement is possible as long as some of the goods/services overlap between the national and international trade marks.

#### Conditions for Replacement

- The trade mark in both the national and international registration must be identical.
- The holder of the national registration and the international registration must be the same.
- The international trade mark must be granted after the national registration.
- From 1 February 2025, partial replacement will be allowed, as long as at least some of the goods/services from the national registration are included in the international registration.

Once the conditions for replacement are met, the international trade mark is automatically considered to replace the national registration. However, the replacement will only be officially recorded after a request is filed through IPOS's Form MP2. After approval, the International Bureau of WIPO will update the international register.

#### Benefits of Partial Replacement

- **Cost Efficiency:** By consolidating multiple registrations, businesses save on renewal costs.
- **Simplified Management:** International registration allows easier management of trade mark portfolios.
- **Protection:** The international registration retains the earlier filing date of the national registration.

#### How Pintas IP House Can Help

Navigating the complexities of national and international trade mark systems can be challenging. Pintas IP House is equipped with the expertise to guide you through the process, ensuring that your intellectual property is managed efficiently and cost-effectively. Whether you're looking to replace a national registration, renew your trade mark, or register a new one, Pintas IP House provides tailored services to protect your business interests.

Contact Pintas IP House today to get professional advice and assistance with all your trade mark needs!

# Upcoming IP2Profit Case Study Webinar



The **2025 IP2Profit Case Study Series** is an upcoming webinar series designed to uncover how some of the world’s most innovative companies strategically use patents to protect their market position, foster innovation, and achieve sustainable competitive advantages. Hosted by **Lok Choon Hong, Director of Pintas IP Group**, and **Lee Jia Ee, Director of GIP Malaysia**, the series is aimed at intellectual property (IP) professionals, entrepreneurs, innovators, and business leaders seeking actionable insights into patent strategies that drive success.

This series will be conducted live via Zoom and feature comprehensive analyses of patent-driven success stories from globally recognized brands. Below are the key sessions scheduled:

## Tesla IP2Profit Case Study

Date: February 27, 2025

Explore Tesla’s innovative approach to patents and how the company uses open patents and proprietary IP to dominate the electric vehicle and clean energy markets. This session will delve into Tesla’s balance between open innovation and protecting key technologies.

## Nestlé IP2Profit Case Study

Date: May 29, 2025

Learn how Nestlé, a global leader in food and beverage, leverages its extensive patent portfolio to drive innovation in product development, sustainability, and packaging technologies. Discover how IP plays a central role in maintaining market leadership in a competitive industry.

## Huawei IP2Profit Case Study

Date: August 28, 2025

Dive into Huawei’s comprehensive IP strategy, which has enabled the company to thrive in the highly competitive telecommunications and consumer electronics sectors. This session will highlight Huawei’s investments in R&D and its effective use of patents in global markets.

## Spotify IP2Profit Case Study

Date: November 27, 2025

Understand how Spotify’s innovative patent strategies in music streaming and content recommendation algorithms have helped it maintain a leading position in the digital entertainment industry. This session will focus on how Spotify protects its proprietary technologies while driving customer engagement.

### What You’ll Learn:

**Patent Monetization:** Strategies for transforming patents into revenue-generating assets.

**Competitive Positioning:** Insights into how companies use patents to protect and extend their market leadership.

**Innovation Strategies:** Best practices for aligning R&D efforts with intellectual property protection.

**Global IP Management:** Tips for navigating international IP systems and safeguarding technologies in global markets.

This webinar series promises to deliver actionable knowledge and real-world case studies, making it a must-attend for anyone involved in innovation, business strategy, or intellectual property management. Don’t miss this opportunity to learn directly from industry experts—register now by scanning the QR code on the poster!

**Register Here:**



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