



# **The Importance of Patent Protection for EU Businesses in Malaysia**

**Wong Jin Nee**

**SEA IPR SME Helpdesk, External Expert**

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# Speaker's Bio

**Name:** Ms. Wong Jin Nee  
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Jin Nee WONG is the founding partner of Wong Jin Nee & Teo (WJNT), an Intellectual Property & Technology boutique firm based in Kuala Lumpur, Malaysia.

Jin Nee is the Past President of Licensing Executive Society Malaysia, Past Chairperson of the IP Committee of the Bar Council, Former Head of IPR Committee of the EU-Malaysia Chamber of Commerce (EU-MCCI) and Past Executive Committee Member of the Malaysian Franchise Association (MFA). Jin Nee is one of the panelists appointed by Asian International Arbitration Center (AIAC) and a Certified Mediator on the panel of the Malaysian Mediation Center (MMA). Jin Nee is also one of the IP Valuers trained by Malaysian IP Office (MyIPO) and certified by World Trade Institute.

Jin Nee's areas of specialization include filing, prosecution and renewal of trade marks, patents and industrial designs, IP management, IP Audits, IP Counseling & Strategy, IP Monetisation and Commercialisation.

# What is a Patent?



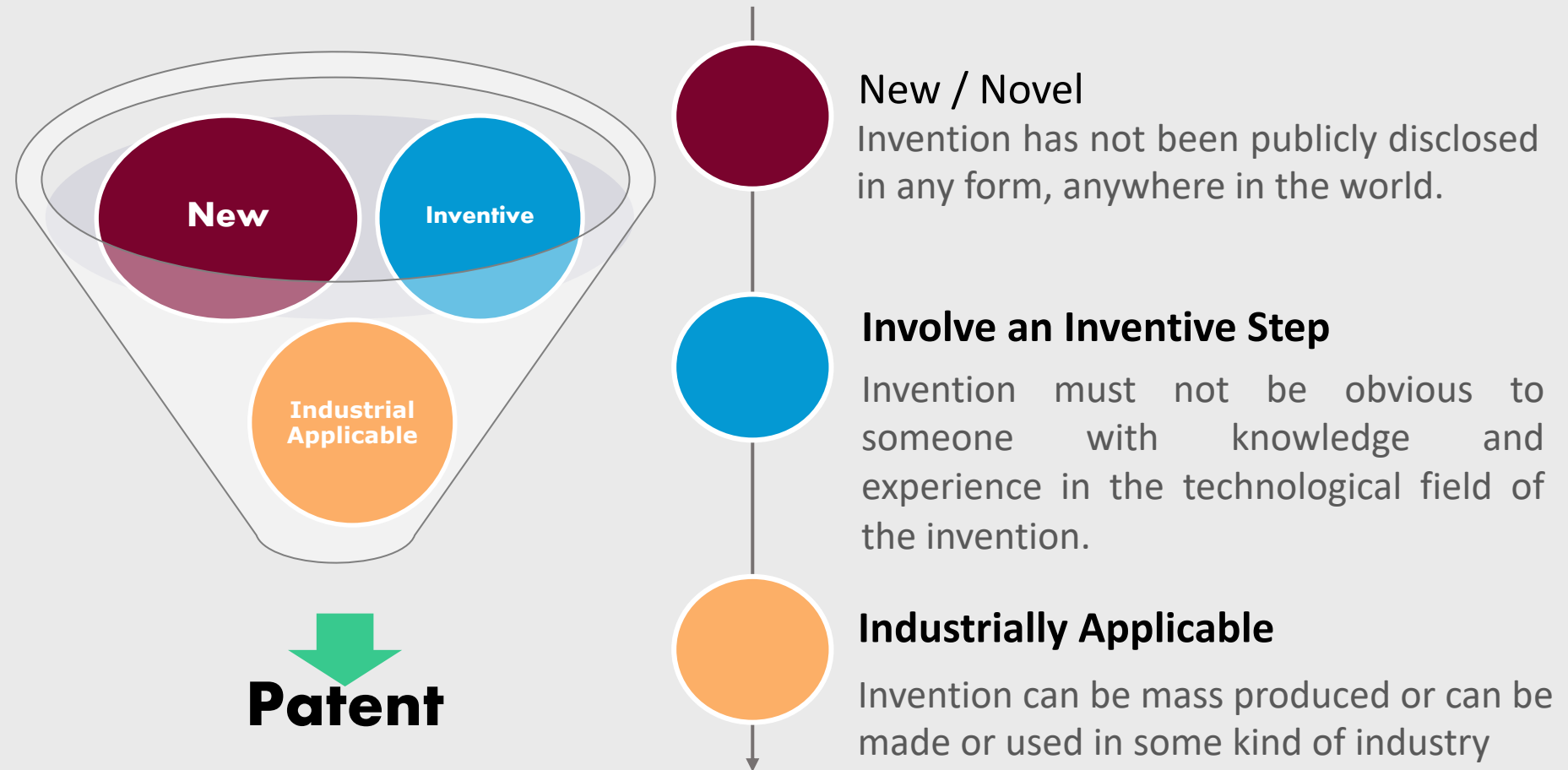
**A patent is an exclusive right granted for an invention, which is a product or a process that provides, in general, a new way of doing something, or offers a new technical solution to a problem.**

***(Source: World Intellectual Property Organization)***

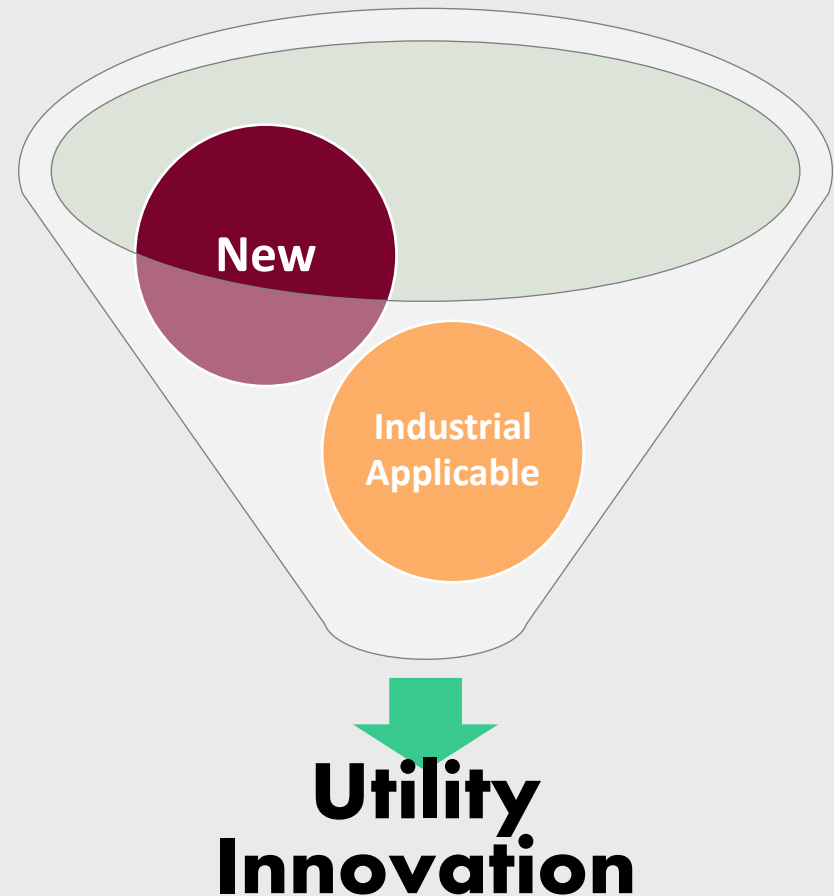
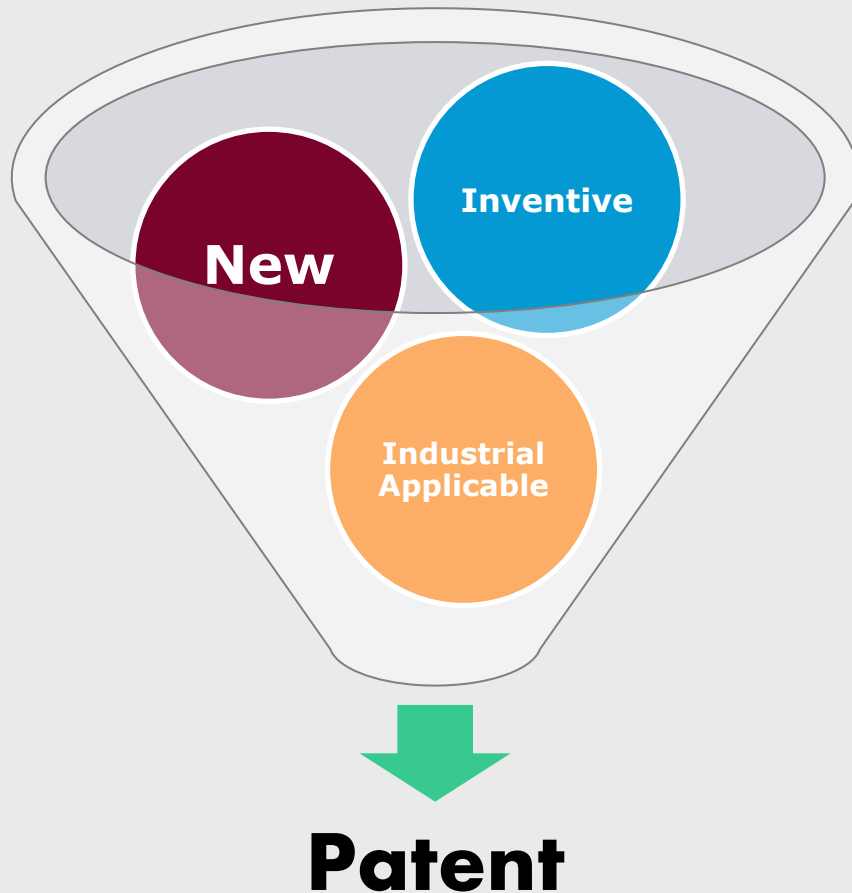
# Types of protection available

- Patents and Utility Innovations (UI) (“minor” inventions)
  - Products and processes
- The governing legislation:
  - The Patents Act 1983
  - The Patents Regulations 1986
- Patents and UI applications must be filed with Intellectual Property Corporation of Malaysia (“MyIPO”) in order to obtain protection in Malaysia

# Eligibility criteria for patentable invention



# Patent v Utility Innovation



# Key differences

	Patent	Utility Innovation
Requirement	<ul style="list-style-type: none"><li>• Novel</li><li>• Inventive</li><li>• Industrial applicable</li></ul>	<ul style="list-style-type: none"><li>• Novel</li><li>• Industrial applicable</li></ul>
Allowable claim	More than one (1) claim	One (1) claim only
Duration of Protection	20 years from the date of filing	10 + 5 + 5 years from the date of filing subject to use



# Non-patentable inventions



## DISCOVERIES

**Discoveries, scientific theories and mathematical methods**



## PLANT / ANIMAL VARIETIES

**Biological processes to produce plants or animals, other than man made living micro-organisms, micro-biological processes and products of such micro-organism processes**



## SCHEMES, MENTAL ACTS, GAMES

**Schemes, rules or methods for doing business, performing purely mental acts or playing games**



## METHOD FOR TREATMENT OF HUMAN / ANIMAL

**Methods for treatment of human or animal body by surgery or therapy, and diagnostic methods practiced on the human or animal body.**

# Great little inventions – simple yet effective



**Liquid paper**  
Invented by Bette  
Nesmith Graham



**Flexible bendy straw**  
Invented by Joseph  
Bernard Friedman



**Packaging made from mushroom**  
Invented by  
Ecovative design



**Smart Clothing technology, Jacquard**  
Invented by Google

# Some examples of Malaysian inventions



Nehemiah Walls [MY-138580-A]  
Invented by Dr Nehemiah Lee



Water Dispenser [MY-159028-A]  
Invented by Mr Ooi Seng Chye



Egg Boiler [MY-105032-A]  
Invented by Datuk Hew Ah  
Kow

<https://www.thestar.com.my/news/community/2014/11/13/a-halfboiled-idea-pays-off-inventiveness-isnt-always-the-exclusive-realm-of-educated-boffins/>

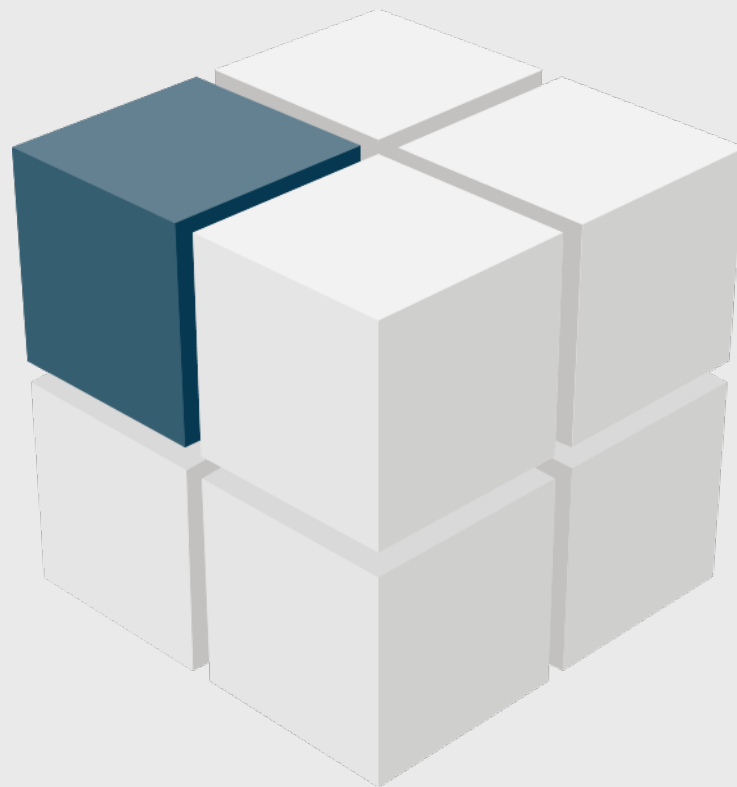
# Reasons for obtaining a patent for your invention

-  Exclusive Rights/  
Freedom to operate
-  Increase Market Share & Value
-  Business Asset with ROI
-  Income generator  
[monetisation of inventions]
-  Increase in Negotiating Power
-  Improve Market Position & Image for Business



# Exclusive rights

- Use and exploit research and development results
- Provide for freedom to operate and market access
- Protect against unauthorised use
- Reduce risks of infringing 3<sup>rd</sup> party's rights



# Increase Market Share & Market Value

- Ability to take action against infringers and free riders
- Reduce competition
- Establish market share as a pre-eminent player

## Examples:

- Amazon v Barnes & Noble – “One Click”
- i4i v Microsoft – XML Technology



# Valuable Business Asset with ROI

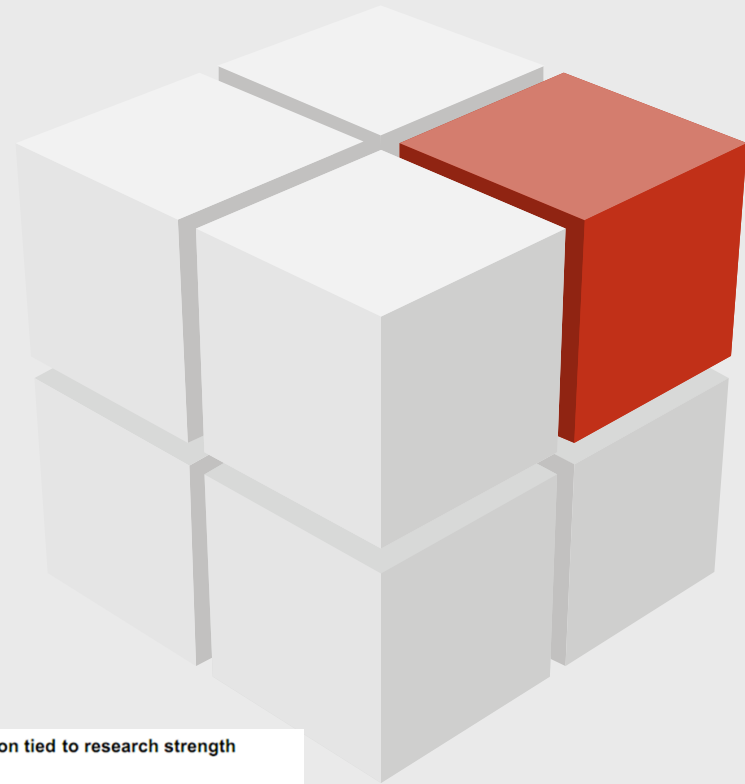
- A valuable business asset
- Recover R&D investments
- Obtain higher ROI
- Inventors will be rewarded and recognized





# Income generator/monetisation

- Monetise patents via
  - Sale
  - Licensing, Cross-licensing
  - Collaboration
  - M&A
  - JV
  - Litigation
- Raise capital and funding
- Attract investors
- New markets/New Use
- Others (access grants/subsidies, tax incentives/donation)



## DuPont Donates Patent Worth \$6 Million To Penn State

Monday, February 08, 1999

University Park, Pa.—DuPont has donated a patent and related technical information valued at \$6 million to Penn State to encourage the commercial development of compounds to alleviate crop damage caused by mites.

The patent given to Penn State covers a family of

to Virginia Polytechnic Institute and State University, the total value of the contribution is \$64 million.

According to DuPont, the three universities were chosen for their expertise in the technologies related to the patents, their ability to take the research further and their demonstrated interest in the patents.



# Increased negotiating power

- Ability to charge premium price
- Enhance bargaining power
- Enable price negotiation
- Adjust unequal balance of trade



# Increased market value and Positive Image

- Positive image of business
- Perceived high level of expertise, specialization and technological capabilities
- Impress investors
- **Improve competitive edge**
- **Attract talents**
- Facilitate valuable relationship building

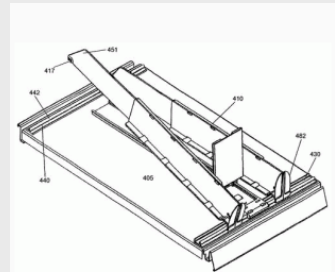


# Potential consequences of inaction

- Invention may be patented by third parties
- Risks of inventions (if kept as CI/trade secrets) being reversed engineered
- Hinder possibility of commercialising inventions or technology transfers

# Kleerex Group Case Study

- Frank Carroll, the founder of Kleerex
- One-man business in shopfitting industry
- Increased order led to setting up Kleerex to make and sell display products – shelving systems, racks and POS items
- Consulted IP experts and was advised that certain designs could qualify for patent protection
- Filed patents for 2 main displays



Shelf management system drawing as submitted in  
PCT Application No. PCT/IB2002/002697  
(PATENTSCOPE® search)

Source: [https://www.wipo.int/ipadvantage/en/articles/article\\_0006.html](https://www.wipo.int/ipadvantage/en/articles/article_0006.html)

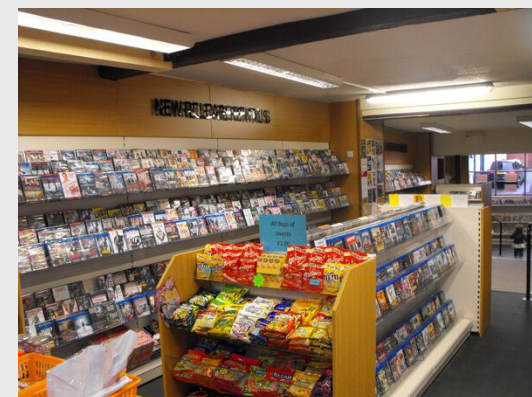
# Protection is Key

- One of the patented products became very successful
- Copies appeared in the marketplace
- Kleerex took patent infringement action against a substantial competitor selling similar products
- Competitor tried to invalidate Kleerex's patent
- Actions ongoing for 2 years
- Case settled out of court
- Shopfitting industry is notoriously competitive
- By filing patent application and taking proactive action, competitors who might have copied refrained from so doing when heard of Kleerex's patent and legal actions



# Business Results

- From a small products-only business operation, Kleerex evolved into a fully-fledged retail services group offering design, store interior fit-outs, fixtures and displays, installation, merchandising and supply chain services
- Mr Carrol sold his interest in company and retired on the considerable income.
- *Acknowledged his success depended heavily on his willingness to take patent seriously, without protection in his start-up phase, there would be more copycats and his company would not have survived!*





# Flash drive

Flash Memory and Method for Utilising the Same –  
MY 139855-A

- ❑ Phison Electronics Corp, a Taiwanese company founded by Malaysian born Pua Khein Seng (KS Pua) with four partners
- ❑ Phison which stands for “Five Persons” introduced the world’s first single-chip USB flash drive or pen drive in 2001
- ❑ This invention contributed a revenue of more than US\$1bil to the company in 2010

Source: <https://www.thestar.com.my/news/nation/2012/07/17/father-of-pen-drive-now-a-datuk>



# Bokitta “hijab” (headscarf) case

***Mohammad Mubde Absi & Ors v Hyat Collections Sdn Bhd (Civil Suit No.: WA-22IP-15-04/2017)***

- The Plaintiffs, Lebanese hijab-maker Bokitta Offshore SAL are co-owners of Patent No. MY-153705-A (Patent 705) for instant (“ready-to-wear and pinless”) “hijab” (headscarf)
- Commenced proceedings against the Defendants, Malaysian entities and directors for patent infringement in the distribution and sale of infringing hijabs
- Defendants counter-claimed for invalidation of patent
- The High Court held:
  - **A ready to wear and pinless hijab is an “invention”**
  - **“Technology” has a wide meaning and encompasses ideas regarding ready-to-wear and pinless hijabs.**
  - **The invention of Bokitta hijabs has fulfilled the patentability requirements – it provides a solution to the problems arising from traditional hijabs which require a longer time to wear, more amount of fabric, and the usage of pins to secure the scarf.**
  - **Dismissed defendants’ counterclaim**
- *In the Court’s view, to hold otherwise would cause injustice to fashion designers who come up with ideas to resolve specific problems in the fashion industry but are unable to protect and exploit such ideas by way of patents.*





# New use of old patented products

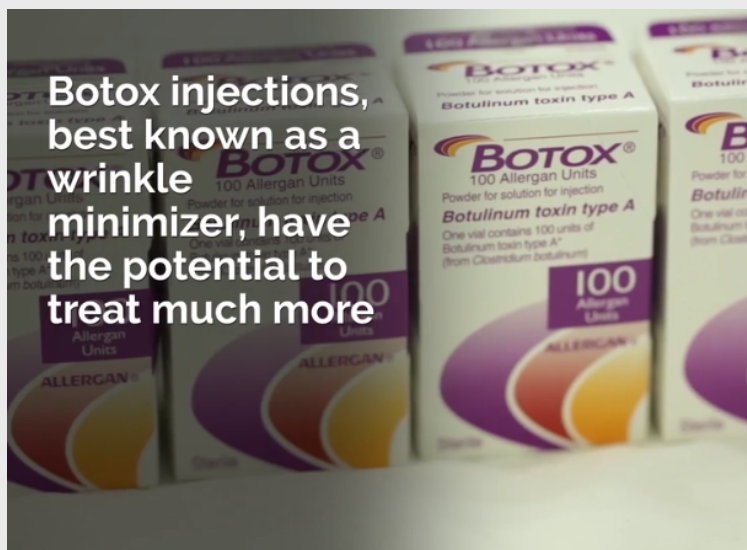
## SOME USES FOR BOTOX

● Uses approved in the U.S.

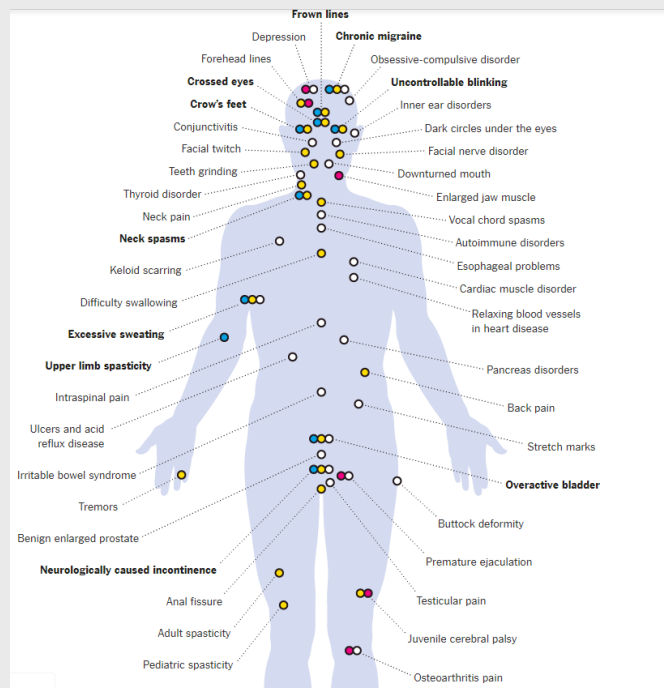
● Uses approved in other countries

● Uses currently under study by Allergan

○ Uses for which Allergan currently holds a patent, or patent pending



<https://www.nytimes.com/interactive/2014/06/15/business/Botox-A-Drug-With-Many-Potential-Uses.html>



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# NuCurrent: How to turn ideas into patents

## – wireless charging

- With just 5 employees, a Chicago-based startup, NuCurrent was awarded 14 US patents in 2014.
- Nucurrent's business focuses on wireless charging technology, i.e. the convenience of charging phones, tablets and other devices cordlessly, by simply placing atop furniture, automobile consoles or walls.
- Its primary source of revenue consists of licensing fees paid by corporations, including the likes of Apple and Motorola that use its patents in their products.



***“If we didn’t have those patents, whether we were going to license or manufacture ourselves, other people would figure out how to do it themselves,” CEO and co-founder Jacob Babcock says.***

# ARM Holdings : \$31 billion takeover by SoftBank




- ARM Holdings (“ARM”), a **chip design firm** was bought by SoftBank for \$31.4 billion in September 2016.
- It does not produce or sell chips. It’s up to ARM’s licensees/partners/customers to actually build and sell the chip.
- ARM designs processors used in over 95% of world’s smartphones sold each year.
- ARM technology can also be found in many other devices from digital TVs to automotive systems to smart sensors and to the data centres that run the cloud. ARM technology is everywhere.
- ARM’s recorded £1.37bn revenue in 2018, which came **entirely from IP licensing**.
- In July 2019, ARM launched a new licensing scheme, called *Flexible Access*, in addition to its existing model that will make it easier for startups to gain access to a wide range of ARM’s IP without any upfront licensing costs

# Google Inc. and Samsung Electronics: cross licensing of patents

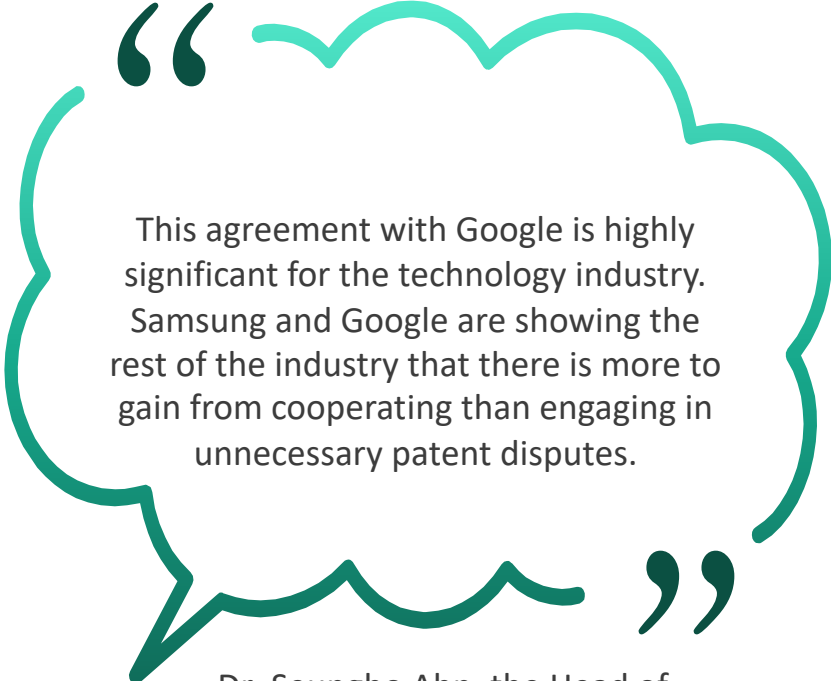
In January 2014, Samsung Electronics and Google Inc. furthered their long-term cooperative partnership with a global patent cross-license agreement covering existing patents as well as those filed over the next 10 years (i.e. by 2024).

With this agreement, Samsung and Google would gain access to each other's industry-leading patent portfolios, paving the way for deeper collaboration on research and development of current and future products and technologies.



By working together on agreements like this, companies can reduce the potential for litigation and focus instead on innovation.

-- Allen Lo, deputy general counsel for patents at Google



This agreement with Google is highly significant for the technology industry. Samsung and Google are showing the rest of the industry that there is more to gain from cooperating than engaging in unnecessary patent disputes.

-- Dr. Seungho Ahn, the Head of Samsung's Intellectual Property Center

# High Value of patent portfolios

## Nortel Networks

When Nortel Networks, a telecommunication and data networking equipment company, filed for bankruptcy in 2009, its patent portfolios were auctioned off to pay off some debts.

Its 6000+ highly valuable patent portfolios were bought for a whopping US\$4.5b.

### Case Study 1

The logo for Nortel Networks, featuring the word "NORTEL" in a stylized blue font above the word "NETWORKS" in a standard blue font, with a trademark symbol.

### Case Study 2

The Motorola Mobility logo, featuring the red Motorola "M" symbol followed by the words "MOTOROLA MOBILITY" in a black sans-serif font.

## Motorola Mobility

To defend its operating system Android, Google acquired Motorola Mobility for colossal US\$12.5 billion. With 17000 patents in the portfolio, Google bought a shield that could protect it during the patent war.

In October 2014, after retaining the patent portfolio of Motorola Mobility, Google sold it to Lenovo for \$2.91 billion. It is clear that Google purchased Motorola to acquire its patent portfolio.





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