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Protecting your IP

Many firms do not see it as investment for future growth

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PETALING JAYA: Intellectual property (IP) is often viewed as nothing more than a legalistic term but it is really a valuable asset, says KASS International Sdn Bhd managing director P. Kandiah.

"IP is not a cost factor but an investment for future growth. Many people miss out on the strategic and commercial value of IP," he told *StarBiz* in an interview.

Kandiah said IP was a legalistic term but comprised a bundle of rights such as pattern, industrial design, trademark and copyright.

In simple terms, IP represents creations of the intellect, be they products or services, inventions or discoveries, tangible or intangible. IP can be presented in many forms – brands, software, consumer goods, content, art, music, film – and found in virtually any industry.

"People have a lot of ideas and creations but they do not realise it is very important to protect these ideas or creations.

"You could have spent millions on research and development to produce a product but

failure to protect your properties means that others can come in the market and ride on your success by producing similar products. You can't do anything about it," Kandiah said.

He said many failed to realise that IP could distinguish companies in today's globalised world if it were managed with the right paradigm.

"IP is your main asset and protecting it is a wise thing to do. It will translate to increased revenue and growth or even give your business a competitive edge.

"Owners should file IP rights for their products or designs before they introduce them to the public. In fact, the law requires it," he said, adding that many companies lost the exclusive rights for their products because they were not aware of IP rights.

"IP (rights) gives you certain monopoly rights and it's an incentive for people to recover their investment. For companies that fail to protect their IP, if their products are successful, they can only compete on price because others can copy their products," he said.

Currently, there are a few acts that govern IP rights in Malaysia: Trade Marks Act 1976,

Patents Act 1983, Copyright Act 1978, Industrial Designs Act Intellectual Property Corporation of Malaysia Act 2002 and Optical Disc Act 2000.

To a question, Kandiah said a patent lasted 20 years and was non-renewable, design for 15 years and was non-renewable, while trademark was for 10 years but renewable. He said it cost about RM2,000 for trademark registration, RM3,000 for industrial design and RM10,000 for patents.

He also said that as IP rights were territorial (geographical), companies had to seek similar rights in countries where they exported the products.

"If they fail to do that, others in that country can copy the products. However, we are currently moving towards harmonising the IP rights," Kandiah said, adding that IP rights acquired in Europe covered all European Union countries.

He also said the bigger companies were not doing enough research and development (R&D).

"If they are conducting R&D, they are not filing a patent for their research. These companies emphasised how much they invested in

R&D but the statistics from Intellectual Property Corp of Malaysia (MyIPO) showed there weren't many companies that applied for patent in 2008," Kandiah said.

According to MyIPO statistics, local universities were among the top applicants that filed for patents in 2008. Other applicants included MIMOS Bhd, Telekom Malaysia Bhd, Petroliam Nasional Bhd, Sirim Bhd and Mobile Money International Sdn Bhd.



P. Kandiah