

MPSAS INSIGHT 2021: *UNVEILED INTANGIBLE ASSETS*

Persatuan Akauntan Sektor Awam Malaysia

INCREASING IMPACT & ENHANCING VALUE OF INTANGIBLE ASSETS

4 OCTOBER 2021

MOHAMED FAIRUZ BIN MOHD PILUS
INTELLECTUAL PROPERTY CORPORATION OF MALAYSIA



What is Intellectual Property?

CREATIONS OF
THE HUMAN MIND

INTELLECTUAL
CAPITAL

INDUSTRIAL
PROPERTY

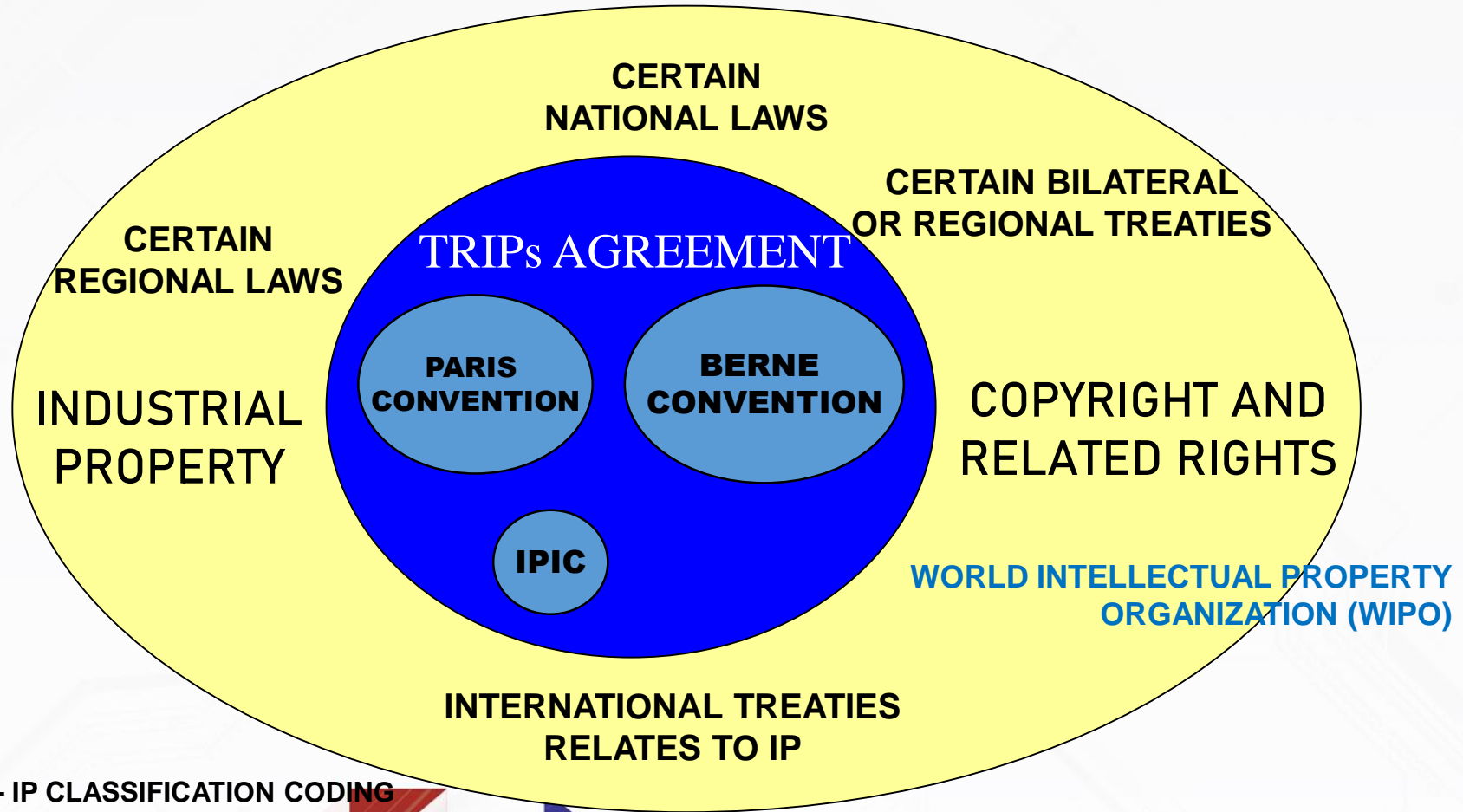
CREATIVE
INDUSTRIES

Intellectual Property refers to creations of the mind: invention, literary, artistic and musical works, and symbols, images and designs used in commerce.

World Intellectual Property Organization
(WIPO)



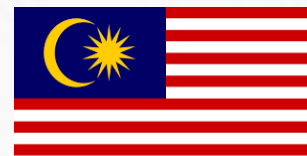
DEVELOPMENT NATIONAL IP SYSTEMS



IPIC – IP CLASSIFICATION CODING

| INTERNATIONAL TREATIES

01
WIPO CONVENTION &
PARIS CONVENTION
(JAN 1989)



FUTURE:
Marrakesh Treaty to Facilitate Access to
Published Works for Persons Who Are Blind,
Visually Impaired or Otherwise Print Disabled

02
BERNE CONVENTION
(OCT 1990)

03
TRIPS AGREEMENT
(JAN 1995)

04
Patent Cooperation Treaty
(AUG 2006)



05
NICE AGREEMENT & VIENNA AGREEMENT
(SEPT 2007)



07
MADRID PROTOCOL
(SEPT 2019)

06
WIPO PERFORMANCES
AND PHONOGRAM TREATY
(WPPT) & WIPO
COPYRIGHT TREATY (WCT)
(DEC 2012)

BASIC INFORMATION OF INTELLECTUAL PROPERTY

- All the various forms of intellectual property are protected on a national basis/territorial
- The scope of protection and the requirements for obtaining protection will vary from country to country
- There are, however, similarities between national legal norms
- The current worldwide trend is towards harmonisation of the national laws.

TRIPS AGREEMENT TRADE RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS





INTELLECTUAL PROPERTY



01

MONOPOLY

02

OWNERSHIP

03

LEGAL RIGHTS

04

ECONOMIC RIGHTS

05

MORAL RIGHTS

INTELLECTUAL PROPERTY COMPONENTS

INDUSTRIAL PROPERTY

COPYRIGHT

COMMON LAW

Trade Secrets

Confidential Information

Passing Off



INTELLECTUAL PROPERTY = VALUABLE PROPERTY

CAN BE:

- # OWNED
- # SOLD/BOUGHT
- # CHARGED/MORTGAGED
- # INHERITED

2

1

LIKE OTHER PROPERTIES:

- # LAND
- # BUILDING
- # SHARES
- # CAR

3



HAS VALUE



TRIPS
(Trade Related Aspects of Intellectual Property Rights)

- # TERRITORIAL
- > # NATIONAL TREATMENT
- > # MINIMUM STANDARD
- > # UNIFORMITY



IP AS NEW WEALTH CREATIONS



CREATIVITY

The act of turning new and imaginative ideas into reality.



INVENTION

Creation of a new idea or concept



INNOVATION

Turning a new concept into commercial success of widespread use

CREATIONS OF THE HUMAN MIND

Section 12. **INVENTION.**
An invention means an idea of an inventor which permits in practice the **solution to a specific problem in the field of technology.**

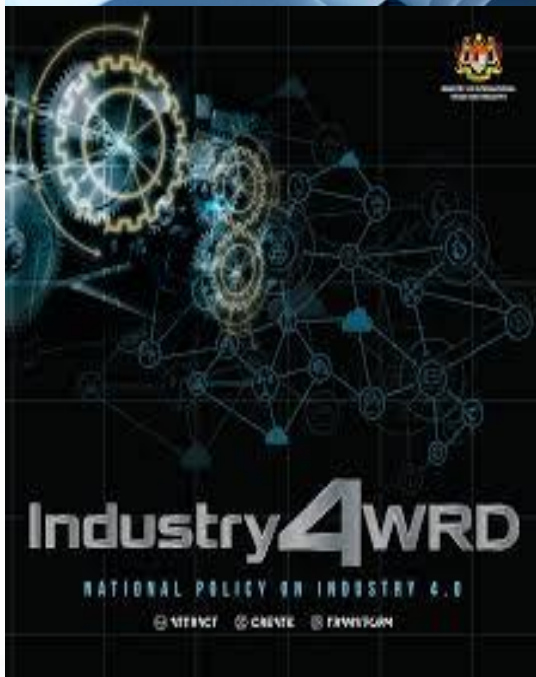
An invention may be or may relate to a product or process

Section 11. Patentable inventions.

- **New**
- **Involves an Inventive Step**
- **Industrially Applicable**



BUILDING FOR THE FUTURE

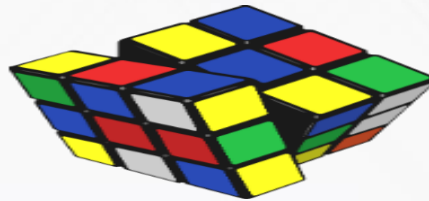


- ❑ October 2018, blueprint National Policy on Industry 4.0.
- ❑ Guidance document in implementing Industrial Revolution 4.0 in Malaysia.

The Prime Minister in his foreword message:

- ❖ Malaysia is a trading nation, which need continuously seek to grow the market for products it produces.
- ❖ Emphasis manufacturing sector played a key role in turning Malaysia into major player in the global value chain as part of process in turning country into industrialized nation.
- ❖ It is meaningless having evolution neither revolution but unable to improvise any of technology due to failure of understanding knowledge of application, improvisation.

Challenges Issues



The blueprint has listed issues and challenges:

- (i) cohesive efforts to develop a strong base of skilled workers to gradually reduce reliance on low-skilled workers;
- (ii) accelerate and support investments in technology and digitalisation, and industry adoption, with greater collaboration between industry and academia needed for greater innovation and industry-relevant research & development;
- (iii) incentives and other financial support which are directly linked to productivity to encourage enterprises to improve efficiency and performance;
- (iv) to reform and streamline the regulatory framework and requirements to improve, ease and reduce costs of doing business for enterprises and
- (v) efforts to raise awareness of the importance and benefits of productivity amongst enterprises and also provide them with guidelines on how to measure and track their productivity.

Industry4WRD National Goals

To increase the level of productivity in the manufacturing sector

To elevate the contribution of the manufacturing sector to the economy

To strengthen our innovation capacity and capability, reflected in global innovation rankings

To increase the number of high-skilled workers in the manufacturing industry

The targets by 2025, developed from 2016 baseline figures

Productivity of the manufacturing industry per person

From **RM106,647**
To increase by **30%**

Absolute contribution in Ringgit Malaysia (RM) term from the manufacturing sector to the national economy

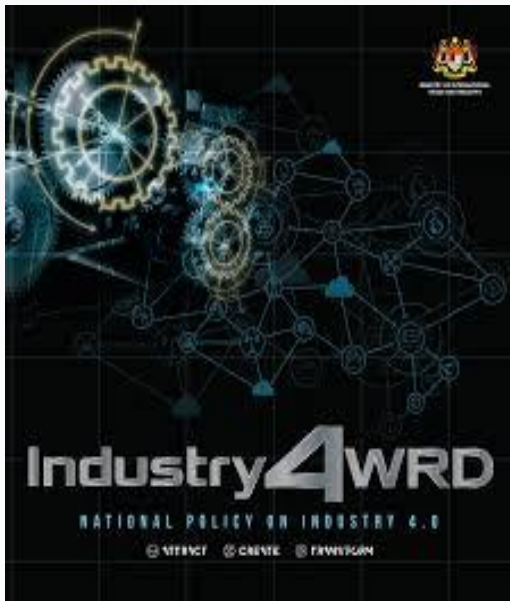
From **RM 254** billion
To **RM 392** billion

Global Innovation Index ranking

From **#35**
To top **30** nations

Numbers of skilled workers employed in the manufacturing sector

From **18%**
to **35%**



National Policy on Industry 4.0



Attract

Attract stakeholders to Industry 4.0 technologies & processes



Create

Create the right ecosystem for Industry 4.0 technologies to be adopted and to nurture innovations



Transform

Transform capabilities of the manufacturing industry to be Industry 4.0-ready



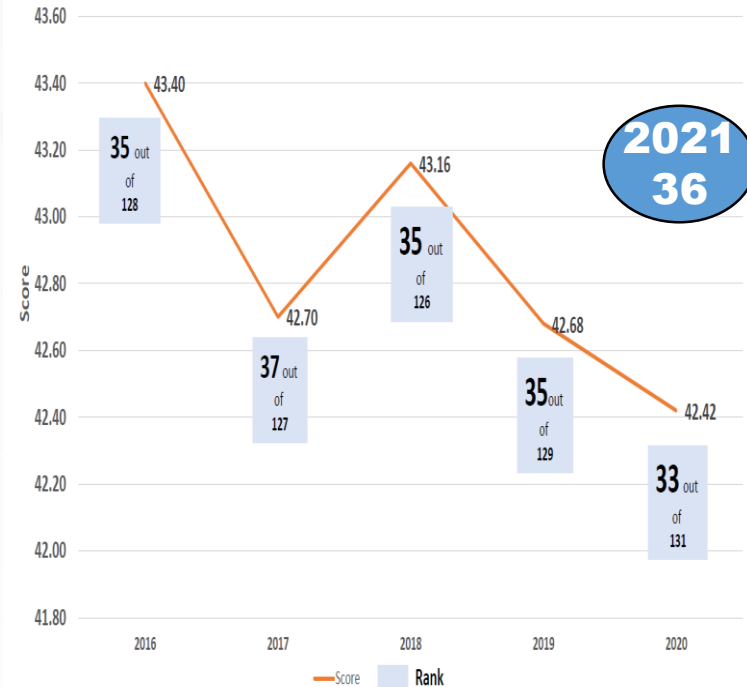


BACKGROUND OF THE GLOBAL INNOVATION INDEX (GII)

- The Global Innovation Index (GII) was created in 2007 and aims to:
 - Provide insightful data on innovation
 - Assist economies in evaluating their innovation performance and making informed innovation policy considerations.
- The impact of GI:
 - **Policymakers are now referring regularly as part of their economic policy strategies**
 - **A yardstick for measuring innovation by the UN General Assembly**
- The GI is co-published by Cornell University, INSEAD, and the World Intellectual Property Organization (WIPO) in collaboration with:
 - **Public international bodies**, such as the International Energy Agency (IEA), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Industrial Development Organization (UNIDO), the World Trade Organization (WTO), and the Joint Research Centre of the European Commission (JRC).
 - **Private organizations**, such as Brand Finance, IHS Markit, ZookNIC Inc, Thomson Reuters, Wikimedia Foundation, and AppAnnie.

Source: GI 2020 Report

GLOBAL INNOVATION INDEX RANK AND SCORE FOR MALAYSIA (2016-2020)



Source: GI 2020 Report

INSTITUTIONS

Political environment
Regulatory environment
Business environment



HUMAN CAPITAL AND RESEARCH

Education
Tertiary education
Research and development (R&D)



INFRASTRUCTURE

Information and communication technologies (ICTs)
General infrastructure
Ecological sustainability



MARKET SOPHISTICATION

Credit
Investment
Trade, competition, and market scale



BUSINESS SOPHISTICATION

Knowledge workers
Innovation linkages
Knowledge absorption



Innovation
Input
Sub-Index

KNOWLEDGE AND TECHNOLOGY OUTPUTS

Knowledge creation
Knowledge impact
Knowledge diffusion



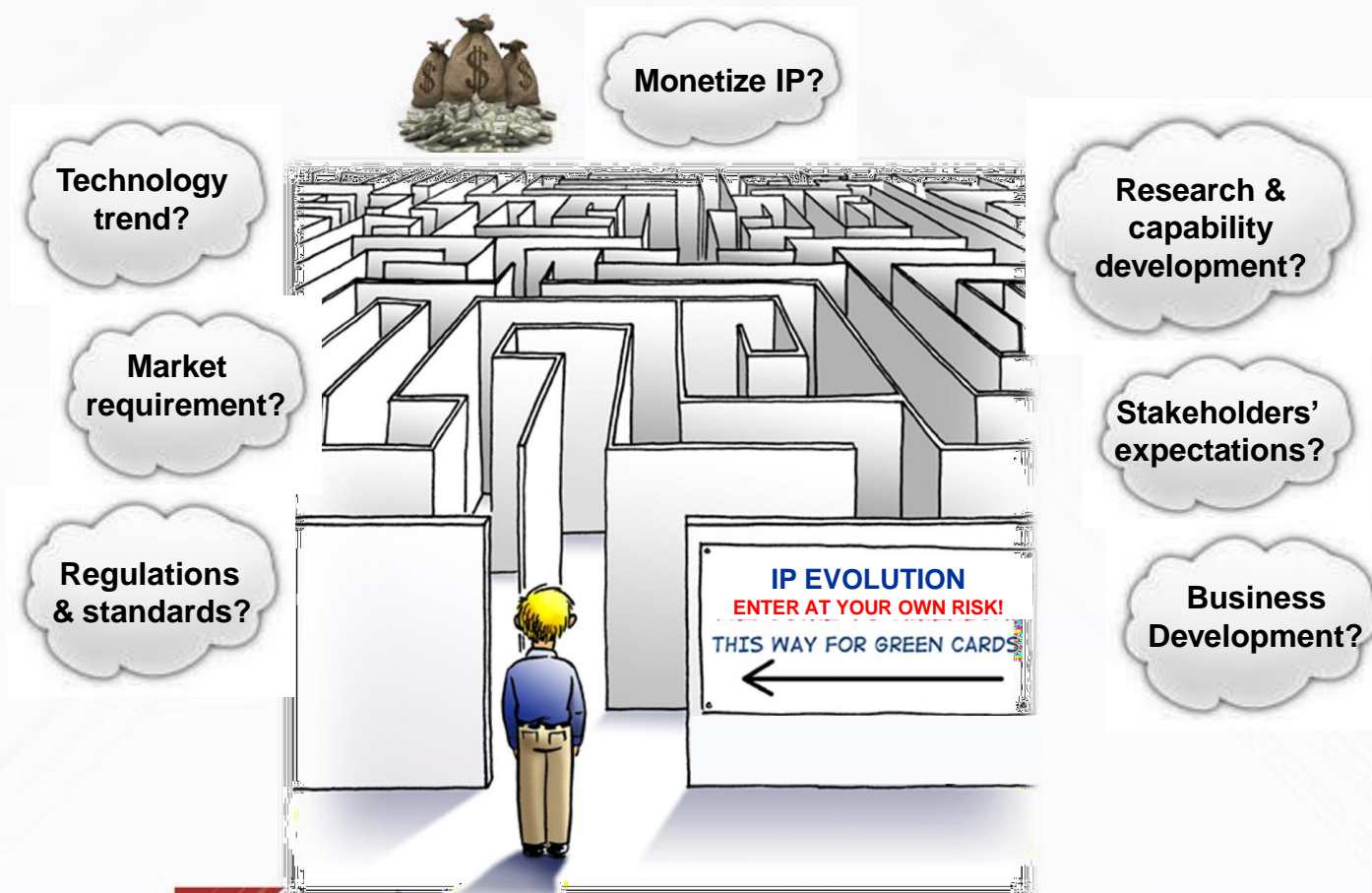
Innovation
Output
Sub-Index

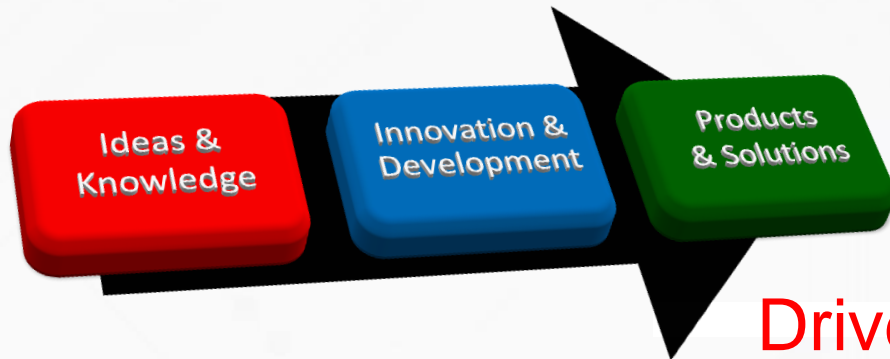
CREATIVE OUTPUTS

Intangible assets
Creative goods and services
Online creativity



Our Journey & How to Start?

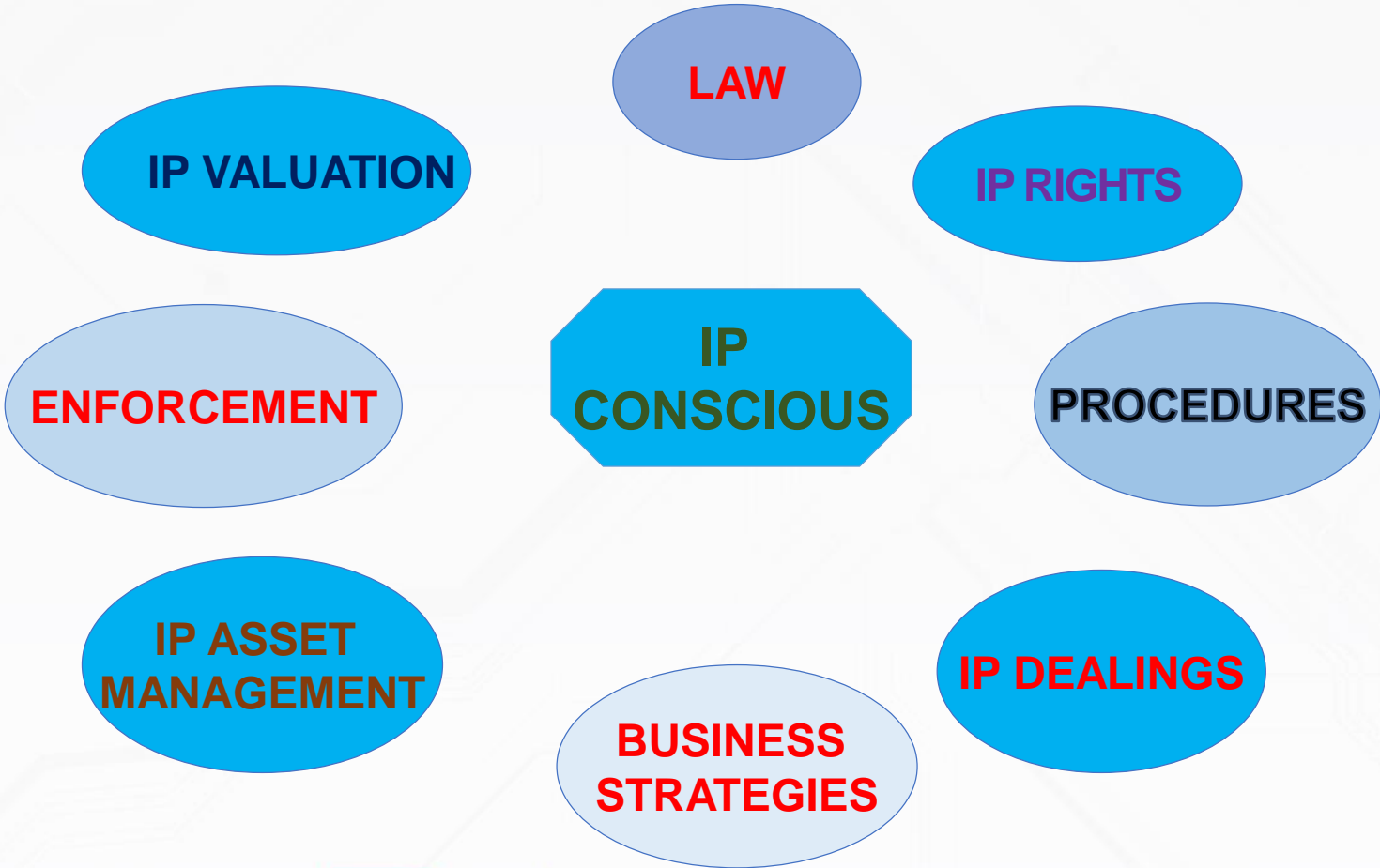




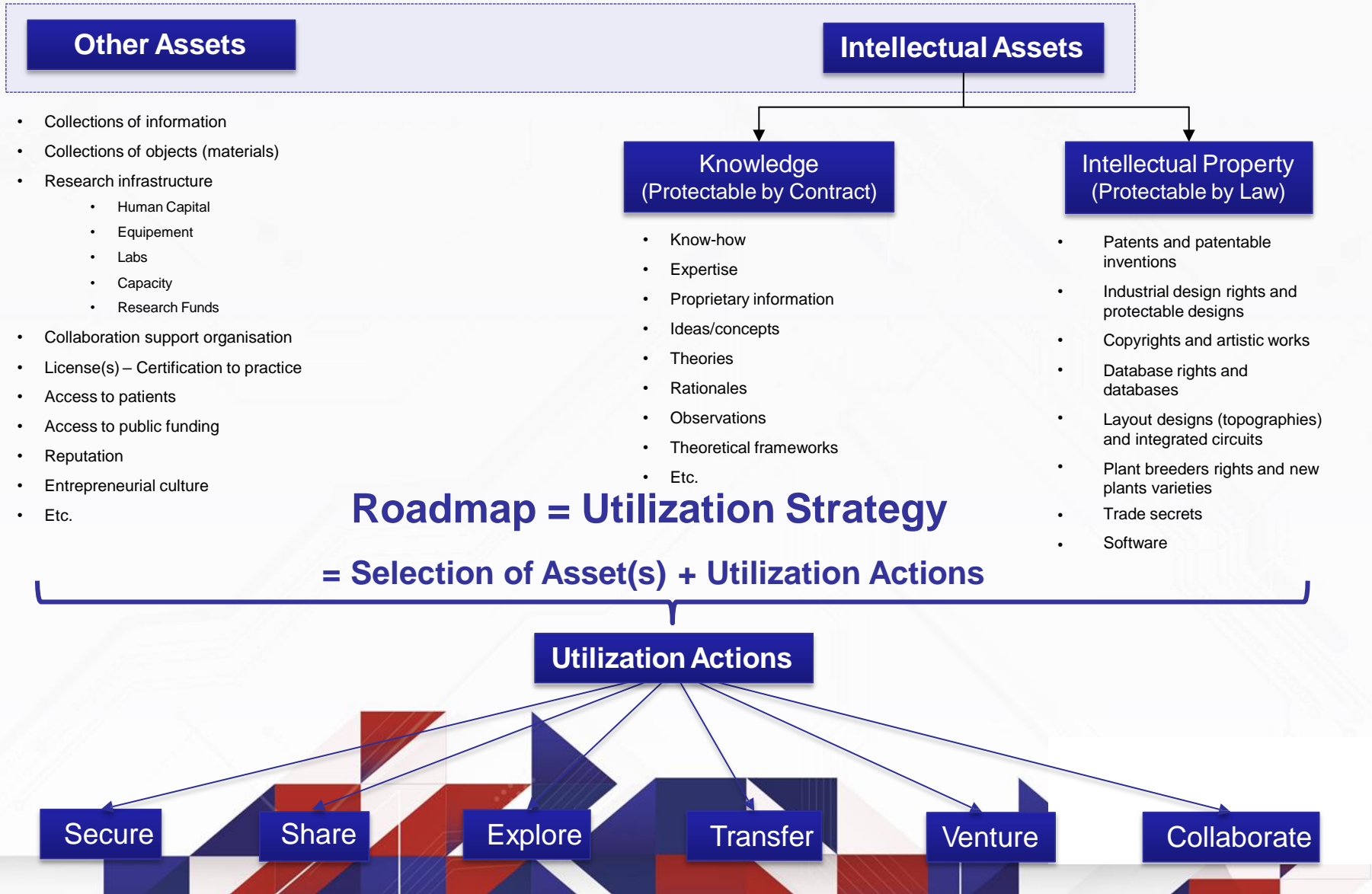
Drivers for Innovation

- ✓ Push for new markets
- ✓ Strive for higher productivity
- ✓ Product & service innovation
- ✓ New capabilities
- ✓ Attract talent & develop trained manpower

IP LANDSCAPE – IP CULTURE



The Roadmap



Economic Benefits of IP Commercialization

GDP / Growth

- Contribution to country's GDP
- Increase productivity through new and enhanced technology

Taxes

Tax revenue to the government (corporate tax and sales tax)

Recognised Seasonal Employer (RSE)

- ✓ Potential revenues from commercialization helps recruit, retain and rewards the RSE
- ✓ Attract RSE abroad to return home through brain gain program

Employment

- Generate employment opportunities and income for local graduates
- Jobs created through start-ups and industry contract

Cost/Product

- New or enhanced technology leads to reduction in production cost
- New or enhanced technology provides solutions to problems in the market

Investment

Commercialization of technology increases investment



Partnership

- ❖ Collaboration among local companies
- ❖ Partnership between local and foreign companies through joint venture.
- ❖ Create partnership between university and industry

Export

Technology being exported will increase trade

New companies

- ❑ Creation of new companies such as spin-out
- ❑ Returns from sale of equity in companies (e.g. management buyout)

Stakeholders

Revenue to the government, Uni/RI, and researchers (e.g. one-off payment on royalties)



IP & CHALLENGES IN PUBLIC SECTORS

