

STATEMENT BY THE PRIME MINISTER

The National Intellectual Property Policy is aimed at strengthening the Intellectual Property Landscape to attract more foreign investors to Malaysia as well as to encourage speedier and more effective technological transfers, which will enable local manufacturers to reap full benefits from research and innovations.

In a knowledge-based economy, intellectual property is a stimulant for innovation and creativity.

The National Intellectual Property Policy will ensure that the intellectual property protection system plays a vital role in increasing the invention activities among the younger generation in meeting national and international demands.

Y.A.B Dato' Seri Abdullah Bin Hj. Ahmad Badawi
Prime Minister of Malaysia

STATEMENT BY THE MINISTER

The National Intellectual Policy is intended to determine the direction of the development of the national intellectual property for generating the current and future economy of the country.

This policy is intended to realize the desire to ensure intellectual property generates maximum returns for each research and development (R&D) activity and results of any other creative activity carried out by either the public or private sector.

It is the wish of the government that this policy will create a society that respects and is sensitive towards the Intellectual Property rights.

The Ministry of Domestic Trade and Consumer Affairs will ensure success of the National Intellectual Property Policy for the purpose of achieving Vision 2020.

Y.B Datuk Hj. Mohd Shafie Bin Hj. Apdal

<u>CONTENT</u>	Pages
1. POLICY STATEMENT	3
2. RATIONALE FOR NIPP	4
3. OBJECTIVES OF THE NIPP	5 – 7
3.1 Highest Standard of IP Protection System	5
3.2 Promotion of IP-generated Activities	5
3.3 Promotion of Commercial Exploitation of IP	6
3.4 Development of IP Management Capabilities	6
3.5 Development of Infrastructure of IP Transaction	6
3.6 Protection of National IP Interest	6
3.7 Human Resource Development and Public Awareness	7
3.8 Promotion of Foreign Investment and Technological Transfer	7

4.	AIMS OF THE NIPP	8
4.1	Enhancement of Economic, Social and Cultural Prosperity	8
4.2	Strengthening the Nation’s Competitiveness	8
4.3	Malaysia as a Leading IP Hub	8
4.4	Establishment of an IP Culture	8
5.	STRATEGY	9 – 14
5.1	Highest Standard of IP Protection System	9
5.2	Promotion of IP-generated Activities	10
5.3	Promotion of Commercial Exploitation of IP	11
5.4	Development of IP Management Capabilities	12
5.5	Development of Infrastructure for IP Transaction	12 – 13
5.6	Protection of Malaysian IP Interest	13
5.7	Human Resource Development and Public Awareness	13 – 14
5.8	Promotion of Foreign Investment and Technology Transfer	14
6.	CONCLUSION	14

NATIONAL INTELLECTUAL PROPERTY POLICY

1. POLICY STATEMENT

The main purpose of the National Intellectual Policy (NIPP) is to harness intellectual property (IP) as a new engine of growth for the enhancement of economic and social prosperity.

The NIPP focuses on maximizing the contribution of IP in accelerating the socio-economic and technological development through the creation of an environment that encourages continuous creation of IP, provides a high standard IP protection system, promotes exploitation of commercially potential IP, fosters development of the supporting industries and builds human resource capability to successfully implement the policy.

The importance of IP to economic growth has long been recognized. In the current knowledge-based economy, IP is a valuable economic asset as well as a critical business tool that provides competitiveness. Managing and harnessing IP strategically is the gateway to enhance Malaysia's long-term competitiveness in the Knowledge economy.

2. RATIONALE FOR NIPP

The NIPP is needed as a principal guide in enacting laws and regulations relating to IP and in implementing all IP related activities of the Government agencies, research institutions, and institutions of higher learning, non-governmental organizations and the private sector with an aim to promote harnessing of IP for socio-economic and technological development. NIPP is also used as a guide in enacting other economic or social policies of the nation.

The policy is needed to facilitate the formation of an environment that stimulates and fosters the creation, protection, enforcement, management and maximum exploitation of IP aimed ultimately at developing a vibrant IP industry as a future driver of growth of the nation. The aim is to anchor the NIPP as an integral and integrated component of the nation's economic policy to enhance Malaysia's competitiveness.

The policy is also needed to promote and instill IP culture among the business community as well as the public. The aim is to create a community that values IP as a valuable economic asset and respects the right of owners.

The policy is also required to support one of the objectives of the Multimedia Super Corridor Bill of Guarantees 'to become a regional leader in IP protection and cyber laws', National Biotechnology Policy and National Convention on Biodiversity Policy and other policies that are related to IP.

3. OBJECTIVES OF THE NIPP

Highest Standard of IP Protection System

Develop an efficient and effective IP protection system to ensure fast and easy acquisition of protection and rights as well as competent and practical enforcement mechanism that provides redress and solutions to infringements of IP rights as well as deters the repetition of infringement.

In today's world where technology changes rapidly, a quick and easy protection of IP gives owners better competitive advantage and longer period to exploit the IP created and acquire from their efforts and investment. The owners are therefore encouraged to further develop IP and create new ones.

From the legal perspective, all IP laws and regulations need to fulfill the local requirements and meet the standards set by international treaties and conventions that Malaysia is a party to.

3.2 Promotion of IP-generated Activities

Promotion of IP-generated activities by focusing on managing research innovation as well as research and development more effectively among the research institutions, universities, small and medium industries (SMIs) and individuals as well as through acquisition of foreign IP on selected priority areas. The promotion of these IP-generated activities necessitates the creation of a conducive environment that provides incentives, grants, management, finance, business transactions, enforcement and dispute settlement.

3.3 Promotion of Commercial Exploitation of IP

Promote commercial exploitation of IP as the key value creating activity essential to the development of an IP industry. The ultimate aim is to develop a vibrant IP industry that is crucial to sustain Malaysia's economic growth in the new millennium.

3.4 Development of IP Management Capabilities

Develop proficient IP management capabilities, both in the public and private sectors, to cover the whole IP chain of activities from creation to protection, exploitation, valuation, licensing, acquisition, enforcement and dispute settlement. Management capability is vital to a mature and sophisticated IP industry.

3.5 Development of Infrastructure for IP Transaction

A vibrant IP industry requires the presence of a highly developed support industry particularly those in the banking and finance. There is therefore the need to look into the business, banking and financial infrastructure in relation to the present and future IP-based transactions particularly trading, licensing, mortgages and securities.

3.6 Protection of National IP Interest

Ensure that Malaysian IP interest is safeguarded at the international level by monitoring the developments in IP in the international arena and actively participating in international forums that address the enhancement of IP protection, new emerging issues and new challenges brought about by rapid technological progress.

3.7 Human Resource Development and Public Awareness

Promote human resource development with an aim of creating a large pool of experts for the management of IP at all levels of the chain of activities, for the business transaction of IP and for the commercial exploitation of IP. It is also essential to increase the level of public awareness relating to the purpose of having an IP protection system, the important role of IP in the socio-economic and technological development of the nation and the need to give recognition and respect to the exclusive rights of the owners of IP as conferred by the law. Human resource development and public awareness can contribute to the reduction of IP infringement to instill IP culture.

3.8 Promotion of Foreign Investment and Technology Transfer

Encourage greater foreign investment and technology transfer by guaranteeing the highest standard of IP protection for IP brought into Malaysia, the opportunity to acquire returns from their investment and the availability of legal channels to seek redress and solution in cases of infringement. With the availability of foreign technology, the transfer of the needed technology into local industry can be encouraged through acquisition, licensing, franchising and etc.

4. AIMS OF THE NIPP

4.1 Enhancement of Economic, Social and Cultural Prosperity

The main goal of the NIPP is to enhance the socio-economic prosperity of the community by harnessing IP as a new economic growth through expanding Malaysia's capacity to increase the generation of IP, to effectively protect and enforce, to properly manage and to maximize the commercial exploitation of IP.

4.2 Strengthening the Nation's Competitiveness

Strengthen the long-term competitiveness of the nation, by developing the IP industry into a mature and highly developed industry that generates, manages and commercializes IP effectively.

4.3 Malaysia as a Leading IP Hub

Develop Malaysia into a leading IP hub where the generation of economic value from IP-driven business activities will strengthen Malaysia's overall economic performance. With mature and highly developed IP industry, Malaysia can be a net exporter of IP.

4.4. Establishment of an IP Culture

Promote and instill IP culture among the business and industrial community as well as the public. IP has to be accepted as an important and valuable asset in the national socio-economic development and catalyst to progress in knowledge and technology that will ensure a long-term competitiveness of the nation. As a valuable asset, IP has to be effectively managed in order to ensure that it is protected, further developed and its economic potential exploited to the maximum.

5. STRATEGY

The following main strategies could be implemented in order to achieve the stipulated objectives:

5.1 Highest Standard of IP Protection System

Developing an efficient IP system will entail the following strategies:

- i) Strengthening the IP administration of the Intellectual Property Corporation of Malaysia (MyIPO) to meet the yearly increase in registration applications and needs of clients as well as to provide simple application procedures and speedy registration, clear registration guidelines, quality public search facilities and efficient information dissemination system.
- ii) Constant updating of laws and regulations to keep abreast with international development, new challenges and new issues.
- iii) Capacity building to create a large pool of human resource proficient in registration and enforcement of IP.
- iv) Strengthening of the Government's enforcement agencies that enforce infringement of IPR under the Trade Descriptions Act 1972, Optical Disc Act 2000, Trade Marks Act 1976, Patents Act 1983, Copyright Act 1987, Industrial Designs Act 1996, Layout Designs of Integrated Circuits Act 2000 and Geographical Indications Act 2000.
- v) Setting up an IP Court to expedite the hearing of IP-related cases as well as an alternative dispute resolution system.

5.2 Promotion of IP-generated Activities

The promotion of IP-generated activities will entail the following strategies:

- i) Highest standard of IP protection system that ensures fast and easy acquisition of protection and rights enabling owners to have a better competitive advantage and acquire returns from their efforts and investment.
- ii) Pro-active MyIPO Resource Centre to make available and encourage the use of valuable patents and industrial designs data that contain information on the latest inventions or state of the art technology as well as latest world trends in specific fields of technology by industries and individuals involved in the research and development of IP.
- iii) Create an encouraging environment that provides incentives, grants, finance, management, business transactions, enforcements and dispute settlements.
- iv) Enlarge the national IP pool by promoting and focusing on creation within Malaysia.
- v) Acquire foreign IP in selected priority areas as well as encourage IP-intensive foreign ventures to bring their IP into Malaysia.
- vi) Foster cooperation and smart partnership between the government and the private sectors and between research institutions and industries.
- vii) Promote distribution of research and development results.

5.3 Promotion of Commercial Exploitation of IP

The promotion of commercial exploitation of IP will entail the following strategies:

- i) Capitalize existing IP pool and acquire greater commercial value.
- ii) Identify IP creators in Malaysia and nurture their development to maximize IP value acquisition.
- iii) To support SMIs, venture companies and individuals involved in commercial exploitation of IP.
- iv) Stimulate entrepreneurial activities focusing on exploitation of commercially viable IP.
- v) Create a business environment to encourage local and foreign enterprises to anchor the whole, if not the substantial part, of the IP value chain in Malaysia.
- vi) Promote suitable valuation methods, contractual and licensing rules to facilitate commercial exploitation of IP.
- vii) Promote release of IP rights not exploited by the Government or large companies to SMIs and individuals for commercial exploitation through licensing or assignment.

5.4 Development of IP Management Capabilities

The promotion of the development of management capabilities will entail the following strategies:

- i) Develop a core of specialist experts at all levels of the IP chain of activities.
- ii) Encourage public and private sectors to effectively manage IP owned, by having clear guidelines or manuals.
- iii) Encourage IP owners such as foreign investors to use Malaysia as an IP management hub.
- iv) Review existing laws and regulations as well as business practices to better manage and exploit IP within both the public and private sectors

5.5 Development of Infrastructure for IP Transaction

The development of an infrastructure for IP transaction will entail the following strategies:

- i) Review the current laws and regulations in the company law, securities regulation as well as banking and finance law in general to ensure the business, banking and financial infrastructure can facilitate IP-based transactions.
- ii) Encourage the banking and finance sector to develop IP-based banking and financial instruments for mortgage and securities of IP assets.
- iii) Create IP Exchange to stimulate the trading of IP and to develop more liquid market for IP trading.

- iv) Review existing laws and business practices with a view to enhance the business climate for financing IP-based investments including setting up a specialized IP Financing house.

5.6 Protection of Malaysian IP Interest

The promotion of a Malaysian IP interest will entail the following strategies:

- i) Monitor the development and progress of IP at international level.
- ii) Participate actively in international forums that address the enhancement of IP protection, new emerging issues and challenges brought about by technological progress.
- iii) Formulate a national stand on important issues by discussing with the relevant agencies and organizations in both the public and private sectors.

5.7 Human Resource Development and Public Awareness

The promotion of human resource development and public awareness on IP will entail the following strategies:

- i) Set up a National Institute to provide specialized IP training programme in the areas of rights acquisition, enforcement, dispute settlement, management, valuation and licensing as well as general awareness.
- ii) Introduce the subject of IP in the formal education system in primary and secondary schools as well as institutions of higher learning.

- iii) Conduct continuous and regular public awareness programmes, which focus on specific target groups as well as the public in general.
- iv) Disseminate information through mass media, publications and etc.
- v) Hold seminars, workshops, talks, interviews and public campaigns.
- vi) Participate in exhibitions organized by the Ministry of Domestic Trade and Consumer Affairs or other public and private agencies.

5.8 Promotion of Foreign Investment and Technology Transfer

The promotion of foreign investment and technology transfer will entail the following strategies:

- i) Highest standard of IP protection system that guarantees protection of IP rights, ensures investors the opportunity to acquire returns from their investment and provides legal channels to seek redress and solutions for infringement.
- ii) Facilitate the local industry to acquire needed foreign IP through licensing, franchising and etc.

6. CONCLUSION

IP is a major strategic asset and its effective exploitation is one of the keys to enhance Malaysia's economic and social prosperity. The effective and successful implementation of the NIPP is one of the critical steps to spur Malaysian national competitiveness and to enable Malaysia ultimately to become a developed nation.