

## **IP Considerations for App Developers in South-East Asia**

*Last updated: August 2016*

In a world of increasingly affordable smartphone technology and rapidly expanding connectivity, the digital marketplace makes room for new players on the scene: the app developers. Third party's apps have become a core part of the smartphone package, providing users with almost limitless potential for productivity, utility, education and leisure, and apps serving as a huge part of smartphone marketing strategy and user attraction.

With the number of smartphones overtaking non-smartphones back in 2013 and total worldwide app related revenues set to top \$45 billion this year, app development is an increasingly attractive industry for software producers.

South-East Asia is one of the world's fastest growing App market and is hailed by many as the 'next frontier' for app sales growth. With a population of 622 million across 10 countries, South-East Asia has seen an increase in downloads of 40% between December 2013 and December 2014 and revenue growth of 75%<sup>1</sup>.

The fastest growing South-East Asian countries for both app downloads and revenue include Indonesia, Malaysia, Philippines, Thailand and Vietnam, each experiencing considerable growth in recent years, making these countries fantastic potential markets for app developers. Before taking products to these markets however, it is crucial for developers to both protect their ideas and designs as well as ensure that the appropriate permissions and licenses are sought for any protected material included in their own apps.

### **Brand Protection**

Names of apps shall be catchy and distinctive. One of the first priorities of any business looking to enter a new market should be brand registration, and as IP protection is a territorial right, brand protection is recommended in that jurisdiction. Brand is best and worldwide protected through registration of trade marks.

Trade mark registration is generally a simple process everywhere in South-East Asia, but as most South-East Asian countries function under the 'first to file' system this should be undertaken as early as possible, so as to avoid the risk of 'bad faith' registrations, and trade mark hijacking by domestic companies either seeking to take advantage of the target brand's reputation or make a profit selling the mark back to the EU registered owner for a profit.

Additionally, SMEs should consider how their trade mark would translate into local languages. The registration of a trade mark in original Roman characters does not automatically protect the trade mark

---

<sup>1</sup> iOS and Google Play combined figures [www.appannie.com](http://www.appannie.com)

against the use or registration of the same or similar trade mark written in local scripts. If a local equivalent is not chosen, consumers will almost certainly choose their own, which might affect the reputation of the company. If this local name is not registered, companies also run the risk of another company freely copying, or registering the local trade mark themselves. In particular, in South-East Asian countries SMEs are highly advised to register their trade marks in local script version such as Vietnamese, Tamil, Thai, Lao, Burmese or Khmer.

Some South-East Asian jurisdictions, such as Singapore, protect unregistered trade marks based on regulations regarding 'passing off', i.e. the misrepresenting of goods or services as being affiliated with another brand. However, this type of protection is only applied where the brand has already built up reputation and goodwill amongst local consumers.

### **Copyright: Software and Content Protection**

For rapidly developing software applications, copyright law offers an inexpensive, quick and easy method of procuring IPR protection at key stages of development, as well as for any images or written material associated with the app such as marketing materials and product descriptions on e-commerce platforms etc.

Most types of creative works protectable by copyright in Europe are also protectable in South-East Asia and, as in Europe are theoretically protected as soon as they are created. Software is also expressly protected by copyright in South-East Asia, including source code, object code, as well as any written documentation or imagery used. The copyright does not protect the ideas behind the program but will provide protection against any unauthorized running, copying, modifying or distribution of the software.

Due to the difficulties in proving ownership when it comes to infringement actions, it is often advisable to voluntarily register copyright in the countries where this service is available. This will be available in most of the South-East Asian countries with the exception of Singapore, Brunei and Myanmar.

### **Software Patents**

Patent law for software in South-East Asia varies significantly, with different requirements and guidelines issued by each jurisdiction. The requirements for patentability in most areas are similar to the EU. However as a developing area of law in this region, many patent offices rely on examination by external, more experienced Patent Offices such as those in the United States, Japan, South Korea and from the European Patent Office. This helps to streamline any patenting procedures for EU app developers as any established apps will already be registered with one or more countries in the EU. Without these foreign patent grants the application process can be delayed for at least five years in many South-East Asian countries.

Even with corresponding EU patents in hand, and being apps developed at very fast pace, patent applications often take a lot longer to be granted than the useful lifetime of many smartphone apps, and software patenting is of limited usefulness to the average developer. Furthermore, in some jurisdictions patents for software are entirely unavailable. In Indonesia, for example, the patent law specifically

excludes rules and methods of doing business, as well as rules and methods concerning computer programs, from the definition of ‘invention’.

### **Design Patents**

In a few South-East Asian Countries (currently only in Singapore, Thailand and the Philippines), app developers can also apply for design patents for their graphic user interfaces (GUI). This means that their function keys and functional components will be protected by design patents. In Singapore, one of the requirements to qualify for registration of design is industrial applicability. In order to satisfy this requirement, GUIs must be applied to an article by any industrial process. This means that when applying for a design patent for the GUI in Singapore, the applicant also needs to indicate the article that the GUI is applied to (e.g. the smartphone). As to the designs for products with GUIs, the applicant should submit drawings or photographs that clearly depict the design for which patent protection is sought. Therefore, the drawings or photographs submitted should contain the view(s) of the overall product indicating the location of the GUI.

However, it must be noted that registering GUI as a design patent is a relatively new option in Singapore, Thailand and in the Philippines and therefore app developers may still experience some difficulties when enforcing their GUI design patent rights as the courts are not yet very familiar with how to decide whether there has been an infringement of the patent.

### **Enforcement**

#### **App Store Dispute Resolution: First Line of Defense**

The first line of defense when dealing with infringing material or apps is to directly contact the app store on which the infringing products are listed. Online content dispute resolution services are offered by both [Apple](#) and [Google](#) for their app stores. Through the online forms, developers can identify infringing material, provide evidence of their IPR ownership and request infringing apps be taken down.

Other stores run similar services, however where app stores servicing the Android platform in the area do not publish in English, it is often best to engage local legal representation when requesting removal of infringing content.

Prior to the dispute resolution process it is often wise for developers to gather evidence of any infringements to their IP. This can consist of screenshots of the infringing apps’ page on the relevant app store, any relevant download numbers and if possible, screenshots of the infringing items in the app itself (most modern smartphones have a screenshot function which makes this process easier). Notarizing this evidence will also be useful if it becomes necessary to take the case further or claim compensation.

### **Other Remedies**

As for any other industry, civil, criminal and administrative procedures for IPR actions in case of trade mark, patent or copyright infringement, will be generally available in South-East Asia. However, the judicial experience and effectiveness of enforcement may vary across the different jurisdictions. This means that app developers should keep in mind that different enforcement strategies apply for different countries and shall therefore consult with local experts to determine the best strategy for their case. Administrative enforcement is generally the fastest, cheapest and most effective way of enforcing IP rights in many South-East Asian countries. At the same time, in certain South-East Asian countries like Malaysia and Thailand, criminal actions are more effective at ending infringement because civil actions are lengthy and entail only negligible fines. Professional advice is crucial when trying to create the most cost effective IP enforcement strategy.

### Take Away Messages

- App developers should not forget to protect their brand. Reputation and names play a big part in consumer choices and infringement of company and software product trade marks can be a permanent damage.
- Copyright registration of software offers a certain way to prove IP ownership in case there are any problems of IP infringement. If an EU SME does not register its software through the relevant copyright registration system, it may be very difficult to prove ownership when enforcing the IP.
- Patents provide longer terms of protection (20 years in most South-East Asian countries), but are expensive to procure and application times often outstrip the usefulness of software products.
- App developers should also not leave themselves open to litigation and make sure to check in advance that their materials are not already registered domestically.
- Infringement issues can often be dealt with quickly by directly contacting app stores.
- IPRs are territorial and protection in other jurisdictions has no effect in South-East Asia. SMEs need to register early and make sure to protect all of their core IP or someone else will.

### South-East Asia IPR SME Helpdesk

*([question@southeastasia-iprhelpdesk.eu](mailto:question@southeastasia-iprhelpdesk.eu)) and gain access to a panel of experts, in order to receive **free and confidential first-line advice** within **3 working days**.*

*The South-East Asia IPR SME Helpdesk is co-funded by the European Union.*

*To learn more about the South-East Asia IPR SME Helpdesk and any aspect of intellectual property rights in South-East Asia, please visit our online portal at <http://www.ipr-hub.eu/>.*