



Mastermind University Session Summary

17 Mar 2025

TM University with Sarah Huang & Michelle Lim – How to Avoid Common Intellectual Property (IP) Mistakes

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Overview:

Expert IP lawyers Sarah Huang and Michelle Lim provided valuable insights into the significance of intellectual property in today's economy where intangible assets dominate. The session covered various types of IP, including trademarks, patents, and copyrights, while stressing the importance of protecting these assets through proper registration and ownership clarity. Participants learned about common pitfalls, such as failing to register IP early and overlooking international protection, and were informed about the financial benefits of strong IP, including attracting investments and generating income through licensing. Additionally, the webinar debunked myths surrounding IP protection costs and the necessity for small businesses to secure their IP. The session concluded with a Q&A that addressed jurisdictional nuances, AI-generated content rights, and practical steps for conducting IP audits and monetization strategies. Action items emphasized the need for thorough IP audits and careful management of IP assets for long-term business success.

Notes:

Understanding IP as a Business Asset (12:48 - 23:15)

- Speaker Sarah emphasized that IP is often overlooked as a business asset despite representing 60-90% of market value for S&P 500 companies
- Sarah highlighted the shift from tangible to intangible assets in today's economy
- Big companies like Google, Tesla, and Nike have strong IP portfolios worth billions
- IP assets typically make up more than 65% of Fortune 500 companies' total worth
- IP is not just about protection but also about monetization and leveraging value
- Sarah explained different types of IP: trademarks (brand names, logos), patents (inventions), industrial designs (product appearance), copyrights (creative works), and trade secrets
- The audience confirmed they already own various IP assets in their businesses

Common IP Risks and Infringement Issues (23:15 - 36:22)

- Using others' IP without proper licensing is a significant risk area
- Common problematic areas: stock photos, fonts, photographer's work, graphic designs, and music/audio
- Real examples shared: a client had to rebrand due to using a font only licensed for personal use
- Another client received a copyright infringement letter for using a Google image without permission
- A third case involved a photographer's contract that limited usage rights to one year
- Sarah advised: always check usage rights, have clear contracts, read license terms, and consult professionals

Legal Cases and Strategic Business Considerations (36:22 - 49:23)

- Case study: Barbie vs. Bratz dispute over doll design rights cost millions in litigation
- Case study: Apple had to pay \$60 million to Proview Technology for iPad trademark rights in China
- IP is attractive to investors as it shows credibility and scalability of a brand
- Companies with strong IP portfolios generally receive higher valuations
- IP helps create competitive advantage and defensibility in the market
- IP is crucial for exit strategies as it increases business resale value
- Major acquisitions driven by IP: Google bought Motorola Mobility for \$12.5B largely for its patents

International IP Protection Strategy (49:23 - 01:00:30)

- IP laws vary between countries; registration in one country doesn't provide worldwide protection
- Example: A Malaysian business with a viral food product found their entire product copied in China within 6 months
- Sarah explained the Madrid Protocol allows protection in multiple countries through a single application
- Conducting IP searches before market entry helps identify potential conflicts
- Speaker Michelle introduced as a litigation specialist who handles infringement cases and IP disputes
- Michelle emphasized registering IP early as it's a 'first come, first serve' system
- IP registration should be done right (ensuring uniqueness) before doing it fast

IP Registration Fundamentals (01:00:30 - 01:09:17)

- Registration is jurisdiction-specific (Malaysian registration only protects in Malaysia)
- Entrepreneurs should think globally even when starting small
- Application processing can take 6-24 months depending on complications
- Michelle warned about making wrong assumptions about IP ownership, especially in collaborations
- Employee-created content generally belongs to the employer if created during employment
- Importance of documenting who owns what in any collaboration or partnership
- Publicizing ideas without protection is a major risk; use NDAs when sharing ideas

Infringement and Monetization (01:09:17 - 01:17:19)

- Don't ignore infringement; have a strategy for takedowns
- Be familiar with IP complaint processes on platforms like Instagram, Lazada, Shopee, etc.
- Ready documentation proving ownership for quick responses to infringements
- The longer infringement continues, the more damage to reputation and business
- Failing to monetize IP is a common pitfall - license your IP for additional revenue streams
- Think of IP licensing like renting a car - charge for usage based on time and conditions
- Digital assets are increasingly important IP components: domain names, NFTs, website layouts, etc.

IP Portfolio Management (01:17:19 - 01:26:14)

- Keep track of all IP assets and renewal dates
- Trademark registrations typically last 10 years and require renewal
- Patents last 20-25 years with annual fees
- Do due diligence on IP assets when acquiring businesses
- Ensure IP certificates are properly transferred during mergers and acquisitions
- Have a strategy for enforcement and takedowns of infringing content
- Know which platforms to complain to when infringement occurs and have documentation ready

Busting IP Myths (01:26:14 - 01:34:40)

- Myth 1: 'IP protection is expensive' - In Malaysia, trademark registration costs around 2,000-2,500 MYR (approximately 166-200 MYR per month over protection period)
- Myth 2: 'My business is too small for IP' - Even small businesses can have valuable IP worth protecting
- Myth 3: 'I only sell locally, I don't need international protection' - Think about future expansion
- Myth 4: 'Registering in one country is enough' - Protection is jurisdiction-specific

- Myth 5: 'I can handle IP without professional help' - IP involves complex laws and regulations
- Myth 6: 'IP protection is a one-time thing' - It requires continuous management and renewal

Strategic IP Planning (01:34:41 - 01:43:35)

- Even small businesses with sentimental names can be targeted by large companies
- Example: A widow with a small business named after her late husband received a cease and desist from an international company
- Michelle emphasized not to underestimate the value of IP for small businesses
- For international protection, file in all target countries simultaneously when possible
- Registration timing is critical - you can't backdate protection between jurisdictions
- Trademarks go beyond names and logos - can include smells, sounds, shapes (e.g., Toblerone triangle, Play-Doh smell)
- Advanced entrepreneurs focus on IP protection from the very beginning, even before operations start

Practical Next Steps (01:43:35 - 01:51:43)

- Step 1: Conduct an IP audit - assess what IP assets you currently have
- Step 2: Protect your IP through appropriate registrations
- Step 3: Expand and monetize your IP portfolio
- Step 4: Consult professionals to identify blind spots and provide proper documentation
- Michelle emphasized the importance of acting early rather than waiting until the business grows

Action items:

All business owners

- Conduct an IP audit to identify all IP assets in your business (01:48:37)
- Protect identified IP through appropriate registrations (01:49:07)
- Develop a strategy to expand and monetize your IP assets (01:49:46)
- Check if you're using properly licensed images, fonts and content in your business (23:55)
- Review contracts with photographers, designers and content creators to clarify IP ownership (25:58)
- Have clear contracts stating who owns created work when hiring creative professionals (32:44)
- Read all license agreements carefully before using third-party creative assets (33:36)
- Prepare documentation proving IP ownership for quick response to potential infringements (01:32:49)
- Research IP protection in countries where you plan to expand (52:15)