WEBINAR:
FINTECH TRENDS IN SOUTH-EAST ASIA: WHAT TO WATCH OUT FOR

Live At 10:00 (CEST) - 15:00 (ICT)
23 July 2020

Co-Organised with: aspire
Welcome to the Webinar

Moderator:

Dr. Marta Bettinazzi
IP Business Advisor
South-East Asia IPR SME Helpdesk
Webinar Interaction Tool

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Speakers

Dr. Stefano Pellegrino
Co-Founder & Country Manager (Vietnam)
– General Secretary

ASPIRE
– EuroCham Vietnam

Jonas Lindsay Msci
External Expert
– Senior Associate

South-East Asia IPR SME Helpdesk
– Marks & Clerk Singapore LLP
Speakers' Biographies

Name: Jonas Lindsay Msci  
Firm: MARKS & CLERK SINGAPORE LLP  
Location: Singapore

Jonas qualified as a Chartered (UK) Patent Attorney and as a European Patent Attorney in 2010, and as a Singapore Registered Patent Attorney in 2016. He specialises in electronics patent matters and has particular expertise in drafting and prosecuting patent applications in the electronics and software fields. Jonas practices in designs as well as patents and has experience of registering designs in Europe for graphical user interfaces and animated characters.

Jonas regularly visits Japan and has given a number of presentations on patent and design law in Japanese. Jonas graduated from Imperial College London with an MSci degree in Physics. His final year project involved computational modelling of atoms. Following graduation he spent two years teaching English in Japan.


Jonas was named an “IP Rising Star” in 2018 by Managing Intellectual Property.

Name: Dr. Stefano Pellegrino  
Firm: ASPIRE  
Location: Vietnam

Stefano Pellegrino is a dual-qualified attorney (Italy and New York). Since 2019, he is the country manager of Aspire, a fast growing FinTech company in Vietnam. Prior to joining Aspire, he worked as Senior M&A Lawyer at Frasers Law Company, a top tier law firm in Vietnam. Prior to moving to Vietnam he worked in the Milan office of DLA Piper, a major international law firm.

Stefano has a Master of Laws from UC Berkeley (California), and a Ph.D. from University of Pavia (Italy). He completed post-doctoral research at N.Y.U. (New York) and at the Max Planck Institute for international private law in Hamburg (Germany). He is also Associate Lecturer at the Ho Chi Minh City University of Law (ULAW), where he currently teaches ‘M&A and international contract law’ at the Master of International Business Law.
## Overview (CEST)

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<td>10:00 – 10:05</td>
<td>Introduction to the South-East Asia IPR SME Helpdesk &amp; its Core Services</td>
<td>Marta Bettinazzi, SEA IPR SME Helpdesk</td>
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<td>10:05 – 10:25</td>
<td>How Fintech is doing in South-East Asia?</td>
<td>Stefano Pellegrino, Fintech Expert</td>
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<td>- Current Fintech trends</td>
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<td>- Challenges &amp; Opportunities</td>
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<td>- Case Studies</td>
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<td>- How to protect your Fintech invention</td>
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<td>- Real IP learning examples of Fintech SMEs</td>
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<td>- Conclusions / Take-away messages</td>
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<td>10:45 – 10:55</td>
<td>Q&amp;A session</td>
<td>All speakers</td>
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<td>11:00</td>
<td>Closing</td>
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Core Services – What We Offer

Enquiry Helpline

Website & Blog Newsletter, E-Bulletin

Webinars and E-learning modules

Training Workshops

Guides and factsheets

WEBINAR: Fintech trends in South-East-Asia

What to watch out for?
1. What are the current FinTech trends?
Fintech areas:

Different types of financial start-ups which are defined by their field of activity:

- Payments
- Crowdfunding
- Digital Banking
- Data/Credit Scoring/Management
- Fintech Lending
- POS
- Comparison platform
- Blockchain / Crypto
- Wealth Management
- Insurtech
Differences between B2C and B2B

Different types of financial start-ups which are defined by their target:

- **FinTech B2C** (Business to Consumers)
  - aimed at end users.

- **FinTech B2B** (Business to Business)
  - offers solutions to companies.
Fintech Lending

- Purchase financing (SMEs) or Buy now pay later (consumers)
- Crowdclending (P2P lending)
- Invoice Financing
- Lead generation
- Partnership with bank
« Neobank » poll

Have you opened at least one business or personal account with a digital bank?

☐ YES

☐ NO
« Neobank » what does it mean?

- A Neobank is a digital bank....
- ...focusing on customer experience.
One common goal:
Digital banking
2. Innovation means great opportunities ...
Regulatory environment is changing fast...

EUROPE - 2018

LATAM - 2019

SEA - 2020

...and now it is time for Southeast Asia
6 key markets with 438 million unbanked people and many SMEs with critical banking needs ...

- **Thailand**
  - Population: 69m

- **Indonesia**
  - Population: 275m

- **Philippines**
  - Population: 108m

- **Singapore**
  - Population: 5m

- **Vietnam**
  - Population: 96m

- **Malaysia**
  - Population: 33m
Unbanked individual poll

In Vietnam, what is your estimate of the percentage of the adult population without bank account?

- 39%
- 49%
- 59%
- 69%
Vietnam market home to 50 million people with critical banking needs...

- **Population**: 96 million
- **Unbanked adults**: ≈ 69%
  - ≈ 50 million people, aged 15 and over, relying on cash.
- **SMEs**: ≈ 590 000
  - 98 % of all enterprises
  - 43,2 % of GDP
- **≈ 70% of SMEs don’t have access to loans from traditional financial institutions**

**Sources:**
- The 2017 economic census - Result of Foreign Invested Enterprises in the period 2011-2016
- Vietnam Chamber of Commerce and Industry (VCCI)
Recent events and future projections:

- **COVID-19**
  - Great management of Covid-19 by the Vietnamese government
  - Economic growth still impressive despite loss of speed

- **Ratification of the EU-Vietnam Free Trade Agreement (EVFTA) and EU-Vietnam Investment Protection Agreement (EVIPA)**
  - Implementation starting in August 2020
3. ... And also important challenges
The challenge of bringing a new model

- Changing current habits and certainties of economic actors
- Outdated technology infrastructure
- Uncertainties related to the legal framework / Legislation still in motion
- Although the situation in Vietnam is safer than in other countries, the risks associated with the impact of Covid-19 should not be overlooked
4. Cases Study
## World Fintech comparison:

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<th>Company</th>
<th>Country</th>
<th>Payments</th>
<th>Lending</th>
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<td>EU</td>
<td>Deposit</td>
<td>Credit line</td>
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<td>BREX</td>
<td>US</td>
<td>FX</td>
<td>Paylater</td>
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<td>...</td>
<td>SEA</td>
<td>Card</td>
<td>Factoring</td>
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“Technological innovations will be the heart and blood of the banking industry for many years to come and if big banks do not make the most of it, the new players from Fin-Tech and large technology companies surely will.”

– David M Brear (CEO of 11:FS)
Thank you!

Stefano Pellegrino – Co-founder and Country Manager at Aspire Vietnam
Fintech Trends in South-East Asia: What To Watch Out For

Jonas Lindsay
External Expert, South-East Asia IPR SME Helpdesk
Senior Associate, Marks & Clerk Singapore LLP
23 July 2020
Poll Question 1

Question: Have you registered any IP right in SEA?

A. Yes
B. No
C. Not yet but intend to
Intellectual Property

• IP gives the owner a limited monopoly.
• E.g. A patent protects an invention and gives the owner the right to stop others from using the invention.
• Main IP rights – Patents, Confidential Information, Trade Marks, Copyright, and Registered Designs.
• Rights are generally territorial and limited in duration.
Poll Question 2

Question: Have you applied to register any of the following IP rights?

A. Patent
B. Trade Mark
C. Other
D. Have not applied to register any IP rights
Economic Value of IP

• IP provides a limited monopoly and the owner profit from that monopoly.
• IP can also be licensed – licensee pays a royalty to the owner to use the IP.
• Many different types of licence are possible – can be limited to particular products or countries, cross licences.
• IP attracts investors – IP can be one of the most important assets of a startup.
• Patents protect inventions – an invention can be defined as a product, a process or both.
• To patentable, an invention must be new, inventive and include patentable subject matter.
• New (or novel) means not disclosed to the public before the patent application was filed.
• Prior disclosure by the applicant themselves can invalidate a patent application (some but not all countries have grace periods).
• Inventive means that the subject matter must not be obvious.
Patentable Subject Matter

- May Fintech inventions are software based.
- The law on patentability of computer software is complex and varies between countries.
- Most South-East Asian countries follow a similar approach to the European Patent Office.
- This involves considering whether a “technical problem” is solved by the software.
- Software that solves a purely business-related problem – e.g. an app that selects a credit card or bank account with the most beneficial interest rate would generally be considered non-technical and therefore not patentable.
Patentable Subject Matter

- Singapore has a slightly more lenient approach – if software or a method involves technical considerations but ultimately solves a non-technical problem then it may still be patentable.
- In most South East Asian countries inventions relating to new hardware or technical considerations such as improving security in a mobile banking app are considered patentable.
Confidential Information

- Protect an idea by keeping it secret.
- Example – processes implemented on a server that end users cannot see.
- Only works if idea cannot be reverse engineered.
- Can be applicable to non-patentable ideas.
- Patent applications – will be published after 18 months – therefore necessary to decide how to protect innovations early on.
Trade Marks

• Brand names, slogans and logos can be protected as Trade Marks
• Also possible to protect non-traditional marks – 3d shapes, colours and even smells in some countries
• Trade Marks are registered for specific classifications of goods/services.
• Example – fintech app – may be able to the name as a word mark and the icon as a logo.
• Important to check availability of mark before launching/entering new markets.
Copyright

- Gives owner right to prevent others from copying work.
- Copyright generally exists once work has been recorded.
- Fintech – often software/computer program code protected by copyright.
- Limitation of copyright – protects the implementation of an idea – not the idea itself.
Registered Designs

• Generally relate to physical products.
• Protect the appearance of the product (not how it works)
• Some South East Asian countries (e.g. Singapore, Thailand, the Philippines and Malaysia) also allow registered design protection for graphical user interfaces.
• Relatively low cost compared to patents.
• Protect the appearance not underlying functionality.
Case Study 1: Mobile Payment Device

• A German company developed a device that allows commercial operators to accept mobile payments without installing a complex point-of-sale terminal. The main markets for the device were countries without sophisticated infrastructure, including Indonesia and Thailand in South East Asia.
Poll Question 3

Question: How would be the best way to protect?

A. File patent application
B. File trade mark application
C. File registered design application
D. Other type of IP protection
Case Study 1: Mobile Payment Device

- The company initially filed an international (PCT) patent application and then filed national phase applications in Indonesia and Thailand based on the PCT application.
- The company was able to protect the invention in Indonesia and Thailand.
- In this case, the invention related to hardware (i.e. the physical device). This type of subject matter is patentable in most countries; is it generally easier to obtain patent protection for hardware inventions than for software related inventions.
Case Study 2: Online Trading Platform

• A French company developed an online trading platform that included a dashboard displaying the current prices of financial products in an intuitive and user-friendly way.
Poll Question 4

Question: How would be the best way to protect?

A. File patent application
B. File trade mark application
C. File registered design application
D. Other type of IP protection
Case Study 2: Online Trading Platform

- The company filed a registered design application in Singapore to protect the appearance of the dashboard when it was displayed as part of a GUI.
- The design was registered and this provided the company with an asset, demonstrating to investors that the trading platform was protected in Singapore.
- For some fintech products, such as smartphone applications and trading platforms, it can be difficult to obtain patent protection when the core of the product is simply in how financial data is displayed. In such scenarios, registered design protection provides an alternative IPR that may protect the product.
Conclusions

• A variety of IP protection available for Fintech.
• Often strongest protection from a mix of types of IP protection.
• Patents provide the strongest protection, but are generally the most expensive and may take several years to be granted.
• Not all fintech innovations can be protected by patent.
• Confidential information /registered design protection may also be an option.
• Important to consider strategy early – i.e. before disclosing / launching.
Thanks for your attention

Questions?
Check Out our brand-new SEA Fintech Guide

SOUTH-EAST ASIA
IPR SME HELPDESK

Live at 10-13:00 (CET) / 15-18:00 (ICT)
20-30 July 2020

SMALL TALK
Free 30-minutes Consulting sessions with IP Expert

BOOK NOW!
Thank you for your attention!
Stay connected!

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