

# Managing Intellectual Property™

Incorporating IP Asia  
May 2007  
www.managingip.com

SPECIAL FOCUS: **LIFE  
SCIENCE AND MALAYSIA**

## BIOTECH CASES THAT WILL SHAPE THE INDUSTRY

CUT YOUR UK  
LITIGATION  
COSTS

A PATENT  
TROLL  
BATTLE PLAN

LICENSING IN  
EUROPE AFTER  
*MEDIMMUNE*

AN OPEN  
LETTER  
TO EBAY

Karen Abraham of Shearn Delamore & Co outlines Malaysia's new approach to sniffing out piracy and combating counterfeiting

# Zero tolerance for infringement

It made news the world over, putting Malaysia once again in the spotlight for its innovative anti-piracy measures. No, it was not the \$3 million worth of optical discs seized or another pirate syndicate smashed – it was Lucky & Flo.

Lucky and Flo are adorable female black Labradors specially flown in from Belfast, Northern Ireland, by the Motion Picture Association. These two highly skilled and trained dogs have been instrumental in successfully sniffing out polycarbonate – an essential ingredient used in making optical discs – simultaneously crippling a pirate syndicate in Malaysia. The operation witnessed the seizure of over 1 million pirated discs, 20 computers, and 12 CD burners. It is reported that the discs were bound for distribution in Hong Kong, Singapore, Japan and the United Kingdom.

Recently Malaysia has, through the Enforcement Division of the Ministry of Domestic Trade & Consumer Affairs (the MDTCA), stepped up its efforts to combat piracy and counterfeiting activities. The recent negotiations between Malaysia and the US to reach a consensus on their free-trade agreement make it apparent that Malaysia has adopted a zero tolerance policy regarding the violation and exploitation of IP rights.

As Malaysia remains on the Special 301 watch list initiated by the USTR, the Malaysian government has taken steps such as continuous seizures, introduction of hologram labels for digital media, mobile phones and pharmaceutical products, security markings for tobacco products, and most recently, the instance of Lucky and Flo.

## King stock – pre-emptive measures

It is often the case that an IP owner only invests in a vigilant strategy to address the unlawful exploitation of its IP rights after an infringement has occurred. It is prudent to have a complete inventory of all IP components of a company's intellectual capital to contain or eliminate any unlawful violation of its IP assets.

Generally trade marks are filed when the mark is in use or intended for use. Periodic searches at the Trade Marks Registry will reveal identical/similar marks that have been applied for by a potential infringer. Once a mark has been identified, the IP owner can:

- maintain a watching service of the mark;
- oppose the mark;
- send a cease and desist letter to the

applicant demanding they withdraw the offending mark and refrain from using the mark; and/or

- conduct a market survey to ascertain if the mark applied is being used.

Having identified the offending mark on the Register, the owner can then monitor the progress of the mark by conducting a watching service. Once the mark progresses to publication, the IP owner can then lodge an opposition to obstruct the mark from progressing to registration.

It might be wise to conduct a proprietary search on directors of the company that have applied for the offending mark. This might reveal registered companies that have adopted a name encompassing the offending mark.

Also, as cross-border trade becomes seamless, it is wise to keep watch on market trends and to keep ahead of one's competitor by conducting market surveys regularly. Surveys can be carried out internally or through highly skilled investigators to secure evidential proof of any exploitation of one's IP asset.

## The traditional route

### Civil recourse

As in most jurisdictions, an IP owner who has registered its rights (IPR) and/or has earned common law rights in Malaysia, having found that its IPR has been adversely exploited, may pursue civil recourse.

In a civil action the plaintiff carries the burden of furnishing the courts with evidential proof of its right to assert a claim in its IP, evidence that an infringement has occurred, and that damages have been suffered or are likely to be suffered.

Depending on the evidence and the facts the IP owner might then have access to remedies such as an interlocutory

### Karen Abraham



Karen Abraham is an advocate and solicitor of Malaysia and South Australia. She jointly heads the IP and IT department of Shearn Delamore & Co. She is the president of the International Association for the Protection of Intellectual Property (AIPPI), Malaysian Chapter. Abraham's practice covers both litigation and advisory matters relating to IP and IT. She has crafted brand management programmes for leading multinational companies and has designed anti-counterfeiting and anti-piracy programmes and strategies for some of the largest global IP brands. She advocates mediative of IP disputes in Malaysia and has been appointed to the Panel of Neutrals of INTA. Abraham is also an accredited mediator of the Malaysian Mediation Centre and an associate member of the Chartered Institute of Arbitrators (UK). She is the author of several international publications and has been invited to speak at international IP conferences including AIPPI, ASIPI, APAA, INTA, LawAsia and Marques.