

# BUSINESS BRIEF: MALAYSIA

Malaysia provides a comprehensive legal framework governing the various intellectual property rights. The Malaysian government's commitment to, and emphasis on, the protection and enforcement of IP can be seen through the introduction of legislative reform, government enforcement initiatives and the creation of IP policies and incentives.

## Patents

*How do you register or secure patent rights, and is national or international coverage most appropriate?*

Patent protection can be secured by filing a patent with the IP Corporation of Malaysia (MyIPO) where the application will be examined to ascertain whether it meets the requirements of registrability under the provisions of the Patents Act 1983 and the Patents Regulations 1986. A patent has to be new, has to involve an inventive step and must be industrially applicable in order to meet the condition of registration. Once granted, a patent is valid for a period of 20 years from the filing date.

Malaysia also acceded to the Patent Cooperation Treaty (PCT) on May 16, 2006. This has enabled Malaysian patent right owners and companies to take advantage of the PCT filing system, filing and prosecuting patent applications and protect inventions internationally. The PCT system further simplifies the procedure for foreign applicants who wish to protect their patents in Malaysia.

*Where can you find information on existing patents in your jurisdiction?*

It is advisable to conduct a search in order to ascertain whether an invention is new prior to filing the patent. A search on Malaysian patents can be conducted at the public search room at MyIPO or via the Internet on the Patent and Trade Mark Administration System (PANTAS) for searches on earlier Malaysian patent documents.

*What are the key threats to patent owners, and what is the best strategy if you suspect someone is infringing your patent?*

Key threats to a patent owner are the risk of a patent

being invalidated and the risk of infringement of their patents. Disclosure of an invention prior to filing the patent is a common mistake among patent owners as such a disclosure can affect the novelty requirement. Securing a patent and taking proactive steps to avoid the patent from being vulnerable to patent invalidation suits are also concerns for patent owners. Companies should be aware that ignorance of the existence of a patent right may not be a defence to infringement.

Embarking on a patent litigation suit at first instance may be very costly. Sending a cease and desist letter to the wrongdoer is a pre-contentious measure which could be self-funding as damages and cost could be sought. Other preemptive measures should also be considered.

*Have there been any changes to the patent law in the last 18 months?*

On February 15, 2011, amendments were made to the patent regulations to introduce the provision of expedited examination, whereby applicants may request approval to undertake an expedited examination after 18 months from the priority date or filing date of the application, which helps reduce the time frame for obtaining patent registration.

## Trademarks

*How do you register or secure trademark rights and what protection does it grant?*

The registration of trademarks is governed under the Trademarks Act 1976 and the Trademark Regulations 1997. An application to register a trademark can be made by any party claiming to be the *bona fide* owner of the mark. Registration of a trademark provides exclusivity to the registered proprietor to use the mark on the goods or services for which the mark is registered, and the *prima facie* right to take legal action under trademark infringement against wrongful use of the registered mark, or any confusingly similar mark, in relation to the goods or services in respect of which the mark is registered. The trademark is protected for a

period of 10 years and can be renewed every 10 years thereafter.

If the trademark is not registered, the proprietor of the mark will have to rely on the common law remedy of passing off; this involves the owner of the mark establishing its rights through evidence, which is more burdensome and expensive to establish.

*What are the key threats to trademark owners?*

A key threat to trademark owners is the unlawful misappropriation of their trademark rights, which has become ever more frequent with the growth of the online trading environment.

*What are the most common mistakes trademarks owners make?*

A common mistake of trademark owners is to invest in product development, branding and the marketing of their products only to realise later that the trademark is not available for use and registration. Adopting a brand protection and registration strategy, including an emphasis on pre-filing searches in the local and foreign trademark registers, is an important consideration before embarking on a new brand.

*Have there been any changes to the trademark law in the last 18 months?*

Expedited examination of trademark applications was introduced on February 15, 2011. Online filing of trademarks and patents has also been implemented. Malaysia is expected to accede to the Madrid Protocol in 2013.

An expected and significant change to the trademark legislation is the introduction of non-traditional trademarks which would expand the definition of a trademark to include 3D marks, colour, smell, sound and other non-conventional marks.

## Copyright

*How should people ensure they are protected against copyright infringement?*

Copyright protection is governed under the

Copyright Act 1987. There is no formal system of registration of copyright in Malaysia. The Copyright Amendment Act 2012 which came into operation on March 1, 2012, seeks to put in place a mechanism for a Register of Copyright which will contain all particulars relating to the copyright in a work.

It is advisable to document each creation of work which is eligible for copyright and affirm a statutory declaration stating the ownership and subsistence of copyright in the work. The statutory declaration is admissible in any proceedings in court and is *prima facie* evidence of the facts as stated therein.

#### *What are the key challenges to copyright holders in your jurisdiction?*

Enforcement of copyright by the owner has become more challenging, with infringers becoming more sophisticated due to the advancement of technology. This has increased the commercial trade of pirated goods by leaps and bounds.

#### *What is the best way to deal with infringement?*

Acts of infringement are actionable under criminal or civil actions. A civil mode of action is appropriate when the identity of the offending party is known and when they are financially able to pay any damages and costs sought by the copyright owner. Criminal prosecution under the Copyright Act 1987 grants the police and the enforcement division wider enforcement powers to enter premises when there is reasonable cause to suspect that the premises houses infringing copies, or equipment to make such copies. The Amendment Act also seeks to extend the police's rights to access computerised or digitalised data during an investigation. In addition, the Amendment Act includes prohibitions on recording of films on camcorders and a limitation on Internet service provider liability.

### Counterfeiting

#### *How big a problem is counterfeiting in your jurisdiction?*

Counterfeiting activity affecting both international

and domestic businesses has increased at an alarming rate, and has become a major concern in Malaysia. Apart from the infiltration of counterfeit branded goods including fashion, luxury wear and electronic and communication equipment, traditional health products and medicine have also been subject to imitation.

#### *What are the best strategies for dealing with the problem?*

An ideal strategy would be to work towards improving the public enforcement machinery with the setting up of special task forces and a more fully integrated enforcement system that combines the efforts of customs with enforcement under the Ministry, revenue collecting and consumer protection agencies and the IP owners in conducting raids and exercising border measure controls, in order to reduce the infiltration of counterfeit goods into the country.

While Malaysia is still perceived as one of the major transit ports for counterfeit goods, the Malaysian government's efforts to curb counterfeits goods have been applauded internationally. In October 2011, the government launched a central database listing of the particulars of registered trademark holders (Basket of Brands) that would enable the enforcement division to take proactive measures against infringers of trademarks which are already on this list.

### General

#### *Are there any legislative changes to the IP regime that would make life easier for businesses?*

The Trade Descriptions Act 2011 (which replaced the Trade Descriptions Act 1972) which came into force on November 1, 2011 is a powerful tool. A registered trademark owner may apply to the High Court for a trade description order so as to enlist the services of the enforcement division to conduct raids. Under the new act, the validity period of a trade description order has been reduced from five years to one year. ■

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