

BUSINESS BRIEF: MALAYSIA

The shift of economies from manufacturing to knowledge-based economies has made IP an increasingly recognised key business asset of a company. There is now increased appreciation of the value of innovation and intellectual assets as a catalyst of economic growth. With this in mind, the Malaysian government's efforts in introducing legislative changes and policies combined with its effective IP enforcement strategy is aimed to transform the IP landscape in order to project the country's competitive edge as an investment destination.

Patents

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

A patent is a form of legal protection given to new inventions. An invention, which may be either a product or process, may be patented so long as it is new, involves an inventive step and is industrially applicable.

Patent protection in Malaysia 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. A granted patent is valid for a period of 20 years from the filing date.

A patent filing strategy is best adopted when deciding whether to seek patent protection locally and/or internationally. Since May 16, 2006, Malaysian patent owners and companies have been able to take advantage of the Patent Cooperation Treaty filing system to file and prosecute patent applications and protect inventions internationally.

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

Information on existing Malaysian patents can be found by conducting a search at the Public Search Room at MyIPO or online at the Patent and Trade Mark Administration System (PANTAS).

Is there anything unusual about the patent law that companies should be aware of? What are the most common mistakes businesses make?

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 of the patent. Failing to conduct comprehensive prior art searches is also a common mistake which can result in the patent owner running the risk of having its patent challenged.

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

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 like publishing the proprietary rights in the media in order to forewarn the trade and public of the owner's seriousness in protecting and enforcing its proprietary rights should also be considered before embarking on a full scale patent litigation suit.

Have there been any changes to the patent law(s) in the last 12 months?

No, but since February 15, 2011, expedited examination of patent applications has been allowed whereby applicants may request an approval to undertake an expedited examination after 18 months from the priority date or filing date of the application.

Trademarks

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

Registration of a trademark is obtained by filing the application at MyIPO. Trademark protection 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. Protection is available for unregistered rights under common law.

What are the key threats to trademark owners and what is the best strategy for dealing with infringement?

The Internet has provided an expansive platform for increasing the sale of infringing goods. The misuse of the owner's mark particularly in the online environment has become more prevalent and is a key threat to trademark owners. Brand vigilance along with prompt action is an important strategy that should be adopted against the misappropriation of a trademark.

What are the most common mistakes trademark owners make?

Failing to conduct clearance searches on the Trademark Register at both national and global levels is a common occurrence. Ascertaining whether the trademark encompasses a common name or trade name is also prudent before embarking on a new brand.

Have there been any changes to the trademarks law(s) in the last 12 months?

No, but since February 15, 2011, expedited examination of trademark applications has been allowed. Forthcoming amendments will include provisions to facilitate Malaysia's accession to the Madrid Protocol. Another significant change to the trademark legislation which is much hoped-for is the introduction of non-traditional trademarks that would expand the definition of a trademark to include three-dimensional marks, colour, smell, sound and other non-conventional marks.

Copyright

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

The commercial trade of pirated goods has seen a sharp increase due to the advancement

of technology and sophisticated circumvention measures by infringers, thus making the enforcement of copyright even more challenging.

Acts of infringement are actionable under both criminal and civil actions. The Copyright Act 1987 grants the police and Ministry of Domestic Trade, Cooperatives and Consumerism (MDTCC) wide enforcement powers. The act provides both enforcement bodies power to enter into any premises when there is a reasonable cause for suspecting that such premises house any infringing copies or contrivances for making infringing copies, and seize these infringing copies or contrivances with a warrant.

How should people ensure they are protected against copyright infringement?

The Copyright (Voluntary Notification) Regulations 2012, which came into force on June 1, 2012, enables a right holder voluntarily to give notification to the Registrar of Copyright of its interest in the copyrighted works, with the payment of the prescribed fees.

Documenting each creation of work which is eligible for copyright and affirming a statutory declaration declaring the ownership and subsistence of copyright in the work is advisable. The statutory declaration is admissible in any proceedings in Court and is *prima facie* evidence of the facts.

Have there been any changes to the copyright law(s) in the last 12 months?

The Copyright (Amendment) Act 2012 came into force on March 1, 2012. Some of the key features of the amendments are prohibition of the recording of films with a camcorder in a screening room, the provision for a notice and takedown system in respect of copyright infringements on the Internet by the Internet service provider and the extension of right of the police to have access to computerised or digitalised data in carrying out investigations.

Counterfeiting

How big a problem is counterfeiting in your jurisdiction?

Malaysia's responsiveness against counterfeiting and piracy was rewarded when it was announced in April 2012 that it had been removed from the US Trade Representative's 2012 *Special 301 Review*. Nevertheless, counterfeiting activities are still a major concern in Malaysia.

What are the best strategies for dealing with the problem?

Improving the public enforcement machinery with the setting up of task forces and increased interaction between the enforcement officers under the MDTCC, MyIPO, the attorney general's chambers, the Malaysian Customs officials and the IP owners in the conducting of raids and enforcement of border measures are effective strategies in reducing the infiltration and entry of counterfeit and pirated goods into the country.

The Trade Descriptions Act 2011 came into force on November 1, 2011 and is a powerful tool in enforcing the rights of a trademark owner. A Trade Description Order (TDO) is a declaratory order granted by a High Court under the act in pronouncing whether an offending mark is a false trade description. The TDO is used in order to enlist the enforcement division to conduct raids. Under the new act, the validity period of a TDO has been reduced from five years to one year.

General

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

Malaysia is still perceived as one of the major transit ports for counterfeit goods. The Trade Marks Act 1976 accords customs officers and trademark owners the power to take action at the borders of Malaysia. Due to the highly onerous requirements imposed in the act, these border measures are rarely invoked by IP owners.

It is hoped that the proposed amendments to the trademark legislation will address these shortcomings. There is a proposal for the inclusion of provisions to allow for the monetisation and securitisation of IP rights including patent and trademark rights. Such a move would facilitate the acceptance of IP rights as security for loans by financial institutions. ■

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Karen Abraham (above left) has more than 20 years of IP experience covering IP litigation, mediation, enforcement and brand consultation and management relating to the full gamut of IP-related matters. She has crafted brand management programmes for leading multinational companies locally and throughout the world and has designed anti-counterfeiting and anti-piracy programmes and strategies for global IP brands.

Jyeshta Mahendran (above right) graduated with a BSc Honours in law and chemistry from the University of Keele, UK and was called to the Bar of England and Wales (Lincoln's Inn) the following year. Mahendran is a registered trademark and industrial design agent. She has been actively involved in the field of IP for more than 10 years.