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Business brief 2016: Malaysia

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Patents

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

Patent rights in Malaysia are secured nationally by filing a patent with the Intellectual Property Corporation of Malaysia (MyIPO). Since May 16, 2006, individual patent owners and companies have been able to take advantage of the Patent Cooperation Treaty (PCT) filing system to file and prosecute patent applications and protect their inventions internationally. The PCT national phase is a preferred route for foreign applicants as they can make an early assessment of the prospects of registrability of their patents having had the benefit of the international search report and written opinion.

The Trans-Pacific Partnership (TPP) establishes and affirms long-standing standards for patents, based on the TRIPS Agreement and international best practices. The TPP requirements on patentable subject matter, exceptions to patent exclusivity, patent revocation provisions and the 12-month grace period for public disclosure are provisions which are already reflected in existing patent laws in Malaysia.

The TPP also introduces greater transparency in terms of the requirement of publication of a patent, including the publication of search and examination results. Current laws only allow for public inspection of certain information on a patent application without any provision for request for early publication.

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

someone is infringing your patent?

There are various considerations at play when deciding on what patent filing strategy to adopt. Business and marketing strategies, monetary considerations, effectiveness of enforceability and the presence of competition are some of the factors that should be taken into consideration when deciding whether to seek patent protection locally and/or internationally. The current availability of expedited examination in Malaysia is a helpful measure to fast track patent grant.

In addition, the TPP has introduced a requirement where the patent term can be extended if there is an unreasonable delay on the side of the MyIPO's issuance of a patent. Such measures are welcomed as they will improve the efficiency of MyIPO and compensate the patent owner, which will be able to exploit its patent commercially for the expected life of the patent.

Companies in the field of pharmaceutical or healthcare research that wish to patent their invention should be mindful about the strict regulations on patents related to such drugs. With respect to pharma patents, the TPP raises public policy issues which are hoped to balance public health concerns, particularly in relation to the access of generic medicines, and at the same time protect the interests of pharma manufacturers.

As an example, the TPP requires that undisclosed test or other data submitted for marketing approval of a new pharma product to be protected for a period of five years from the date of such marketing approval. Patent linkage obligations under the TPP would be another new obligation which will require administrative action on the part of the Drug Control Authority (DCA) in Malaysia. This will allow patent owners to be notified by the DCA of applicants requesting marketing approval and hence will facilitate enforcement of patent rights by way of early notification.

Trademarks

Are there any nuances in the trademark law(s) that foreign companies should be aware of?

The recordal of a registered user of a mark is currently provided for under the existing trademark provisions, which serve as a condition of use of a trademark by a licensee. By recording the licensee as a registered user, use of the mark by the licensee will be deemed to constitute use by the owner of the mark. The TPP has done away with such a requirement to record a licence and hence the provision to record the licence may soon become academic.

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Waiving the requirement of the recordal could be a way for IP owners to avoid encountering an

additional challenge of non-recordal of their marks when enforcing their trademark rights.

In a cancellation action, it is essential for the party seeking cancellation to pass the *locus standi* threshold, where applicants have to show that they were aggrieved by the registrations of the marks they wish to cancel.

Copyright

How should people ensure they are protected against copyright infringement?

The enforcement of copyright has become highly relevant especially in relation to cross-border infringement due to the advancement of technology and the lack of cyber regulations. The sophisticated circumvention measures by copyright infringers have also posed difficulties in the enforcement of copyright on pirated goods.

Since there is no registration system providing for copyright protection in Malaysia, and in order to facilitate proof of ownership, it is advisable to document all works in a tangible form and affirm a statutory declaration of the ownership and subsistence of copyright in the work.

With the introduction of the Copyright (Voluntary Notification) Regulations 2012, one should voluntarily file notification of interest in the copyrighted works to the Registrar of Copyright and by affirming a statutory declaration where the facts stated will be admissible as *prima facie* evidence in court.

What is the best way to deal with infringement?

It is customary practice to send a letter of demand or a cease and desist letter to the infringer before initiating a civil action. Acts of copyright infringement are actionable under both a criminal and a civil action. Under the Copyright Act 1987, police and enforcement officials can exercise their enforcement powers to enter any premises if they reasonably believe or suspect that such premises have any infringing materials, and seize these infringing materials with a warrant.

An injunction to halt the production of copyright works or a request for a court order for delivery of and forfeiture in relation to all copies of the owner's copyright works or material could also be one of the effective ways to deal with infringement.

Counterfeiting

How big a problem is counterfeiting in your jurisdiction?

There have been limited developments on the legislative and procedural front in terms of enforcement of counterfeiting activities. However, the country is relentless in its efforts to combat the proliferation of counterfeit products in the market by increasing the intensity of raids and public awareness campaigns. This has achieved results whereby Malaysia stayed off the US Trade Representative's "Special 301" report's priority watch in 2015.

The interaction of all stakeholders, ie, the enforcement officers of Ministry of Domestic Trade, Cooperatives and Consumerism, MyIPO, the Attorney General's Chambers, Malaysian customs officials and IP owners also seems to be an effective anti-counterfeiting strategy.

What industries are particularly at threat?

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.

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