

BUSINESS BRIEF: MALAYSIA

Patents

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

Patent rights can be secured by filing a patent at the Intellectual Property Corporation of Malaysia (MyIPO). Since May 16, 2006, individual patent owners and companies have been able to use the Patent Cooperation Treaty (PCT) system to file and prosecute patent applications and protect their inventions internationally.

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.

Is there anything unusual about the patent law(s) that companies should be aware of, and what are the most common mistakes businesses make?

Conducting prior art searches is a strategic move that should be adopted before filing a patent to avoid it being invalidated. Disclosure of an invention before filing the patent should be avoided as it can affect the novelty requirement. Malaysian patent provisions provide a one-year grace period preceding the date of the patent application.

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

A key threat is having patents infringed and challenged or invalidated. Rather than embarking on a civil suit at first instance, which may prove both costly and time-consuming, right owners can opt for pre-emptive measures, including warning notices asserting proprietary rights but giving the option of licensing agreements, and cease-and-desist letters.

Trademarks

How do you register or secure trademark rights and what protection do they grant?

Trademark registration is obtained by filing the mark 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 carry out trademark infringement proceedings against anyone using the marks without consent.

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

The key threats are counterfeiting and infringement, particularly in the digital space. The internet has provided an expansive platform for increasing the sale of infringing goods. The anonymity and global nature of the internet makes it hard to trace those who operate websites that sell infringing goods.

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

There have not been any significant changes, although we await Malaysia's accession to the Madrid Protocol, which is expected this year. The Trade Marks Act 1976 may also undergo some changes with the proposed introduction of non-traditional trademarks including sounds, colours, smells, taste or a combination of these elements.

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

Expedited examination of trademarks is now available, which shortens the pending period of an application. This is useful in cases where the applicant is seeking to pursue an injunction or infringement action.

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.

Counterfeiting

How big a problem is counterfeiting in your jurisdiction?

Counterfeiting has proven to be a growing problem despite legislative changes, preventive measures, education and awareness campaigns. However, the government's efforts have yielded results with the US Trade Representative's (USTR) Special 301 Report 2014, an annual report which assesses the US's trading partners' efforts to protect IP, having removed Malaysia from its 'watch list'.

The use of digital technologies presents a form of anonymity, thereby making it an ideal platform for selling counterfeit goods online. This makes policing and combating counterfeits an arduous task. Further, Malaysia's strategic location makes it an attractive transit point for such goods.

The border measure provisions are still under-utilised, although these are powerful tools to restrict and prohibit the importation of counterfeit goods into the country.

What industries are particularly at threat?

Fashion, luxury wear, electronic and communication equipment, traditional health products and medicine.

What are the best strategies for dealing with the problem?

The best enforcement strategies are ones which involve the interaction of all interested parties, ie, enforcement officers under the Ministry of Domestic Trade, Co-operatives and Consumerism (MDTCC), MyIPO, the Attorney General's Chambers, Malaysian customs officials and IP owners.

The Trade Descriptions Act 2011 is a powerful

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tool for enforcing trademark rights. A Trade Description Order (TDO) is a declaratory order granted by the High Courts that says whether an offending mark is a false trade description. Where a TDO has been issued, the enforcement division will act on the complaint and carry out the relevant seizures.

Where the identity of the main infringer is known and there is knowledge that the party has sufficient assets to pay damages and costs, a civil suit may also be contemplated.

How can public-private partnerships to tackle counterfeiting be improved?

Closer interaction between public and private groups can significantly help to curtail counterfeiting activities. The Basket of Brands programme is one example of a joint effort between brand owners and the public enforcement unit, where the enforcement division conducts raids for the brands registered under this programme without the need for investigations and the lodging of formal complaints.

Joint training sessions with the Royal Malaysian Customs (RMC) have also seen encouraging results, where the emphasis is to create a training platform for RMC officials to enhance brand knowledge and recognition.

Copyright

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

Copyright is fraught with challenges, mainly associated with the advancement of technology and the lack of regulations to curb online copyright infringement. The sophisticated circumvention measures by copyright infringers has also posed difficulties.

How should people ensure they are protected against copyright infringement?

There is no registration system for copyright.

Parties should document all works in a tangible form and affirm a statutory declaration of copyright ownership.

What is the best way to deal with infringement?

It is customary to send a letter of demand or a cease-and-desist letter before initiating a civil action. Acts of copyright infringement are actionable under both a criminal and civil action. Under the Copyright Act 1987, police and enforcement officials at the MDTCC can exercise their 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-infringing works could also be effective.



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General

Are there any other IP developments we should know about?

The Industrial Designs (Amendment) Act 2013 (IDAA 2013), which came into force on July 1, 2013, introduced several amendments. First, the standard of novelty changed to worldwide from local. Another significant change brought by the IDAA 2013 is the extension of the registration period from 15 to 25 years.

Additionally, the government is spearheading efforts to enable businesses to expand using IP rights as collateral means to obtain financing. A valuation model will be created to enable IP rights to be valued and commercialised in the market.

The trademark, copyright and patent acts are also in the midst of being amended in order to include provisions for the securitisation and monetisation of IP. ■



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