

# BUSINESS BRIEF: MALAYSIA

Significant steps have been taken by the Malaysian government to improve IP protection and enforcement in the country as Malaysia takes a more holistic and innovative approach to charting the development and growth of the IP system.

## Patents

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

Patent rights in Malaysia can be 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 route is the preferred one for foreign applicants as they can make an early assessment of the prospects of registering their patents, having had the benefit of an international search report and written opinion.

Business and marketing strategies, monetary considerations, the effectiveness of enforceability and the presence of competition should be considered when deciding whether to seek patent protection locally and/or 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 via internet access to the Patent and Trade Mark Administration System (PANTAS), which is an online search system.

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

Patent applicants should conduct prior art searches before filing to avoid the patent from later being invalidated. Disclosure of an invention prior to

filing the patent should be avoided as this can affect the novelty requirement of the patent. 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 to patent owners is having their patents infringed and challenged. Rather than embarking on a civil suit at first instance, which may prove to be both costly and time-consuming, rights holders can opt for pre-emptive measures, including issuing warning notices, cease-and-desist letters, or undertaking/agreements, where a warning letter or demand notice gives the rights holder the opportunity to enter into agreements with the infringer, which is then compelled to cease trading in the infringing goods in lieu of civil proceedings.

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

We have not had any changes in Malaysian patent laws in the last 12 months. One significant change which took place on February 15, 2011 was the introduction of expedited examination of patent applications.

The Industrial Designs (Amendment) Act 2013 (IDAA 2013) which came into force on July 1, 2013 has introduced several amendments. First, the standard of novelty has changed to worldwide novelty from local novelty. Another significant change is the extension of the period of registration from 15 to 25 years. It is important to note that the extension period to 25 years is also applicable to industrial designs registered under the IDA 1996 which were registered before July 1, 2013.

## Trademarks

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

Trademark registration in Malaysia 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 take legal action under trademark infringement. Protection is available for unregistered rights under the common law of passing.

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

Brand vigilance along with prompt action against misappropriation of rights should be adopted. The internet has provided an expansive platform for increasing the sale of infringing goods.

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

Conducting searches to ascertain whether a trademark encompasses a common name or trade name is sometimes disregarded when deciding on a new brand. Failing to conduct clearance searches on the Trademark Register at both a national and a global level is also a common mistake.

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

Expedited examination of trademark applications was introduced on February 15, 2011. Forthcoming amendments will include provisions to facilitate Malaysia's accession to the Madrid Protocol. Another significant change to the trademark legislation which is much anticipated 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

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

Sophisticated circumvention measures by copyright infringers have posed difficulties in the enforcement of copyright on pirated goods. The commercial trade of pirated goods has also now become organised

crime, controlled by syndicates, which makes eradicating such offences more challenging using the existing copyright and related legislation.

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

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 as stated in the statutory declaration.

Furthermore, the Copyright (Voluntary Notification) Regulations 2012 enable a rights holder to voluntarily give notification to the Registrar of Copyright of its interest in the copyrighted works, with the payment of the prescribed fees.

*What is the best way to deal with infringement, and what are the costs associated with it?*

Acts of copyright infringement are actionable under both a criminal and civil action. The Copyright Act 1987 grants the police and the Ministry of Domestic Trade, Cooperatives and Consumerism (MDTCC) powers 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.

## Counterfeiting

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

While significant steps have been taken by the government in the enforcement of IP rights, counterfeiting is still a big problem. Developing countries such as Malaysia continue to be an attractive transit point for such goods. Further, the low cost of manufacturing of counterfeit goods in its neighbouring countries further increases the movement and accessibility of such goods into Malaysia.

**“THE LOW COST OF MANUFACTURING OF COUNTERFEIT GOODS IN ITS NEIGHBOURING COUNTRIES FURTHER INCREASES THE MOVEMENT AND ACCESSIBILITY OF SUCH GOODS INTO MALAYSIA.”**

*What industries are particularly at threat?*

Counterfeiting activities are a major concern in Malaysia in relation to all types of goods. Fashion, luxury wear, CDs, DVDs, electronic and communication equipment, traditional health products and medicine are the more popular subjects of imitation.

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

The Trade Descriptions Act 2011 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, pronouncing whether an offending mark is a false trade description. The TDO is used 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.

Improving the public enforcement machinery with the setting up of task forces and the increased interaction of all relevant officials and IP owners in the conducting of raids and enforcement of border measures are effective strategies to reduce the infiltration and entry of counterfeit and pirated goods into the country. Enforcement of counterfeit goods in Free Trade Zones should also be given priority.

## General

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

Simpler processes for invoking border measure provisions should be introduced. Laws and

procedures should also be put into place to include the power and authority of customs to help prohibit the import and export of counterfeit goods at all the entry points in the country. There is also an increasing focus on encouraging and facilitating IP valuation and financing in Malaysia. ■

*Jyeshta Mahendran is a partner in the IP department of Shearn Delamore & Co. She can be contacted at: [jyeshta@shearndelamore.com](mailto:jyeshta@shearndelamore.com)*



**Jyeshta Mahendran** graduated with a BSc Honours in law and chemistry from the University of Keele, UK, in 1994 and was called to the Bar of England and Wales (Lincoln's Inn) the following year. In 1997, she was admitted as an advocate and solicitor of the High Court of Malaya. Mahendran is a registered trademark and industrial design agent. She is also part of the Competition Law practice group.