

# THE INTELLECTUAL PROPERTY REVIEW

TENTH EDITION

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# MALAYSIA

*Karen Abraham<sup>1</sup>*

## I FORMS OF INTELLECTUAL PROPERTY PROTECTION

### i Patents

Patents are governed by the Patents Act 1983 (PA 1983) and the Patents Regulations 1986 (PR 1986). An invention must be new, involve an inventive step and be industrially applicable to qualify for registration and protection under the 1983 Act. Patents are granted 20 years of protection from the earliest date of filing, subject to payment of annual fees.<sup>2</sup>

### ii Utility innovations

Often referred to as ‘minor inventions’, utility innovations (UI) are also governed by the PA 1983 and by the PR 1986. Protection is granted to inventions that are new and industrially applicable, but which are not required to satisfy the test of inventiveness.<sup>3</sup> A UI may only have one claim. UIs are protected for 10 years, and the owner of the UI certificate may apply for an extension for an additional five years, and a further and second additional period of five years (10+5+5).<sup>4</sup>

### iii Copyright

The law of copyright is governed by the Copyrights Act 1987 (CA 1987) and Copyright Regulations. Malaysia does not have an official register for copyrights; however, copyright holders may file a Copyright Voluntary Notification (CVN) with the Intellectual Property Corporation of Malaysia (MyIPO) to obtain prima facie evidence of ownership and evidence of the date of creation.<sup>5</sup> The CVN acts as assistance to prove copyright ownership in court.

The duration of copyright is dependent upon the type of work:

- a* literary, musical or artistic works subsist during the life of the author plus 50 years after his or her death;<sup>6</sup>

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1 Karen Abraham is a partner and head of intellectual property at Shearn Delamore & Co. Special thanks to Raghuram Supramaniam, Stella Chai Han Qin, and Pravind Chandra for their assistance.

2 Patents Act 1983, S 35(2).

3 *ibid.*, S 17.

4 *ibid.*, Second Schedule.

5 MyIPO, ‘Copyright Voluntary Notification’, [www.myipo.gov.my/en/copyright-voluntary-notification/?lang=en](http://www.myipo.gov.my/en/copyright-voluntary-notification/?lang=en), accessed 15 March 2021.

6 Copyright Act 1987, S 17.

- b* film, sound recordings and performers' rights subsist for 50 years from the date the work was published, or fixed in a fixation for the film and sound recording. For performers, the copyrighted work shall subsist from the date the performance was first performed or fixated in a sound recording;<sup>7</sup> and
- c* broadcasts shall subsist for 50 years from which the broadcast was first made.<sup>8</sup>

The owner of copyright is granted legal, economic and moral rights.

#### **iv Trademarks**

Trademarks in Malaysia are governed by the Trademarks Act 2019 (TMA 2019) and the Trademarks Regulations 2019 (TR 2019). A trademark registration may be validly maintained for an indefinite period of time by renewing it every 10 years.<sup>9</sup> The protection in Malaysia extends to unconventional signs: colour, sound, scent, positioning, sequence of motion or any combination thereof.<sup>10</sup>

Unregistered trademarks are protected in common law under the tort of passing off.

#### **v Industrial design**

Industrial designs are protected under the Industrial Designs Act 1996 (IDA 1996) and the Industrial Designs Regulations 1999 (IDR 1999). To qualify for registration, the design must be: a feature of shape, configuration, pattern or ornament applied to an article by any industrial process that appeals to the eye; new in Malaysia or elsewhere; and not contrary to public order or morality.<sup>11</sup>

A registered industrial design is given an initial protection of five years from the date of filing and is extendable for a further four consecutive terms subject to payment of extension fees (maximum period of 25 years).<sup>12</sup>

#### **vi Geographical indication**

The law of geographical indications in Malaysia is governed by the Geographical Indications Act 2000 (GIA 2000) and the Geographical Indications Regulations 2001 (GIR 2001). Only producers carrying on their activity in the geographical area specified in the Register shall have the right to use a registered geographical indication in the course of trade.<sup>13</sup> Further, a competent authority, trade organisation or association may apply for a geographical indication as well.

Geographical indications are afforded protection for 10 years from the date of filing and may be renewed perpetually every 10 years subject to the payment of renewal fees.<sup>14</sup>

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<sup>7</sup> *ibid.*, ss 19, 20 and 23A.

<sup>8</sup> *ibid.*, S 20.

<sup>9</sup> Trademarks Act 2019, S 39.

<sup>10</sup> MyIPO, 'Trademark Basic', [www.myipo.gov.my/en/trademark-basic/?lang=en%2F#type-trademark](http://www.myipo.gov.my/en/trademark-basic/?lang=en%2F#type-trademark), accessed 15 March 2021.

<sup>11</sup> Industrial Designs Act 1996, ss 12–13.

<sup>12</sup> *ibid.*, S 25.

<sup>13</sup> MyIPO, 'Geographical Indication Basic', [www.myipo.gov.my/en/geographical-indications-basic-2/?lang=en%2F#protection-geographical-indications](http://www.myipo.gov.my/en/geographical-indications-basic-2/?lang=en%2F#protection-geographical-indications), accessed 15 March 2021.

<sup>14</sup> Geographical Indications Act 2000, ss 19 and 19A.

## vii Integrated circuit layout designs

Integrated circuit layout designs (ICLDs) are protected under Layout-Design of an Integrated Circuit Act 2000. It is the three-dimensional disposition of the elements of an integrated circuit and some or all of the interconnections of the integrated circuit, or such three-dimensional disposition prepared for an integrated circuit intended for manufacture.<sup>15</sup>

To qualify for protection, the ICLD must be:

- a* original, whereby it is the result of its creator's own intellectual effort and not commonplace among creators and manufacturers of integrated circuit;
- b* fixed in a material form or incorporated into an integrated circuit at the time of its creation; and
- c* designed by a right holder who is a 'qualified person'.

ICLDs are granted protection for 10 years from the date they are exploited commercially and, in any event, must not exceed 15 years since the date of their creation.<sup>16</sup>

## viii International treaties

Malaysia has acceded to various international IP treaties, including the following:

- a* Paris Convention for the Protection of Industrial Property (Paris Convention);
- b* Convention Establishing the World Intellectual Property Organization (WIPO Convention);
- c* Berne Convention for the Protection of Literary and Artistic Works (Berne Convention);
- d* Agreement on Trade-Related Intellectual Property Rights (TRIPS Agreement);
- e* Patent Cooperation Treaty (PCT);
- f* Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (Nice Agreement);
- g* Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks (Vienna Agreement);
- h* WIPO Performances and Phonograms Treaty;
- i* WIPO Copyright Treaty; and
- j* Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (Madrid Protocol).<sup>17</sup>

# II RECENT DEVELOPMENTS

## i Patents

### *Merck Sharp & Dohme Corp & Anor v. Hovid Bhd [2019] 12 MLJ 66*

The Federal Court had to consider whether the adjudication of an independent claim as invalid would automatically render claims that were dependent on the independent claim as also invalid, without the need for the court to separately consider the validity of each and every dependent claim.

<sup>15</sup> Layout-Design of an Integrated Circuit Act 2000, S 2.

<sup>16</sup> *ibid.*, S 8.

<sup>17</sup> WIPO, 'WIPO-Administered Treaties: Contracting Parties – Malaysia', [https://wipolex.wipo.int/en/treaties/ShowResults?country\\_id=124C](https://wipolex.wipo.int/en/treaties/ShowResults?country_id=124C), accessed 15 March 2021.

The Federal Court reversed its earlier decision in *SKB Shutters Manufacturing Sdn Bhd v. Seng Kong Shutter Industries Sdn Bhd* [2015] 6 MLJ 293, a rare feat undertaken by the Federal Court, and held that a dependent claim is no longer invalid merely on the finding that the claim on which it is dependent is held to be invalid. In this ruling, the majority of the panel felt it essential for the court to evidentially assess each and every claim in a patent (be they independent or dependent) disjunctively from one another. Otherwise, granted claims would not be accorded the due protection that they deserve under the PA 1983.

## ii Trademarks

### *Trademarks Act 2019*

In 2019, Malaysia acceded to the Madrid Protocol. As a result, prospective trademark applicants may now utilise the streamlined process to file and protect their trademarks in over 120 countries or territories of the system by filing a single international application in one language and paying a single set of fees. To ensure compliance with this accession, the TMA 2019 came into force on 27 December 2019, bringing about an overhaul to the earlier Trade Marks Act 1976 (TMA 1976). Among the new introductions are:

- a* registration of non-traditional marks (sound, colour, shape, hologram, etc.);
- b* multi-class applications;
- c* divisions and merger of trademark applications and registrations;
- d* absolute and relative grounds of refusal;
- e* introduction of collective marks, and abolishment of defensive and associated trademarks;
- f* reduction in time to challenge registered marks;
- g* recognition of trademark as a form of security interest;
- h* licensing regime, abolishing the system of registered user under the TMA 1976;
- i* transactions such as assignment, licensing and grant of security interest of a trademark may be registered with the MyIPO;
- j* an expansion to the scope of trademark infringement and exemptions;
- k* additional grounds for revocation for non-use;
- l* consolidated provisions for criminal sanctions and enforcement; and
- m* additional powers to enforcement officers to enforce the TMA 2019.

### *Diesel SPA v. Bontton Sdn Bhd* [2020] MLJU 715

The Court of Appeal had to consider, among other things, whether it may exercise its inherent discretion to make a Declaration of Non-Infringement (DNI) in the absence of infringement proceedings and whether the Court should grant recognition of trademark ownership to a party under the ‘own-name doctrine’.

The Court of Appeal allowed the appeal and set aside the decision of the High Court in denying the declaration. The Court had favoured the submission that the own-name doctrine was enshrined within Section 40(1)(a) TMA 1976. It found that Section 40(1)(a) TMA 1976 contained clear wording that the use in good faith by a person of his or her own name or the name of his or her place of business or the name of the place of business of any of his or her predecessors in business does not constitute an act of infringement of a trademark. The grounds under Section 40(1)(a) were silent as to when and how the provision may be invoked, and this provided the court with the flexibility in applying the own-name doctrine. As it was proven that the appellant had a bona fide intention to use its own name as a mark, in the interests of justice, the Court granted the DNI.

### iii Industrial designs

#### ***CMN International Sdn Bhd & Ors v. Dart Industries Inc and another appeal [2020] MLJU 903***

The Court of Appeal had to consider whether a sub-licensee had the right to bring proceedings for industrial design infringement against another person when he or she was not an exclusive licensee.

In the High Court, the learned judge held that the second plaintiff (sub-licensee of the first plaintiff) had no right to sue as, in order for a licensee to bring an action for design infringement, Section 33(4) of the IDA needs to be satisfied, which it had not, and the second plaintiff was estopped by its sub-licence from filing the suit. The learned judge made a comparison with Section 61 of the Patents Act 1983 and transposed its meaning on to Section 33(4).

The Court of Appeal set aside the High Court's decision. It held that the learned judge had erred in law to compare provisions of the IDA and PA and to impose the applicability of the latter's provisions on to the IDA. Section 61 PA expressly stated that the beneficiary was required to request the owner of the patent to bring infringement proceedings prior to itself filing the suit, Section 33(4) applied to owners of the RID and an 'owner' is stated to include a licensee. Thus, the second plaintiff had the requisite locus to sue under Section 33 of the IDA.

## III OBTAINING PROTECTION

### i Patents

#### ***National applications***

The national application is filed with MyIPO along with the prescribed fee. If the requirements are not fulfilled, the Patent Registrar shall request the applicant, within three months of the request, to file any required corrections. If the applicant does not comply with the request, the applicant will be treated as invalid. If the application contains all of the necessary items above, the Registrar will record as the filing date the date of receipt of the application.

The application will then be subjected to a preliminary examination whereby it will be examined to check compliance with the formal requirements under the PA 1988. As before, if any non-compliance is found, the applicant will be given three months to address and amend the application. Failure to do so will result in the Registrar refusing the application.

Afterwards, the applicant shall make a request for substantive examination to the Registrar with the prescribed fees within 18 months of the filing date of the application, in which the Registrar will refer the application to an examiner to determine whether the application complies with the requirements under PA 1988 and PR 1986. If any of the requirements are not met, the applicant will be requested to make the necessary amendments, whereby refusal would result in the application be refused.

After 18 months from the priority or filing date, the Registrar shall make available the application for public inspection. The application, however, is not published in printed form.

When the Registrar is satisfied that the application complies with all of the requirements under PA 1988 and PR 1986, he or she shall grant the patent by issuing a certificate of grant and recording it in the Register.

### ***International applications***

Applicants for patent protection in many countries may file one single international application as provided by the PCT.<sup>18</sup>

As a matter of course, a PCT application undergoes an international search to ascertain whether there exists any prior art that would affect the patentability of the invention. Completion of the search will result in the issuance of an international search report and a written opinion on the findings. After 18 months from the priority or international filing date, the application and the international search report is published.<sup>19</sup>

The applicant may optionally request an international preliminary examination to be carried out in respect of the application by submitting a demand to MyIPO. The demand must be made within 22 months of the priority or international filing date.<sup>20</sup> An international preliminary examination report on the findings will be issued upon completion.<sup>21</sup>

The national phase of the PCT application commences with the entry of the application into the designated countries, 30 months after the priority or international filing date.<sup>22</sup> Before the end of the 30th month, the applicant must submit to MyIPO a copy of the international application and the prescribed fee.<sup>23</sup> If all of the national filing requirements set out above are complied with, the Registrar may then issue the applicant with a certificate for grant of the patent and record it in the Register.<sup>24</sup>

### ***Biological resources***

Encountered in nature, genetic resources per se are not directly protected under the intellectual property laws in Malaysia.

In the alternative, the Access to Biological Resources and Benefit Sharing Act 2017 (ABRBS 2017) provides for any person who intends to access a biological resource or traditional knowledge associated with a biological resource for commercial or potential commercial purposes to apply for a permit to the relevant competent authority in the form and manner prescribed by the Act, along with the prescribed fee.<sup>25</sup> To ensure the integrity and well-being of indigenous people in possession of the genetic resource, Sections 12(2)(a)–(p) have to be complied with before the competent authority approves of the application.

The ‘benefit sharing agreement’ referred to in the 2017 Act shall be made with the resource provider and based upon mutually agreed terms and provide for fair and equitable benefit sharing.<sup>26</sup> The competent authority shall use any payment or part of the payment received under the agreement towards the biodiversity and the sustainable use of its components and for such other incidental purposes.

The competent authority shall refuse the application if any of the grounds above are not satisfied, or if the applicant is from a jurisdiction that does not provide for adequate

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18 PA 1983 (n 2) S 78G.

19 Patent Corporation Treaty, Article 18(2).

20 Regulations under the Patent Corporation Treaty, Rule 54-*bis*.

21 PCT (n 19), Article 39.

22 PCT (n 19), Article 11.

23 Patent Regulations 1986, Reg 25A.

24 PA 1983 (n 2) S 83A.

25 Access to Biological Resources and Benefit Sharing Act 2017, S 12.

26 *ibid.*, S 22.



and effective measures that require biological resources utilised within its jurisdiction to be accessed in accordance with prior informed consent and that mutually agreed terms are established as provided under the ABRBS 2017.<sup>27</sup>

The 2017 Act also allows an interested person to apply for a permit to access biological resources for non-commercial purposes.<sup>28</sup> The requirements that need to be satisfied for the competent authority to grant a permit are the same as provided by Sections 12(2)(b)–(f), with the addition that the application is not for commercial or potential commercial purpose. Failure to abide by or breach of these provisions will be met with sanctions.<sup>29</sup>

## ii Trademarks

### *National applications*

An application for the registration of a trademark, including a series of trademarks, may be filed with MyIPO accompanied by payment of the prescribed fee.<sup>30</sup> Preferably, prospective applicants are advised to perform a pre-filing search on the trademark and seek professional advice before proceeding.

The examiner may allow or object to the application based on absolute or relative grounds.<sup>31</sup> Upon acceptance, the trademark will be published in the Government Gazette for a period of two months for opposition by any other party. If there is no opposition filed against the trademark, or the opposition has been resolved in favour of the applicant, the trademark will be registered and MyIPO will issue a certificate of registration.<sup>32</sup>

### *International applications (Madrid Protocol)*

International applications may be filed with the International Bureau of WIPO through the intermediary of MyIPO, accompanied by the prescribed fee.<sup>33</sup> To file an international application, the applicant must either be a citizen of, a body or corporation incorporated or constituted in, a person domiciled in, or have a real and effective industrial or commercial establishment in Malaysia.<sup>34</sup>

Further, a home or local trademark must be applied for or registered in Malaysia before the international application can be filed with MyIPO, in which the local application or registration will be used as the basis to file the international application in the name of that person.<sup>35</sup> The international registration will cease to have effect if the basic application or registration is withdrawn, restricted, limited, cancelled, refused, removed, revoked, invalidated or expires.<sup>36</sup>

27 *ibid.*, S 3.

28 *ibid.*, S 15.

29 *ibid.*, S 15(7).

30 Trademark Regulations 2019, Reg 7(1)

31 TMA (n 8), SS 24–25.

32 The IP Co, ‘Trademark Flowchart’, <https://trademarkonline.com.my/trademark/home/trademark-flowchart>, accessed 15 March 2021.

33 TR 2019 (n 30), Reg 61.

34 TR 2019 (n 30), Reg 61(2)

35 TR 2019 (n 30), Reg 61(3)

36 TR 2019 (n 30), Reg 68.

### iii Copyright

#### *Voluntary notification*

In the absence of a mandatory registration system such as that for other IP rights, Malaysia implements a form of public registry in the form of the CVN. The optional requirement of the system is in line with the Berne Convention whereby Member States are free to maintain public registries or a depository system of copyrighted works so long they do not make such compliance mandatory.

A simple and straightforward process, a notification of copyright can be made by a citizen or a permanent resident of Malaysia.<sup>37</sup> To file a CVN with MyIPO, the applicant is required to provide a notarised statutory declaration, the requisite form for either original or derivative works, and a clear copy of the copyright work with the prescribed fees. Copies of the work may be deposited in the forms of compact disc read-only memory (CD ROM), digital video disc (DVD), thumbdrive, external hard disk drive, Secure Digital (SD) card and documents. If the copyright is notified by a representative such as a solicitor, an appointment of representative form is also required.

If the notification of copyright is in order, the controller will issue a letter to the applicant stating that the notification of copyright has been entered into the Register.<sup>38</sup>

## IV ENFORCEMENT OF RIGHTS

### i Possible venues for enforcement

Parties may file a civil suit in the specialised Intellectual Property Court for infringement of any intellectual property right. For patent infringement proceedings, an aggrieved person may institute court proceedings under Section 59 of the PA 1983. Patent invalidation is commonly used a counterclaim to a claim for infringement, and is governed by Sections 56 and 57 PA 1983.

Under Section 56 of the TMA 2019, the registered proprietor of a trademark may institute court proceedings against any person who has infringed, is infringing or is likely to infringe the registered trademark.

Copyright owners may bring a suit for infringement under Section 37 of the Copyright Act 1987 (CA 1987).

TMA 2019 and CA 1987 also provide for criminal sanctions further to the civil remedies mentioned above. Upon lodging a complaint to the Ministry of Domestic Trade and Consumer Affairs (MDTCA) with sufficient evidence, the MDTCA will exercise its search and seizure powers (with or without warrant) under the respective legislation to seize the infringing items from the offender's premises. The MDTCA will then proceed to impose a compound<sup>39</sup> on the offenders or charge them in court.<sup>40</sup> If they are charged, the Deputy Public Prosecutor will prosecute the offenders in the Sessions Court. There is no criminal enforcement available for patent and industrial design infringements.

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37 Copyright Regulations (Voluntary Notification) 2012, Reg 5.

38 *ibid.*, Reg 8.

39 TMA 2019, S 136; CA 1987, S 41A.

40 TMA 2019, S 135; CA 1987, S 53.

## ii Requirements for jurisdiction and venue

The Courts of Judicature Act 1964 provides that the High Court will only have jurisdiction to preside over all civil proceedings where:

- a the cause of action arose;
- b the defendant or one of several defendants resides or has his or her place of business;
- c facts on which proceedings are based exist or alleged to have occurred; or
- d any land, the ownership of which is disputed, is situated, within the local jurisdiction of the court and where all parties consent in writing within the local jurisdiction of the other High Court.<sup>41</sup>

The High Court also has discretion to decide on the applicable jurisdiction and will apply the doctrine of *forums non conveniens*, taking into account factors such as:

- a the convenience and expense of hearing the case in Malaysia compared to another jurisdiction;
- b availability of witnesses; and
- c the law governing the relevant transaction.<sup>42</sup>

## iii Obtaining relevant evidence of infringement and discovery

In any case, the court may order any party to proceedings to give discovery of documents by making and serving on any other party a list of documents that are or have been in his or her possession, custody or power.<sup>43</sup> Parties to proceedings may make an application to court for an order requiring any other party to make an affidavit stating whether any document specified or described in the application or any class of document so specified or described is, or has at any time been, in his or her possession, custody or power, and if not then in his or her possession, custody or power when he or she parted with it and what has become of it.<sup>44</sup>

Where there is a risk that evidence essential to a claimant's case may be destroyed or concealed, the claimant can apply to the courts for an *Anton Piller* order. The *Anton Piller* order permits the claimant to enter into the defendant's premises to inspect and take into custody any documents and articles specified in the order. Any document or article taken into custody can be used by the claimant as evidence.<sup>45</sup>

In addition, it is settled law that improperly or illegally obtained evidence is admissible in Malaysia, provided that it is relevant.<sup>46</sup>

In respect of criminal matters, in addition to the search and seizure powers of the MDTCA to obtain relevant evidence of infringement, it is also common practice for pre-action investigations to be conducted to ascertain, secure and confirm the evidence of infringement.

<sup>41</sup> Courts of Judicature Act 1964, S 23(1).

<sup>42</sup> Timothy Siaw and Melvin Au, 'Patent Litigation in Malaysia: overview' (*Practical Law*, 1 October 2020), [https://uk.practicallaw.thomsonreuters.com/w-027-8895?transitionType=Default&contextData=\(sc.Default\)&firstPage=true#co\\_anchor\\_a477480](https://uk.practicallaw.thomsonreuters.com/w-027-8895?transitionType=Default&contextData=(sc.Default)&firstPage=true#co_anchor_a477480), accessed 15 March 2021.

<sup>43</sup> Rules of Court 2012, O 24 R 3.

<sup>44</sup> *ibid.*, O 24 R 7.

<sup>45</sup> Karen Abraham et al, 'Trade mark litigation in Malaysia: overview' (*Practical Law*, 1 November 2018), [https://uk.practicallaw.thomsonreuters.com/w-027-8895?transitionType=Default&contextData=\(sc.Default\)&firstPage=true#co\\_anchor\\_a477480](https://uk.practicallaw.thomsonreuters.com/w-027-8895?transitionType=Default&contextData=(sc.Default)&firstPage=true#co_anchor_a477480), accessed 15 March 2021.

<sup>46</sup> *Aizuddin Syah bin Ahmad v. Public Prosecutor* [2018] 5 MLJ 220.

#### **iv Trial decision-maker**

Judges presiding over IP cases may possess relevant IP training or technical experience, but these are not required for them to hear such cases. Malaysia does not operate a jury system. Intellectual property cases are heard in the High Court by a single judge. In the Court of Appeal, cases are usually determined by a panel of three judges. In the Federal Court, an application for leave to appeal to the Federal Court will usually be heard and disposed of by three judges, whereas the actual appeal proceedings are often heard by a panel of five judges.

#### **v Structure of the trial**

Registered or common law proprietors, where applicable, may initiate proceedings in Malaysia by way of filing a writ of summons to the court and serving the endorsed writ to the respective defendant. A plaintiff may alternatively file an originating summons for cases that are only concerned with matters of law and are unlikely to have substantial disputes of fact. For actions commenced by way of a writ, the plaintiff will file and serve his or her statement of claim, whereas the defendant will then file and serve his or her defence, and counterclaim if he or she wishes to do so. Afterwards, the plaintiff may file and serve his or her reply to the defence. The process continues by both parties communicating and exchanging and exhausting pleadings and documentary evidence, and the trial date may then be set by the court if the parties still have not chosen to settle. For actions commenced by way of originating summons, the pleadings will be affidavits filed by both parties and instead of a trial, a hearing will be fixed before the court.

In patent infringement or invalidation cases, documentary evidence is often used to establish a party's case, but as a general rule, it may only be admissible as evidence of fact if the maker of the statement has personal knowledge of the statement and is called as a witness in the proceedings.<sup>47</sup> Witnesses are called to prove any alleged fact, and expert witnesses are very often called to assist in issues that require specialised skill or knowledge and in assessing issues through the lens of a 'person skilled in the art', particularly in disputes regarding novelty, inventive step and enabling disclosure. For copyright infringement cases, questions as to originality or whether a substantial part of a work is taken is generally the question for the court, assisted by documentary evidence and witnesses. For trademark infringement or passing-off cases, issues relating to facts may be proved by documentary evidence, witnesses and expert opinions. Survey evidence is admissible and given sufficient weight to support or disprove issues such as acquired distinctiveness or likelihood of confusion, but such survey evidence must meet the minimum criteria as set by case law.

#### **vi Infringement**

##### ***Patents***

Patent infringement consists of performing the exclusive acts of exploiting the patented invention, assigning or transmitting the patent and concluding licence contracts, by a person other than the owner of the patent and without the latter's consent to a product or a process falling within the scope of protection of the patent.<sup>48</sup>

The Malaysian courts have taken different approaches over the years in constructing claims for patent infringement proceedings.

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<sup>47</sup> Timothy (n 42).

<sup>48</sup> PA 1983 (n 2), S 58.

In *Cadware Sdn Bhd v. Ronic Corporation*,<sup>49</sup> the Court of Appeal held that the Malaysian courts ought to adopt the purposive construction approach as proposed by *Improver Corp'n v. Remington Consumer Products Ltd*,<sup>50</sup> and not apply the 'essential integers' test. However, the Court of Appeal in *Yeohata Machineries Sdn Bhd (dahulunya dikenali sebagai Gainindex Sdn Bhd) & Anor v. Coil Master Sdn Bhd & 2 Ors* endorsed the essential integers test.<sup>51</sup>

In *Kingtime International Ltd & Anor v. Petrofac E&C Sdn Bhd*, the High Court had applied the essential integers test, purposive construction approach and also the doctrine of equivalents as endorsed by the English Supreme Court in *Actavis UK Limited and Others v. Eli Lilly and Company*.<sup>52</sup> The trial judge had applied all three tests and found that the defendant had infringed the patent. However, the application of the three tests should not be seen as setting a requirement that all three have to be met to find infringement.<sup>53</sup>

### **Trademarks**

A person infringes a registered trademark if, without the consent of the proprietor of the trademark, he or she uses in the course of trade a sign that is identical or similar to the trademark in relation to goods or services identical or similar to those for which the trademark is registered, resulting in the likelihood of confusion on the part of the public.

Further to civil remedies, the TMA 2019 also provides for criminal sanctions. Section 99 of the Act provides for the imposition of a fine not exceeding 1 million ringgit, imprisonment for a term not exceeding five years, or both, to any person who counterfeits a registered trademark by making an identical or similar mark to a registered trademark with intent to deceive or by falsifying a genuine trademark without the consent of the trademark owner.<sup>54</sup> A Registrar's verification obtained under Section 112 TMA 2019 shall be prima facie evidence in proceedings, civil or criminal, before the court.<sup>55</sup>

### **Copyright**

Copyright is infringed where there is reproduction of the whole or a substantial part of the work. Further, Section 36 of the CA 1987 provides that copyright in a work is infringed when a person who, not being the owner of the copyright, and without licence from the owner, does or authorises an act that is controlled by the CA 1987.<sup>56</sup>

Similar to trademarks, the CA 1987 also empowers the courts to impose criminal penalties. Section 41 of the CA 1987 provides that a person who, during the subsistence of copyright in a work or performers' right, commercially deals with any infringing copy shall be fined an amount within the range of 2,000 to 250,000 ringgit or a term of imprisonment not exceeding 20 years, depending on the type of offence, unless he or she had acted in good faith and had no reasonable grounds for supposing that the rights would be infringed.<sup>57</sup>

49 [2013] 5 AMR 13.

50 [1990] FSR 181

51 [2016] 2 CLJ 414.

52 [2017] UKSC 48.

53 Tay Pek San, *Intellectual Property Law in Malaysia* (2nd edn, Sweet & Maxwell 2020), p643.

54 TMA 2019, S 52.

55 TMA 2019, S 112.

56 CA 1987, S 36.

57 CA 1987, S 41.

## vii Defences

### *Patents*

An alleged infringer can argue that the patent is invalid as a defence on any of the following grounds:<sup>58</sup>

- a* not an invention: the alleged invention is not an invention, that is, it is not an idea that permits, in practice, a solution to a specific problem in a field of technology;
- b* not patentable: the alleged invention is not patentable under the PA 1983;
- c* contrary to public policy: the performance of any act in respect of the claimed invention would be contrary to public order or morality;
- d* not new: the alleged invention is not patentable because it is not new, as it has been anticipated by prior art;
- e* no inventive step: the invention is obvious having regard to what was known or used before the priority date;
- f* not industrially applicable: the invention cannot be made or used in any of kind of industry;
- g* description or claim does not comply with the Patents Regulations 1986: the specification is ambiguous or does not sufficiently and fairly describe the invention and the method by which it is to be performed or does not disclose the best method known to the applicant for the patent and for which they were entitled to claim protection;
- h* patentee not entitled: the right to the patent does not belong to the person to whom the patent was granted;
- i* incomplete or incorrect information: false or incomplete information has been deliberately provided, or caused to be provided, to the Registrar when filing a request for substantive examination by a patentee or their agent;
- j* approval: consent, conditional or otherwise, of the owner of the patent or his licensee;
- k* limitation: the rights under the patent shall extend only to acts done for industrial or commercial purposes and in particular not to acts done only for scientific research; or
- l* declaration of non-infringement: any interested person may request, by instituting court proceedings against the patent owner, that the court declare his or her performance to not constitute infringement.

### *Trademarks*

A common defence to trademark infringements or passing off is that the defendant's mark is not identical or similar to the plaintiff's trademark or that the goods and services are not similar to those for which the plaintiff's trademark is registered.

Further defences available in a trademark infringement or passing-off action include:<sup>59</sup>

- a* use in good faith of own or predecessor's name;
- b* use in good faith of a description of the character and quality of goods or services or which is not deemed as trademark use;
- c* prior use of an unregistered trademark before the date of registration of the registered trademark;
- d* express or implied consent; and
- e* non-commercial purpose.

<sup>58</sup> Timothy (n 42).

<sup>59</sup> TMA 2019 (n 9), S 55.

## Copyright

Acts done by way of fair dealing for purposes of research, private study, criticism, review, reporting of news or current events accompanied by acknowledgements, and parody, pastiche or caricature are not infringing acts<sup>60</sup>. In addition, defendants may claim that no copyright was subsisting in the original work or that the plaintiff is not the owner of the work.

Defendants may further rely on any of the following as a defence for copyright infringement:<sup>61</sup>

- a* inclusion in a film or broadcast of any artistic work situated in a place where it can be viewed by the public;
- b* the copying of a work for the private and domestic use of the maker;
- c* the use of a work in judicial and legal proceedings;
- d* use of a work by a public or state organisation as prescribed by the Minister where:
  - it is in the public interest;
  - it is compatible with fair practice;
  - no profit is derived from its use; or
  - no admission is charged for the performance, showing or playing;
- e* reproduction and distribution of copies of any artistic works where such works are situated in places where they can be viewed by the public; or
- f* incidental inclusion of a work in an artistic work, sound recording, film or broadcast.

### viii Time to first-level decision

A hearing in patent infringement proceedings typically takes about three to 21 days, depending on the number of witnesses and the complexity of the technology and issues involved. A judgment is usually available two to five months after the end of the trial.<sup>62</sup>

Depending on the complexity of the matter, a patent infringement proceeding typically takes about one to two years for the decision of first instance to be handed down.<sup>63</sup>

Trademark and copyright infringement proceedings, from the time the writ or originating motion (whichever applicable) is filed up to the conclusion or decision, typically take between 12 and 18 months, depending on the number of witnesses and the complexity of the claims. It is possible to expedite proceedings by filing a Certificate of Urgency.<sup>64</sup>

### ix Remedies

Aggrieved parties may, as a preliminary relief, rely on the search and seizure provisions under the TMA 2019, PA 1983 and the CA 1987, particularly where there is a risk that evidence essential to the case may be destroyed or concealed.

Interim or interlocutory injunctions (*inter partes* and *ex parte*) are also available on application to the court to restrict the alleged infringing acts once an action has been filed. For *ex parte* interim injunctions, a Certificate of Urgency may be filed to support the application. Further, a *Mareva* injunction may also be granted if the claimant has evidence

60 CA (n 6), S 13.

61 CA (n 6), S 13.

62 Timothy (n 42).

63 Timothy (n 42).

64 Karen (n 45).

that the defendant is dissipating its assets to avoid having to pay damages likely to be ordered against it. The defendant's bank accounts may be frozen and the order may extend to assets outside Malaysia.<sup>65</sup>

Final remedies include monetary remedies which take into consideration loss of goodwill and reputation, account of profits, lost profits on goods or services, springboard damages, aggravated damages, exemplary and punitive damages and future loss of profits. Equitable remedies are also available, such as permanent injunctions to prevent further infringement, and delivery up or destruction of infringing goods.

## **x Appellate review**

A defeated party can appeal against a judgment or order, or parts of the same, from the High Court to the Court of Appeal on both questions of fact and law. The appeal from the High Court to the Court of Appeal is a re-hearing based on the record of appeal so filed.

A further appeal on questions of law from the Court of Appeal lies with the Federal Court. Appeal is not as of right and prior leave has to be obtained from the Federal Court.

However, if the appeal arises from a judgment or order of the Magistrates or Sessions Court, the defeated party can appeal to the High Court and then to the Court of Appeal. There is no further right to appeal to the Federal Court.

The above process applies to both civil and criminal proceedings.

## **xi Alternatives to litigation**

### ***Arbitration***

Arbitration is available to resolve intellectual property disputes for parties who prefer to keep matters confidential instead of the public proceedings of civil litigation. As disclosure of arbitral proceedings are strictly prohibited,<sup>66</sup> this may be a more appealing alternative where businesses would prefer to keep matters private or away from other competitors.<sup>67</sup> The Asian International Arbitration Centre (AIAC) is a common avenue for parties who wish to pursue arbitration. Notably, the AIAC also provides a simple and effective framework for the resolution of '.my' domain name disputes, with it being mandatory for '.my' domain disputes to be settled through Domain Name Dispute Resolution in Malaysia.

### ***Mediation***

The Mediation Act 2012 provides a detailed procedure for mediation and the recognition of agreements reached pursuant to mediation. Mediation is a non-adversarial and private process where the parties try to reach common ground with the assistance of a neutral third party. Judges of the High Court can give directions that the parties facilitate settlement of

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65 Timothy (n 42).

66 Arbitration Act 2005, S 41A.

67 Azmi & Associates, 'An Introduction To Intellectual Property Rights Enforcement In Malaysia' (*The Legal 500*, 1 February 2021), [www.legal500.com/developments/thought-leadership/an-introduction-to-intellectual-property-rights-enforcement-in-malaysia](http://www.legal500.com/developments/thought-leadership/an-introduction-to-intellectual-property-rights-enforcement-in-malaysia), accessed 18 March 2021.



the matter through mediation.<sup>68</sup> This method is also known as court-annexed mediation or judge-led mediation, which can be conducted under the direction of High Court judges, Sessions Court judges, magistrates and their registrars<sup>69</sup>.

Additionally, the AIAC provides a system for the conciliation and mediation of disputes. The Rules of the AIAC for conciliation and mediation incorporate provisions of the UNCITRAL Model Law on International Commercial Conciliation 2002.<sup>70</sup>

## V TRENDS AND OUTLOOK

The Malaysian government has undertaken and continues to take active steps to establish the country as a leading example for intellectual property protection and enforcement both regionally and globally.

Beyond enforcement actions taken in the domestic markets by the MDTCA, in the absence of an official customs recordal system for trademarks, the Royal Malaysian Customs also actively seizes consignments that are suspected to be counterfeits with the assistance of IPR owners working with local law firms. Customs training is conducted at all the important ports of entry in West Malaysia for clients providing, among others, luxury products, electronics, household items and health product industries. The training is often done in conjunction with the MDTCA.

In terms of legislative updates, on 30 January 2020, the Copyright (Amendment) Act 2020 was gazetted, amending the CA 1987 to empower the Copyright Tribunal to hear and determine any dispute relating to royalties arising between a licensing body and any of its members, as an alternative dispute resolution option.<sup>71</sup>

Further, on 28 August 2020, the Trademarks (Compounding of Offences) Regulations 2020 was published, supplementing Section 136(2) of the TMA 2019 by detailing the types of compoundable offences and the procedures involved. The Controller may at any time before a charge is instituted make a written offer to compound to the person reasonably suspected of having committed the offence. Once the offer has been accepted, payment may be made through various channels accepted under the Regulations or, if the compound is not paid within the time specified in the offer, prosecution for the offence may be instituted at any time thereafter without any notice to the offender. Once the offence has been compounded and the payment has been made, it is treated as a settlement of the matter in lieu of prosecution of the offence.<sup>72</sup>

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68 Practice Direction No. 4 of 2016 (Practice Direction of Mediation).

69 Timothy (n 42).

70 Timothy (n 42).

71 Malaysian Copyright (Amendment) Act 2020.

72 Shearn Delamore & Co, 'Intellectual Property: Compounding of Criminal Offences under the new Trademarks Act 2019' (*Legal Updates*, February 2019), [www.shearndelamore.com/alerts/2021/Legal-Updates-Feb-2021.pdf](http://www.shearndelamore.com/alerts/2021/Legal-Updates-Feb-2021.pdf), accessed 23 March 2021.

## ABOUT THE AUTHORS

### **KAREN ABRAHAM**

*Shearn Delamore & Co*

Karen Abraham is a partner and the head of the intellectual property department of Messrs Shearn Delamore & Co. Her practice covers all areas of intellectual property, technology, media and telecommunications, data protection and competition law. She has more than 30 years of litigation experience in intellectual property, appearing in the apex courts in Malaysia. She focuses her practice on enforcement of intellectual property in the courts and in the public domain, including crafting anti-piracy and anti-counterfeiting programmes for leading companies in the global market, as well as crafting innovative strategies for global and local IP brands. Abraham is the first woman in Malaysia to hold a position as board member of the International Trademark Association (INTA) and is the first Malaysian to sit on the Bureau of the International Association for the Protection of Intellectual Property (AIPPI). As of June 2020, Abraham has been appointed as an accredited member and representative neutral of the Federation of Integrated Conflict Management. She also sits as council member of ASEAN IP Association (AIPA) and in 2021, she was appointed the Asia Pacific Regional Forum liaison officer, IBA Intellectual Property and Entertainment Law Committee. Abraham is currently one of the heads of the AIPPI Traditional Knowledge/Traditional Cultural Expression.

### **SHEARN DELAMORE & CO**

7th Floor, Wisma Hamzah-Kwong Hing  
1 Leboh Ampang  
City Centre  
50100 Kuala Lumpur  
Malaysia  
Tel: +603 2027 2727  
Fax: +603 2078 5625  
karen@shearndelamore.com  
aghuram@shearndelamore.com  
www.shearndelamore.com