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The International Comparative Legal Guide to:

Trade Marks 2012

First Edition

A practical cross-border insight into trade mark work

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1 Relevant Authorities and Legislation

1.1 What is the relevant Malaysian trade mark authority?

The Intellectual Property Corporation of Malaysia (MyIPO) administers and oversees all IP related legislation in Malaysia including trade marks. The Registry of Trade Marks is a division within MyIPO that is responsible for the registration of trade marks.

1.2 What is the relevant Malaysian trade mark legislation?

The governing legislation is the Trade Marks Act 1976 (“TMA”) and the Trade Marks Regulations 1997. The Trade Descriptions Act 2011 (“TDA”) is relevant as it provides registered trade mark owners with administrative remedies in the enforcement against infringing or counterfeit goods.

2 Application for a Trade Mark

2.1 What can be registered as a trade mark?

Generally, for a trade mark to be registrable, it must consist of at least one of the following particulars:

- (i) name of a person, firm, or company represented in a special manner;
- (ii) signature of the applicant or of some predecessor in his business;
- (iii) an invented word or words;
- (iv) words with no direct reference to the character or quality of the goods or services not being, according to its ordinary meaning, of geographical significance or a surname; and
- (v) any other distinctive mark.

2.2 What cannot be registered as a trade mark?

The following are non-registrable trade marks:

- (i) marks which are identical or similar to a registered trade mark and likely to confuse or deceive the public;
- (ii) marks which contain scandalous or offensive matters;
- (iii) marks which are contrary to law;
- (iv) marks which contain elements which are prejudicial to the interest or security of the nation;
- (v) marks which are confusingly similar to well-known trade marks;

- (vi) marks containing misleading geographical indications as to its origin;
- (vii) representations of any international organisation, state, city, society, body corporate, institution, person, etc. without consent;
- (viii) marks which have a direct reference to the character or quality of the goods or services;
- (ix) a name of a single chemical element or compound;
- (x) marks which contain or consist of the word or words, “Patent”, “Patented”, “By Royal Letters Patent”, “Registered”, “Registered Design”, “Copyright”, “Registered Trade Mark” or “Registered Service Mark” or such words in any language;
- (xi) the word “BUNGA RAYA”, which is the national flower and representations of the hibiscus;
- (xii) representations or references to the King or State Ruler;
- (xiii) representations of any of the royal palaces or of any building owned by any government;
- (xiv) the word “ASEAN” and representations of their logo; and
- (xv) the words “RED CRESCENT” or “GENEVA CROSS” and representations of these and other crosses in red, or of the Swiss Federal Cross in white or silver on a red background.

2.3 What information is needed to register a trade mark?

To register a trade mark, the following particulars or documents are required:

- (i) representation of the mark;
- (ii) specification of goods or services;
- (iii) class;
- (iv) full name and address of the applicant;
- (v) a copy of the priority document if priority is claimed (may be furnished later);
- (vi) if the mark contains words in non-Roman characters or in a language other than English or Malay, a certified transliteration and translation of the foreign language (may be furnished later); and
- (vii) a Statutory Declaration (needs to be notarised but not legalised) signed by the applicant or its representative that the applicant is the *bona fide* proprietor of the mark and that the application is filed in good faith (may be furnished later).

Multiclass applications are not available in Malaysia.

2.4 What is the general procedure for trade mark registration?

Once the application is lodged with the Registry of Trade Marks, it

will undergo first the formalities examination to ensure that all supporting documents such as the Statutory Declaration, priority document or certified translation and transliteration, where applicable, have been duly filed. Once the formalities are fully complied with, the application will undergo substantive examination for compliance with the requirements of registration under the TMA.

If there are no objections by the Examiner, the mark will proceed to publication upon payment of the registration fees. The application will be open to opposition for a period of 2 months from publication in the Government Gazette. If there is no opposition, the Certificate of Registration will be issued within 3 to 6 months after the expiration of the opposition period.

If the application is met with objections, then the applicant will be given 2 months to respond by way of filing a written submission. If the objections are maintained, the applicant is given an opportunity to request a hearing before the Examiner or to file further written arguments. The request for a hearing or to file further written arguments must be made within 2 months from the date of notification by the Registry of the maintained objections. The hearing date will, subsequently, be notified to the applicant. Further arguments or evidence of use may be submitted during the hearing. If the application is refused after the hearing, the applicant is given the right of appeal to the High Court.

All deadlines set by the Registrar are extendible by payment of the prescribed fees.

2.5 How can a trade mark be adequately graphically represented?

A representation of the mark which is clear and durable must be affixed to the application form. If the mark is to be applied in colour, sufficient indication has to be provided. Where a trade mark is registered without any limitations as to colour (i.e. black and white), it is deemed to be registered in all colours.

2.6 How are goods and services described?

The classification of goods and services is in accordance with the International Classification of Goods and Services under the Nice Agreement which Malaysia acceded to in 2007. Class headings are only permitted in certain classes such as classes 18, 25, 28 and 29.

2.7 What territories (including dependants, colonies, etc.) are or can be covered by a Malaysian trade mark?

Only Malaysia can be covered by a Malaysian trade mark.

2.8 Who can own a Malaysian trade mark?

Any person, whether a Malaysian citizen or not, who is the owner of a used trade mark, who uses the trade mark or proposes to use the trade mark, may apply for registration. The owner may be any individual, company or organisation.

2.9 Can a trade mark acquire distinctive character through use?

It is possible to acquire distinctiveness through use by adducing evidence of use of at least 3 years prior to the application.

2.10 How long on average does registration take?

The entire registration process could take between 2 to 3 years, but longer in the event of objections or complications.

There are currently provisions for expedited examination under the TMA. A request must be filed within 4 months with supporting grounds in the form of a Statutory Declaration. The grant of an expedited examination may be based on the following grounds:

- (i) national or public interest;
- (ii) evidence of potential infringement or ongoing infringement proceedings;
- (iii) registration is a condition to obtaining monetary benefits from the Government or institutions recognised by the Registrar; or
- (iv) other reasonable grounds.

Once approved, the applicant will pay the prescribed fee and the application will undergo examination.

2.11 What is the average cost of obtaining a Malaysian trade mark?

The official fees for the smooth registration of a trade mark are RM1,020. If the application proceeds by way of expedited process, the official fees for the smooth registration are RM2,470.

2.12 Is there more than one route to obtaining a registration in Malaysia?

There are two routes: one is the conventional route; and the other is the expedited route as explained in question 2.10 above.

2.13 Is a Power of Attorney needed?

No Power of Attorney is needed.

2.14 How is priority claimed?

The applicant must state in the application form details of the foreign application upon which priority is claimed; namely, the relevant country, application number and filing date. A copy of the certified priority document, together with its English translation (if the application is in another language), must be filed as soon as is reasonably practicable or otherwise, the formalities would not be completed.

2.15 Does Malaysia recognise Collective or Certification marks?

Malaysia recognises Certification marks, but has currently no express provisions for the registration of a Collective mark.

3 Absolute Grounds for Refusal

3.1 What are the absolute grounds for refusal of registration?

The grounds for refusal of registration are not expressly divided into absolute or relative grounds. There are grounds expressly provided in the TMA which prohibit the registration of trade marks. These are the following grounds which are akin to absolute grounds of refusal:

- (i) the mark is not distinctive (s 10); and

- (ii) the grounds which are provided in s 14 of the TMA are as follows:
- a. use of the mark is likely to deceive or cause confusion to the public or would be contrary to law;
 - b. the mark contains or comprises any scandalous or offensive matter or would otherwise not be entitled to protection by any court of law;
 - c. the mark contains a matter which might be prejudicial to the interest or security of the nation;
 - d. the mark contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication is of such a nature as to mislead the public as to the true place of origin of the goods; and
 - e. if it is a mark for wines which contains or consists of a geographical indication identifying the wines, or is a mark for spirits which contains or consists of a geographical indication identifying the spirits, not originating in the place indicated by the geographical indication in question.

3.2 What are the ways to overcome an absolute grounds objection?

To overcome an absolute grounds objection, any evidence contrary to the grounds of refusal can be submitted to the Registrar. If the mark is considered to be non-distinctive, the applicant may adduce evidence that the mark has become distinctive through use. Also, evidence of registration in Commonwealth jurisdictions would be useful in showing capability of registration. However, such evidence is of a persuasive nature and not legally binding.

3.3 What is the right of appeal from a decision of refusal of registration from the Intellectual Property Office?

There is a right of appeal to the High Court against the refusal of registration by the Registrar.

3.4 What is the route of appeal?

The applicant must request grounds of decision by the Registrar within two (2) months from the date of notification of refusal by the Registrar. From the issuance of the grounds, the applicant must lodge an appeal within one (1) month to the High Court by way of an Originating Motion supported by an affidavit.

4 Relative Grounds for Refusal

4.1 What are the relative grounds for refusal of registration?

The relative grounds for refusal of registration include the following:

- (i) if the mark is identical with a prior trade mark belonging to a different proprietor in respect of the same goods or description of goods or in similar services (s 19);
- (ii) if the mark so nearly resembles such a trade mark that is likely to deceive or cause confusion (s 19);
- (iii) if the mark is identical with or so nearly resembles a mark which is well-known in Malaysia for the same goods of services of another proprietor (s 14(1)(d)); and
- (iv) if the mark contains a well-known and registered mark in Malaysia for goods or services not the same to those under application, provided that the use of the mark in relation to

those goods or services would indicate a connection between the goods and services of the proprietor of the well-known trade mark and the interests of the proprietor of the well-known mark are likely to be damaged by such use (s 14(1)(e)).

4.2 Are there ways to overcome a relative grounds objection?

To overcome a relative grounds objection, other than arguing that the marks are dissimilar or applied for in relation to different types of goods or services, the Registrar may accept letters of consent issued by the proprietor of the cited mark. Argument, based on honest concurrent use, may also be accepted. Evidence of the co-existence of the registration in other jurisdictions, coupled with continuous uninterrupted use, may also persuade the Registrar to accept the later mark.

4.3 What is the right of appeal from a decision of refusal of registration from the Intellectual Property Office?

There is a right of appeal to the High Court against the refusal of registration by the Registrar.

4.4 What is the route of appeal?

It is the same as described in question 3.4 above.

5 Opposition

5.1 On what grounds can a trade mark be opposed?

A trade mark may be opposed on numerous grounds, i.e., that the trade mark is not a registrable trade mark according to the criteria which has been set out in questions 2.2, 3.1 and 4.1 above.

5.2 Who can oppose the registration of a Malaysian trade mark?

Any person may file an opposition to a Malaysian trade mark.

5.3 What is the procedure for opposition?

An opposition may be made within 2 months of publication of the applicant's mark in the Government Gazette by filing and serving a Notice of Opposition together with the grounds in support of the opposition.

The applicant will then have to file and serve a Counter Statement within 2 months from the receipt of the said Notice of Opposition.

Thereafter, within 2 months from the services of the Counter Statement, the opponent must file and serve a Statutory Declaration together with evidence in support of the opposition. The applicant shall then file its Statutory Declaration within 2 months from the date of service of the opponent's Statutory Declaration. Finally, the opponent is given the right to reply to the applicant's Statutory Declaration within 2 months thereof.

Once the Statutory Declarations are filed and served, the Registrar will then direct for written submission to be filed by both parties, followed by a hearing of the matter. The Registrar will render a decision thereafter. The decision of the Registrar is subject to an appeal to the High Court.

6 Registration

6.1 What happens when a trade mark is granted registration?

The Registrar shall issue the certificate of registration and cause the entry to be recorded on the Register of Trade Marks.

6.2 From which date following application do an applicant's trade mark rights commence?

The date of registration of a trade mark shall be the application date.

6.3 What is the term of a trade mark?

The term of a trade mark is 10 years from the date of registration, which shall be its application date. In the case where priority is claimed, the term will commence from the date of the priority.

6.4 How is a trade mark renewed?

A trade mark may be renewed at any time not less than 3 months before the expiration date of the registration. Renewal is affected by the completion of the requisite renewal form accompanied by the prescribed fee. Renewal after the expiration date will be subject to late payment fees. If the mark has been gazetted as having been removed for non-renewal, the registered proprietor may, within 1 year from the expiration date, apply to restore the mark to the Register subject to the payment of restoration fees.

7 Registrable Transactions

7.1 Can an individual register the assignment of a trade mark?

If there has been an assignment of a trade mark, the individual who is an assignee shall apply to register the assignment with the Registry by filing the prescribed form and paying the prescribed fees. A copy of the deed of assignment must be furnished. If a deed is not available, then the assignee must affirm a statutory declaration and provide a statement of case to establish proof of his/her entitlement to the trade mark.

7.2 Are there different types of assignment?

Partial assignment is possible and each resultant division and separation of goods or services in the name of different proprietors shall be treated as separate registrations. It is also possible to assign a trade mark with or without the goodwill of the business.

7.3 Can an individual register the licensing of a trade mark?

The registered proprietor shall register the licensee as a registered user by filing the prescribed form, which must be signed by both parties (or the appointed trade mark agent on their behalf) and provide basic particulars of the licence, such as the duration, commencement, if it covers exclusive, sole or non-exclusive rights, and whether all or only part of the goods or services are licensed.

7.4 Are there different types of licence?

Sole, exclusive and non-exclusive licences are recognised under the law. The TMA expressly provides for exclusive licences with special rights granted to an exclusive licensee.

7.5 Can a trade mark licensee sue for infringement?

Subject to any agreement between the licensee and the registered proprietor of the trade mark, an exclusive licensee may institute infringement proceedings in his own name as if he were the registered proprietor and shall make the registered proprietor a defendant if the proprietor refuses or neglects to bring infringement proceedings within 2 months from the request by the exclusive licensee to do so. The right to sue for infringement is therefore only reserved to an exclusive licensee under stipulated conditions.

7.6 Are quality control clauses necessary in a licence?

The registered proprietor of the trade mark must exercise control over the use of the trade mark and the quality of the goods or services.

7.7 Can an individual register a security interest under a trade mark?

There is currently no provision for the registration of a security interest under a trade mark.

7.8 Are there different types of security interest?

This is not applicable – please see above.

8 Revocation

8.1 What are the grounds for revocation of a trade mark?

Generally, there is no differentiation in the language of the TMA between “revocation” and “invalidation”. A registered trade mark may be removed from the Register on various grounds.

One of the common grounds for removal is based on the non-use of the registered mark as follows:

- (i) Where the trade mark was registered without the intention to use it in good faith and there has, in fact, been no use for up to 1 month from the date of the application to remove the mark;
- (ii) Where there has been no *bona fide* use of the mark for a continuous period of not less than 3 years up to 1 month before the application for its removal.

8.2 What is the procedure for revocation of a trade mark?

Revocation proceedings must be initiated in the High Court supported by an affidavit.

8.3 Who can commence revocation proceedings?

Only an “aggrieved person” may commence revocation proceedings. An aggrieved person has been judicially construed to include one whose registration is blocked by the one in suit, or who is alleged to have infringed the registered mark, or whose legitimate business is adversely affected by the registration.

8.4 What grounds of defence can be raised to a revocation action?

Grounds of defence that can be raised are that the mark has been used, or that the non-use was due to legitimate grounds.

8.5 What is the route of appeal from a decision of revocation?

The decision of the High Court is appealable to the Court of Appeal and all the way to the apex court, the Federal Court, with leave.

9 Invalidity

9.1 What are the grounds for invalidity of a trade mark?

A trade mark may be invalidated on the grounds that it was an entry made in the Register without sufficient cause or an entry that has wrongfully remained in the Register.

The grounds of invalidity could comprise of any ground which prohibits the registration of a trade mark, including the grounds as stated in questions 2.2, 3.1 and 4.1 above.

However, for a trade mark that has been registered for more than 7 years, there is a presumption of its validity and the trade mark may only be invalidated on the following grounds:

- (i) That the original registration was obtained by fraud.
- (ii) That the trade mark offends against section 14 of the TMA.
- (iii) That the trade mark was not, at the commencement of the invalidation proceedings, distinctive of the goods or services of the registered proprietor.

9.2 What is the procedure for invalidation of a trade mark?

Invalidation proceedings are generally commenced at the High Court by way of an Originating Motion supported by affidavit.

9.3 Who can commence invalidation proceedings?

Only an “aggrieved person” has *locus standi* to commence invalidation proceedings.

9.4 What grounds of defence can be raised to an invalidation action?

Essentially, the grounds of defence would go towards countering the allegations or grounds for their invalidation, e.g. that the trade mark is distinctive and has not become generic as a result of the blameworthy conduct of the proprietor.

9.5 What is the route of appeal from a decision of invalidity?

The route is the same as that expressed in question 8.5 above.

10 Trade Mark Enforcement

10.1 How and before what tribunals can a trade mark be enforced against an infringer?

Generally, there are 2 available remedies to a registered proprietor of a trade mark, which are not mutually exclusive:

- (i) By way of civil action in the form of a trade mark infringement commenced at the High Court. There is a specialised Intellectual Property High Court in Kuala Lumpur which hears all IP matters, include trade mark infringement, revocation, invalidation and appeals from the decision of the Registrar of Trade Marks.
- (ii) By way of administrative action pursuant to the TDA. In the case of a counterfeit product, the trade mark owner may lodge a complaint with the Ministry of Domestic Trade, Cooperatives and Consumerism (“MDTCC”). The Enforcement Division of the MDTCC will take raid and seizure action, followed by compound/prosecution against the offender pursuant to the TDA.

If the mark is one that is not an exact imitation but merely a similar mark, the registered proprietor shall apply to the High Court for a Trade Descriptions Order (“TDO”) in order to move the MDTCC to pursue against the infringer. The TDO lasts for 1 year and is *prima facie* proof that a particular trade mark is a false trade description.

10.2 What are the pre-trial procedural stages and how long does it generally take for proceedings to reach trial from commencement?

The procedure could be summarised as follows:

- (i) After the Writ is served, the defendant has to enter his appearance within the prescribed 8 or 12 days as applicable.
- (ii) The defendant shall file his defence within 14 days from entering his appearance.
- (iii) The plaintiff may file a reply to the defence within 14 days from service of the defence.
- (iv) Pleadings are deemed closed 14 days after the filing of the reply by the plaintiff.
- (v) The plaintiff shall thereafter file a case management notice.

In practice, the IP High Court manages its cases very closely. Thus, it is common for case management to commence from the moment the plaintiff files its Writ and parties appear before the Registrar of the IP High Court for directions.

Generally, the following case management directions are issued, which the parties have to comply with prior to trial:

- (i) A statement of the issues to be tried must be filed.
- (ii) A statement of agreed facts must be filed.
- (iii) Common documents for trial, which are separated into 3 bundles (admitted, agreed and non-agreed bundles), must be filed.
- (iv) List of witnesses must be filed.
- (v) Witness statements must be filed and served before the trial.

A case is usually set down for trial within 6 months to a year from the commencement of proceedings, depending on the availability of the free dates of the Court. The current average disposal of a trade mark infringement suit is within 1.5 to 2 years from the commencement of proceedings. In cases of revocation or invalidation, where evidence is based purely on affidavits, the average disposal of such cases by the IP High Court is about 1 year.

10.3 Are (i) preliminary and (ii) final injunctions available and if so on what basis in each case?

Both preliminary and final injunctions are available as Malaysia adopts a common law system. Other interlocutory relief available include *Anton Piller* orders and *Mareva* injunctions.

Preliminary or interlocutory injunctions are granted at the discretion of the Court. An interlocutory injunction may be obtained on an *ex parte* or *inter partes* basis.

When exercising its discretion in granting an interlocutory injunction, the Court will have regard to the following established principles:

- (i) whether there is a serious issue to be tried;
- (ii) whether damages will adequately compensate the plaintiff; and
- (iii) where the balance of convenience lies.

A final or permanent injunction will usually be granted as a matter of course to a successful plaintiff to restrain the defendant from committing acts of trade mark infringement.

10.4 Can a party be compelled to provide disclosure of relevant documents or materials to its adversary and if so how?

A party may be compelled to disclose documents by way of a discovery process. In a Writ action, discovery is done by serving notice to the other party to produce documents. If the other party refuses to disclose as such, an application may be made to the Court to compel discovery. Documents to which legal privilege is attached are not discoverable. Confidential documents may be disclosed subject to confidentiality orders of the Court.

10.5 Are submissions or evidence presented in writing or orally and is there any potential for cross-examination of witnesses?

In an action for trade mark infringement, proceedings are commenced by way of Writ and therefore, witnesses will have to attend Court. The examination in chief is now done by way of witness statements which are taken to be read in Court. Thus, witnesses shall take the stand and be offered for cross-examination by the opposing party.

In an action for revocation or invalidation of a registered trade mark, proceedings are usually commenced by way of an Originating Motion, unless there are serious disputes as to facts, in which the more appropriate mode of commencement would be by way of Writ. Evidence is adduced by way of affidavits in actions commenced by way of an Originating Motion. However, there are provisions for a party to apply to the Court to cross-examine a deponent of an affidavit.

At present, all arguments and submissions before the IP High Court are to be made in writing, with counsels given an opportunity to make oral arguments or clarification as the Court may direct.

10.6 Can infringement proceedings be stayed pending resolution of validity in another court or the Intellectual Property Office?

Infringement proceedings may be stayed pending resolution of the validity of a trade mark. However, as invalidation proceedings are also before the High Court, it is common for both invalidation and infringement actions to be consolidated (if they were commenced separately) and heard together, or for the party seeking invalidation to be heard first.

10.7 After what period is a claim for trade mark infringement time-barred?

An action for trade mark infringement is time-barred after 6 years from the act of infringement. However, in the case of continuing infringement, the limitation period may not actually set in although

there could be other defences such as laches, delay or acquiescence that are available to a defendant.

10.8 Are there criminal liabilities for trade mark infringement?

Criminal liabilities for trade mark infringement are provided for under the TDA via the administrative action route as explained in question 10.1 (ii) above. Upon a successful raid and seizure action by the Ministry, the prosecution may prosecute the offender or offer a compound of the offence.

Upon conviction for false trade description, if is a body corporate, the defendant may be liable to a fine not exceeding RM250,000 or RM500,000 if it is the second or subsequent offence; and if not a body corporate, the defendant may be liable to a fine not exceeding RM100,000 or to imprisonment not exceeding 3 years or to both, and for a second or subsequent offence, to a fine not exceeding RM250,000 or to imprisonment not exceeding 5 years or to both.

10.9 If so, who can pursue a criminal prosecution?

Criminal prosecution is brought by the Public Prosecutor.

10.10 What, if any, are the provisions for unauthorised threats of trade mark infringement?

There are currently no provisions for groundless threats under the TMA.

11 Defences to Infringement

11.1 What grounds of defence can be raised by way of non-infringement to a claim of trade mark infringement?

The statutory defences to a trade mark infringement claim are as set out in s 40 of the TMA, summarised below:

- (i) Use in good faith by a person of his own name or the name of his place of business.
- (ii) Use in good faith by a person of a description of the character or quality of his goods or services, not being a description that is likely to be taken as importing any reference to the registered proprietor.
- (iii) Continuous use in good faith from a date before the use of the registered trade mark by its proprietor, predecessors or registered user; or the registration date of the trade mark, whichever is earlier.
- (iv) Use by a person in relation to goods which form part of the bulk of goods connected in the course of trade with the registered proprietor or registered user, where the registered proprietor or user has applied the trade mark and has not removed or obliterated it.
- (v) Where use is expressly or impliedly consented to by a registered proprietor or registered user.
- (vi) Use in relation to goods or services adapted to form part of, or to be accessory to, other goods or services in relation to which the trade mark has been used without infringement, if the use is reasonably necessary to indicate that the goods or services are so adapted and such use does not have the purpose or effect of indicating otherwise than in accordance with the facts in connection to the course of trade between any person and the goods or services.
- (vii) Use of one of two or more registered trade marks, which are substantially identical, in the exercise of the right to the use of that trade mark given by registration.

Apart from the statutory defences, the defendant may also argue that there is non-infringement, in that the marks are distinguishable, will not likely deceive or cause confusion or that the defendant has not used the mark as a trade mark.

11.2 What grounds of defence can be raised in addition to non-infringement?

The defendant will usually seek to revoke or invalidate a registered trade mark as a defence to an infringement action and this is typically done by way of a counterclaim to the infringement action.

12 Relief

12.1 What remedies are available for trade mark infringement?

The relief available for a trade mark infringement action include damages for losses, a permanent injunction to prevent future infringement, delivery and/or destruction of the infringing items, discovery of all relevant information and documents in connection with the infringement and legal costs. In the case of counterfeits or blatant infringement, the Court has also granted relief in the form of a public apology by the infringer but this is not a remedy that is granted as a right.

12.2 Are costs recoverable from the losing party and if so what proportion of the actual expense can be recovered?

Costs are usually awarded to the winning party and will be taxed by the Court. The successful party is typically expected to recover only between 40% to 60% of the actual incurred legal costs and expense.

13 Appeal

13.1 What is the right of appeal from a first instance judgment and is it only on a point of law?

The right of appeal from a first instance judgment is to the Court of Appeal in respect of the whole or any part of judgment, and can be based on a point of fact or law, or both.

However, an appeal from the Court of Appeal to the Federal Court can only be based on a point of law, and leave to appeal must be sought.

13.2 In what circumstances can new evidence be added at the appeal stage?

New evidence is generally not admissible at the appeal stage and Malaysia adopts the English principles laid down in the case of *Ladd v Marshall* where it can be shown that the evidence could not have been obtained with reasonable diligence for use at trial, the evidence would probably have an important influence on the result of the case, and that the evidence must be apparently credible, although it need not be incontrovertible.

14 Border Control Measures

14.1 What is the mechanism for seizing or preventing the importation of infringing goods or services and if so how quickly are such measures resolved?

The TMA provides for an application by a registered proprietor to apply to the Registrar to restrict the importation of counterfeit trade mark goods. Upon approval, the said importation is prohibited for 60 days and the Registrar shall take all necessary measures to prevent such importation by notifying the Customs. Due to the requirement to disclose particulars such as the time and place in which the counterfeit trade mark goods are to be imported, as well as undertakings given by the registered proprietor, border control provision under the TMA is hardly, if ever, invoked.

In practice, a trade mark owner may request Customs authorities, who are empowered to do so on an *ex officio* basis, to detain suspected infringing goods or services.

15 Other Related Rights

15.1 To what extent are unregistered trade mark rights enforceable in Malaysia?

Unregistered trade marks are protected in common law through the tort of passing off. The common law owner must establish the requisite goodwill in Malaysia with respect to the business conducted under or by reference to the common law mark. Passing off is actionable against a third party who has misappropriated the goodwill of the proprietor, has misrepresented to the trade and public, leading to deception and confusion or the likelihood thereof, and caused damage to the goodwill and trade of the common law owner.

15.2 To what extent does a company name offer protection from use by a third party?

Mere registration of a company name does not offer protection from use by a third party. If the company name is not a registered mark, then the owner must rely on common law rights, which would arise by virtue of the use of the company name in relation to the business in Malaysia.

15.3 Are there any other rights that confer IP protection, for instance book title and film title rights?

No, there are not.

16 Domain Names

16.1 Who can own a domain name?

Organisations are allowed to apply for “.com.my”, “.net.my” and “.org.my” domains. Malaysian individuals aged 18 and above can own personal domains (“.name.my”). Second level domains (“.my”) can be registered by all Malaysian entities whether organisations or individuals as they are free from categorisation. Only certified agencies under the education, military and government sectors may apply for “.edu.my”, “.mil.my” and “.gov.my” domains respectively.

16.2 How is a domain name registered?

A domain name is registered through the Malaysian Network Information Centre Berhad (MYNIC), which is the sole administrator and registrar for “.my” domains. Applications for “.edu.my”, “.gov.my” and “.mil.my” have to be submitted online via the MYNIC domain Registry’s online system. Applications for “.com.my”, “.net.my” and “.org.my” and “.name.my” domain names are done through MYNIC’s officially appointed resellers. Supporting documents must be submitted within 14 days from registration. Successful registrants will then be notified and invoiced.

16.3 What protection does a domain name afford per se?

Once a domain name has been registered, there can be no identical domain name with a “.my” prefix. The domain name will remain unique to the registered user so long as the subscription is paid.

If a domain name is identical or similar to a trade mark or service mark in which the proprietor has rights to, or if the domain is being used in bad faith, the dispute can be brought to the Kuala Lumpur Regional Centre of Arbitration (KLRCA) by submitting a complaint and paying the prescribed fees. In cases where disputes are not resolved at the KLRCA, the complainant may institute proceedings at the Court, arbitration of any other dispute resolution process as agreed by both parties.

Available remedies through proceedings at the KLRCA are the transfer of registration of the domain name to the complainant or deletion of the registration. Damages and compensation are only available through court action or arbitration proceedings.

17 Current Developments

17.1 What have been the significant developments in relation to trade marks in the last year?

The Trade Descriptions Act 1972 was repealed and replaced by the Trade Descriptions Act 2011. The Trade Marks Regulations 2011, which came into force on 15 February 2011, brought about a significant increase of official filing fees, introduced online filing and the expedited registration process, amongst others.

17.2 Are there any significant developments expected in the next year?

There are plans for Malaysia to join the Madrid Protocol and informal indications have been given by the Ministry that this might take place as early as 2013.

There is also likely to be a new Act replacing the current TMA, to bring the provisions of the trade mark law up to date with the current international trade mark regime such as the introduction of non-traditional marks, security interests and accession to the Madrid Protocol.

17.3 Are there any general practice or enforcement trends that have become apparent in Malaysia over the last year or so?

MDTCC introduced the “Basket of Brands” programme whereby trade mark owners are encouraged to register their brands and provide the requisite undertakings to MDTCC to facilitate raid actions and prosecution of cases under the TDA. The programme is aimed to allow the MDTCC officers to conduct *ex officio* action with the expectation of cooperation from trade mark owners to provide verification and examination reports in order to facilitate the prosecution of cases. The ultimate objective is to beef up enforcement efforts and reduce the levels of counterfeiting activities in the country.



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With a history that spans two decades in Malaysia, Tay & Partners' presence and philosophy is built on a bedrock of solid legal expertise combined with a business-oriented approach. We build our reputation by presenting clients with innovative and practical solutions. This enables us to perform in a manner that exceeds expectations and sets us apart as true experts, backed by a track record honed from extensive experience.

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Malaysia

Linda Wang Chaw Ling



Oan Suet Yen



Tay & Partners

1 Patent Enforcement

1.1 How and before what tribunals can a patent be enforced against an infringer?

A patent is enforced by filing a patent infringement action at the High Court. There is a specialised Intellectual Property Court within the commercial division of the Kuala Lumpur High Court. By and large, patent infringement actions are brought in that specialised Court although actions arising outside the jurisdiction of the Kuala Lumpur High Court may be filed at the local High Court.

The action is commenced by filing a Writ. The Writ must be served on the defendant while it is valid (it is valid for 6 months from the issue date, its validity may be extended twice for not more than 6 months each time). The Writ is usually served endorsed with the Statement of Claim; if it is not so endorsed, it must be served no later than within 14 days after the defendant enters an appearance.

1.2 What are the pre-trial procedural stages and how long does it generally take for proceedings to reach trial from commencement?

After the Writ is served, the defendant has a limited time to enter an appearance and, thereafter, to file a defence and, if required, to submit a counterclaim together with particulars of the objection. Within 14 days, the plaintiff may file a reply to the defence and if there is a counterclaim, file a defence to the counterclaim. The defendant may reply to the defence to counterclaim within 14 days. Pleadings are deemed closed after that.

The sealed Writ is usually endorsed with a first case management hearing date. If not so endorsed, the plaintiff must within 14 days after the close of pleadings, file a request for a date to be fixed.

There will be a number of case management hearings either before the Registrar or the hearing Judge before trial. These hearings are primarily to get the case ready for trial and directions are issued with that objective. The hearings also provide an opportunity for counsel to bring up issues relating to the trial, which they are unable to agree on, for the Judge's direction. The following are required to be completely prepared before trial dates will be fixed:

- (i) Identification of the issues for trial.
- (ii) Statement of agreed facts.
- (iii) Common documents for trial, which are segregated into 3 bundles: admitted bundle; agreed bundle; and non-agreed bundle.
- (iv) List of witnesses.
- (v) Witness statements to be filed and served before the trial

dates. The witness statement forms the evidence in chief of the witness and is usually taken as read. Thus, on the day of the trial, a witness can be cross-examined soon after he takes the stand, a brief introduction is given and after his statement has been formally marked into evidence.

There is a general direction for trials to be heard and disposed of within 2 years of filing. On average, a case at the specialised Intellectual Property Court reaches trial within 2 to 3 years from commencement of an action.

1.3 Can a defence of patent invalidity be raised and if so how?

A defence of patent invalidity is available to a defendant or to any aggrieved person. It is brought for hearing at first instance before the High Court.

A defendant raises the defence by filing a counterclaim together with particulars of the objection. The particulars of the objection must be sufficiently pleaded to enable the plaintiff to identify the grounds by which the patent in suit is said to be invalid. Unless sufficiently pleaded, a defendant may be precluded from relying on a piece of prior art or ground of objection.

1.4 How is the case on each side set out pre-trial? Is any technical evidence produced and if so how?

Parties set out their cases in their respective pleadings: the plaintiff in his statement of claim, reply to statement of defence and/or defence to counterclaim (if any); and the defendant in his statement of defence and, if applicable, the counterclaim and reply to defence to counterclaim.

The evidence in chief of witnesses including technical or expert evidence is contained in the witness statements. All documents including prior art documents, visual and/or audio-visual recordings, drawings, diagrams, models and physical products and other materials relied on should as far as possible be made available to the other party and the Court when the witness statements are filed and exchanged. The time by which witness statements must be exchanged varies according to the Judge's direction but it is in general about a week to 2 weeks before trial. Once filed, the witness statement may not be substantially added to or amended unless with the other party's consent or the Judge's permission.

1.5 How are arguments and evidence presented at the trial?

The plaintiff, who bears the burden of proof, begins the case by

making an opening statement. The object is to provide the Judge with a brief description of the case and the essential points of evidence that will be covered by the witnesses. Witnesses for the plaintiff will then be called. With the witness statement standing in place of oral evidence in chief, each witness will be cross-examined and re-examined after taking the oath. The plaintiff's case is closed after all his witnesses have been called and examined. The defendant if he elects to adduce evidence will then proceed to open his case and call his own witnesses. When all his witnesses have been called and examined, the defendant's case is closed.

Written closing speeches or trial submissions are common. These are usually directed to be filed within a specified time. Written reply to the opponent's submission will usually also be directed to be filed within a specified time. After the written submissions and reply are filed, counsel will attend Court on the appointed date to take the Judge through the written submissions and also to respond to any questions or request for clarification which the Judge may have. The Judge will then fix a date for decision. Some Judges may dispense with the need for oral submission and/or clarification but it is recommended that counsel request for it to be sure that the Judge understands the issues which are raised in the submissions.

1.6 How long does the trial generally last and how long is it before a judgment is made available?

The length of the trial largely depends on the number of witnesses called to testify at the trial. On average, a patent trial will take about 3 (more straightforward cases) to 15 (complex cases) working days to complete.

Judgment will usually be delivered within 4 to 8 weeks after closing submissions and reply.

1.7 Are there specialist judges or hearing officers and if so do they have a technical background?

Currently, there are no specialist judges or hearing officers.

The current Judge of the Intellectual Property Court and the majority of the Judges are not technically trained and do not have any technical background *per se*. The Judges are guided by the evidence and assistance given by expert witnesses during trial.

1.8 What interest must a party have to bring (i) infringement (ii) revocation and (iii) declaratory proceedings?

- (i) The owner of the patent has the right to bring patent infringement proceedings. Any licensee (unless precluded by the licence contract) or the beneficiary of a compulsory licence may sue for infringement if the patentee refuses or fails to file proceedings within 3 months of being requested to do so.
- (ii) Any aggrieved party may institute Court proceedings against the patentee to invalidate the patent.
- (iii) Any interested party has the right to request, by bringing proceedings against the patentee, that the Court declares that the performance of a specific act does not constitute an infringement. If the act in question is already the subject of infringement proceedings, the defendant in the infringement proceedings may not institute proceedings for a declaration of non-infringement.

1.9 Can a party be compelled to provide disclosure of relevant documents or materials to its adversary and if so how?

The rules relating to discovery applies. The process of discovery

can be initiated by serving the requisite notice, requesting production and the inspection of the documents from the opposite party. An application in court compelling the opposite party to adhere to the request may be made if there is refusal or failure to comply with the initial request. Documents claiming legal privilege are precluded from discovery. Confidential documents which are not legally privileged are not excused from disclosure although their use and disclosure can be made subject to restrictions and limitations by a Court order or by mutual agreement of the parties.

1.10 Can a party be liable for infringement as a secondary (as opposed to primary) infringer? Can a party infringe by supplying part of but not all of the infringing product or process?

No to both questions. There is infringement only if the product or process falls within the scope of protection of the patent in suit. If only part is supplied and all the essential integers of the independent claim/s are not met, there will be no infringement.

1.11 Does the scope of protection of a patent claim extend to non-literal equivalents?

Yes, the Malaysian Courts take a "purposive approach" to claim construction. A literal interpretation of the claim is avoided and it is recognised that the Court would give the patentee the full extent of the monopoly which a reasonable person, ordinarily skilled in the art, reading the claim in context, would think he was intending to claim. The question is always what a person skilled in the art would have understood the patentee to be using the language of the claim to mean.

1.12 Other than lack of novelty and inventive step, what are the grounds for invalidity of a patent?

Any of the following may be relied on to invalidate a patent:

- (i) what is claimed as an invention is not an invention within the meaning of the Patents Act 1983 or is excluded from protection or is not patentable;
- (ii) the description or the claim does not comply with requirements of the Act;
- (iii) any drawings which are necessary for the understanding of the claimed invention have not been furnished;
- (iv) the right to the patent does not belong to the plaintiff; or
- (v) incomplete or incorrect information was deliberately provided or caused to be provided to the Registrar during prosecution by the patentee or his agent.

1.13 Are infringement proceedings stayed pending resolution of validity in another court or the Patent Office?

The Patent Office does not have jurisdiction to hear issues relating to the validity of a patent. They are for determination by the High Court. The Court has discretion to stay infringement proceedings pending resolution of validity in another Court. It is not uncommon for a transfer to be ordered so that both the invalidation and infringement actions are before the same Court. The Court may then hear the invalidation action first or hear both issues together in one trial sitting.

1.14 What other grounds of defence can be raised in addition to non-infringement or invalidity?

Other grounds of defence that can be raised include that the alleged infringing acts:

- (i) are not for industrial or commercial purposes or for scientific research only;
- (ii) are for uses reasonably related to the development and submission of information to the relevant authority which regulates the manufacture, use or sale of drugs;
- (iii) relate to parallel imports;
- (iv) are for the use of the patented invention on any foreign vessel, aircraft, spacecraft or land vehicle temporarily in Malaysia;
- (v) are time-barred; or
- (vi) that the defendant was in good faith at the priority date already making or using the patented invention in Malaysia or had made serious preparations towards the same.

1.15 Are (i) preliminary and (ii) final injunctions available and if so on what basis in each case?

A preliminary or interlocutory injunction is a discretionary remedy and is granted if: (i) there is a serious issue to be tried (an arguable case exists); (ii) damages is not an adequate remedy for the plaintiff; and (iii) if there is doubt as to the adequacy of the respective remedies in damages available to either party or to both and the “balance of convenience” weighs in favour of granting the injunction. The “balance of convenience” process is to weigh and balance the risk of doing an injustice by taking into account various relevant factors and matters, e.g., whether the alleged infringing product has long been in the market, the ability of the respective parties to compensate the other should it fail at trial, etc. Almost without exception, a plaintiff is required to provide an undertaking as to damages before an interlocutory injunction will be granted. The plaintiff must give the undertaking to the Court that it will make good any damage which the defendant may suffer by reason of the interlocutory injunction. Some evidence is required to be produced by the plaintiff to show that it has the financial ability to meet the undertaking.

Final injunctions are usually granted to the plaintiff upon a successful trial unless it would be inequitable to do so.

1.16 On what basis are damages or an account of profits estimated?

Damages or an account of profits is assessed after the trial in a separate assessment proceedings before the Court Registrar. The assessment proceedings are based on affidavit evidence although the Registrar has a discretion to require witnesses to attend and be examined.

The claimant must, at the start of the proceedings, elect whether to pursue damages or an account of profits. The latter is not often elected because disclosure is usually not satisfactory to know if the account given is a true reflection of the defendant’s profits. If damages are pursued, the claimant must set out the basis of assessment and prove his claim. The purpose of awarding damages is not to punish the defendant or enrich the plaintiff but solely to compensate the plaintiff for the loss and injury (including injury to reputation and goodwill) suffered by reason of the defendant’s infringing acts.

1.17 What other form of relief can be obtained for patent infringement?

The Court may additionally order (i) delivery and/or destruction of the infringing items and/or tools or equipment used to manufacture the infringing items, (ii) publication of the judgment in newspapers

or trade publications at the defendant’s costs, and (iii) publication of a public apology by the defendant.

1.18 Are declarations available and if so can they address (i) non-infringement and/or (ii) claim coverage over a technical standard or hypothetical activity?

Declarations addressing non-infringements are available. There is as yet no Malaysian Court judgment giving declarations addressing (ii) above. A declaration will only be granted if it is proved by the evidence and would resolve the dispute between the parties. The Court will not likely entertain declaratory proceedings on a hypothetical situation or one which is a purely academic exercise.

1.19 After what period is a claim for patent infringement time-barred?

The action is time-barred after 5 years from the act of infringement.

1.20 Is there a right of appeal from a first instance judgment and if so is it a right to contest all aspects of the judgment?

There is a right of appeal from a first instance judgment (High Court) to the Court of Appeal in respect of the whole or any part of the judgment. An appeal from the Court of Appeal to the Federal Court (apex court) requires leave of the latter.

1.21 What are the typical costs of proceedings to first instance judgment on (i) infringement and (ii) validity; how much of such costs are recoverable from the losing party?

In almost all cases, infringement and validity are heard together. Typical costs to first instance judgment on infringement alone would be in the region of RM200,000.00 to RM600,000.00 depending on the complexity of the case, number of witnesses and length of trial. If invalidity is raised, costs can go up to more than RM1,000,000.00. A successful party can expect to recover about 70% to 80% of his incurred costs on taxation.

2 Patent Amendment

2.1 Can a patent be amended *ex parte* after grant and if so how?

Provided there are no pending Court proceedings in which the validity of the patent may be put in issue, the patentee may amend the patent to correct a clerical error or an obvious mistake or for any other reason acceptable to the Registrar by filing a request together with the prescribed fees. Amendments having the effect of disclosing a matter extending beyond that disclosed before the amendment or which extend the protection conferred at the time of grant are not permissible.

2.2 Can a patent be amended in *inter partes* revocation proceedings?

The Court has discretion to allow amendments to the patent in revocation proceedings taking into account the effect on validity by the proposed amendments. The Court will not allow amendments which add subject-matter or which extend the protection conferred at the time of grant.

2.3 Are there any constraints upon the amendments that may be made?

Yes, please refer to the above (questions 2.1 and 2.2).

2.4 Do reasons for amendment need to be provided and if so is there a duty of good faith?

Yes, they do.

3 Licensing

3.1 Are there any laws which limit the terms upon which parties may agree a patent licence?

The Patents Act 1983 makes a term of a licence contract invalid if it imposes upon the licensee restrictions not derived from the rights conferred on the patentee by the Act or which are unnecessary for the safeguarding of such rights. The recently passed Competition Act 2010 (scheduled to be in force on 1.1.2012) will govern agreements including patent licences and make anti-competitive behaviour such as price fixing a cause of violation.

3.2 Can a patent be the subject of a compulsory licence and if so how are the terms settled and how common is this type of licence?

A compulsory licence is possible but it is not common. The applicant proposes the terms of the compulsory licence in his application and the terms are determined after consideration by the Intellectual Property Corporation of Malaysia. Any party aggrieved by the determination of the Corporation may appeal to the High Court.

4 Patent Term Extension

4.1 Can the term of a patent be extended and if so (i) on what grounds and (ii) for how long?

The term of a patent cannot be extended.

5 Patent Prosecution and Opposition

5.1 Are all types of subject matter patentable and if not what types are excluded?

The following are not patentable, notwithstanding that they may be inventions within the meaning of the Patents Act 1983:

- discoveries, scientific theories and mathematical methods;
- plant or animal varieties or essentially biological processes for the production of plants or animals, other than man-made living micro-organisms, micro-biological processes and the products of such micro-organism processes;
- schemes, rules or methods for doing business, performing purely mental acts or playing games; and
- methods for the treatment of human or animal body by surgery or therapy, and diagnostic methods practised on the human or animal body (but products used in any such methods can be patentable).

5.2 Is there a duty to the Patent Office to disclose prejudicial prior disclosures or documents?

Such a duty is not expressly stated. However, a patent may be invalidated on the ground that incomplete or incorrect information was deliberately provided to the Registrar by the patentee or his agent. Thus, there may be a risk of invalidation if the failure to disclose prejudicial prior documents forms amounts to such a ground.

5.3 May the grant of a patent by the Patent Office be opposed by a third party and if so when can this be done?

There is no provision for third party opposition to the grant of a patent.

5.4 Is there a right of appeal from a decision of the Patent Office and if so to whom?

Any person aggrieved by a decision of the Registrar or the Intellectual Property Corporation may appeal to High Court.

5.5 How are disputes over entitlement to priority and ownership of the invention resolved?

An action to determine the disputes will need to be filed at the High Court.

5.6 What is the term of a patent?

The term of a patent is 20 years from the filing date of the application.

However, the term is 20 years from the filing date or 15 years from the date of grant, whichever is longer if:

- the application was filed before 1 August 2001 and was pending on that date; or
- the patent was granted before 1 August 2001 and remained in force on that date.

6 Border Control Measures

6.1 Is there any mechanism for seizing or preventing the importation of infringing products and if so how quickly are such measures resolved?

There is currently no legal provision or mechanism for seizing or preventing the importation of infringing products.

7 Antitrust Law and Inequitable Conduct

7.1 Can antitrust law be deployed to prevent relief for patent infringement being granted?

The Competition Act 2010 is newly enacted and is due to come into force on 1st January 2012. The guidelines are currently being drawn up and yet to be published. It is too soon to tell if the new law can be deployed to prevent relief for patent infringement being granted. Enforcement of an IP right is however not generally viewed as anti-competitive.

7.2 What limitations are put on patent licensing due to antitrust law?

Contractual terms which have the object of significantly preventing, restricting or distorting competition will be prohibited. Terms which directly or indirectly fix price, share market or sources of supply, limit or control production, market outlet or access or technical or technological development will be deemed anti-competitive.

8 Current Developments

8.1 What have been the significant developments in relation to patents in the last year?

The Registry has moved to improve the procedures and shorten the pendency period for the registration of patent. The prosecution process is shortened from 39 months to 26 months but only 20 months for applications approved to be on a fast track basis without any form of opposition. In line with this, the time limit for requesting examination of an application (non-PCT based) is reduced from 24 to 18 months. The other significant developments



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are the availability of e-filing and the considerable increase in Registry filing fees with effect from 15 February 2011.

8.2 Are there any significant developments expected in the next year?

There are plans to have the proposed amendments to the Patents Act 1983 finalised and tabled for first reading in Parliament within 2012. Amongst others, the proposed amendments will introduce provisions for patent term restoration and compulsory licences for public health.

8.3 Are there any general practice or enforcement trends that have become apparent in Malaysia over the last year or so?

There has been a noticeable increase in the number of patent litigation cases brought before the Court in the last few years. The availability of a specialised Intellectual Property Court and a greatly expedited Court system that became fully implemented in the last year or so are likely factors contributing to that increase.



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Suet Yen practices in the area of intellectual property and information technology laws.



With a history that spans two decades in Malaysia, Tay & Partners' presence and philosophy is built on a bedrock of solid legal expertise combined with a business-oriented approach. We build our reputation by presenting clients with innovative and practical solutions. This enables us to perform in a manner that exceeds expectations and sets us apart as true experts, backed by a track record honed from extensive experience.

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