

PATENTS

ICLG

The International Comparative Legal Guide to:

Patents 2017

7th Edition

A practical cross-border insight into patents law

Published by Global Legal Group, in association with CDR, with contributions from:

Adams & Adams
Anderson Mōri & Tomotsune
Armengaud & Guerlain
Bird & Bird LLP
Daniel Advogados
Elzaburu
Fiebinger Polak Leon Attorneys-at-Law
Goroditsky & Partners (Ukraine)
Gün + Partners
Kadasa & Partners
Kather Augenstein
Kirkland & Ellis LLP
Lifang & Partners
OLIVARES
Patrinos & Kilimiris

Paul Hastings LLP
Pham & Associates
PORZIO · RIOS · GARCIA
PwC Legal
Reising Ethington P.C.
Rouse & Co. International
SpencePC
Subramaniam & Associates
SyCip Salazar Hernandez & Gatmaitan
Synch Advokat AB
Tay & Partners
Tilleke & Gibbins
TIPLo Attorneys-at-Law
WhitneyMoore Solicitors
Wikborg Rein





Contributing Editor

Katharine Stephens,
Bird & Bird LLP

Sales Director

Florjan Osmani

Account Directors

Oliver Smith, Rory Smith

Sales Support Manager

Paul Mochalski

Sub Editor

Hannah Yip

Senior Editor

Rachel Williams

Chief Operating Officer

Dror Levy

Group Consulting Editor

Alan Falach

Group Publisher

Richard Firth

Published by

Global Legal Group Ltd.
59 Tanner Street
London SE1 3PL, UK
Tel: +44 20 7367 0720
Fax: +44 20 7407 5255
Email: info@glgroup.co.uk
URL: www.glgroup.co.uk

GLG Cover Design

F&F Studio Design

GLG Cover Image Source

iStockphoto

Printed by

Ashford Colour Press Ltd
August 2016

Copyright © 2016

Global Legal Group Ltd.
All rights reserved
No photocopying

ISBN 978-1-911367-10-9

ISSN 2044-3129

Strategic Partners



General Chapters:

1	A Guide to Conducting an Action Before the Unified Patent Court – Katharine Stephens, Bird & Bird LLP	1
2	At the Intersection of U.S. Patent Laws and Autonomous Vehicles: A Look at Patent Eligibility and Claim Indefiniteness – Corey M. Beaubien & Jeffrey L. Doyle, Reising Ethington P.C.	8
3	Gulf Cooperation Council Countries – Patent Landscape – Sara Holder & Mohammad Jomoa, Rouse & Co. International/Kadasa & Partners	12
4	U.S. Supreme Court Reaffirms Flexible Analysis for Enhanced Damages in U.S. Patent Cases – D. Stuart Bartow, Paul Hastings LLP	15

Country Question and Answer Chapters:

5	Austria	Fiebinger Polak Leon Attorneys-at-Law: DDr. Karina Hellbert, LL.M.	19
6	Brazil	Daniel Advogados: Rana Gosain & André Bastos Venturini	25
7	Chile	PORZIO · RIOS · GARCIA: Cristóbal Porzio & Marcelo Correa	33
8	China	Lifang & Partners: Xie Guanbin & Sun Xi	39
9	France	Armengaud & Guerlain: Catherine Mateu	46
10	Germany	Kather Augenstein: Dr. Christof Augenstein & Christopher Weber	53
11	Greece	Patrinos & Kilimiris: Constantinos Kilimiris & Tassos Kilimiris	59
12	India	Subramaniam & Associates: Hari Subramaniam	65
13	Ireland	WhitneyMoore Solicitors: Aoife Murphy & Robin Hayes	73
14	Japan	Anderson Mōri & Tomotsune: Yasufumi Shiroyama & Makoto Ono	80
15	Malaysia	Tay & Partners: Lin Li Lee & Kah Yee Chong	87
16	Mexico	OLIVARES: Alejandro Luna & Sergio L. Olivares, Jr.	94
17	Norway	Wikborg Rein: Ingvild Hanssen-Bauer & Lars Erik Steinkjer	102
18	Philippines	SyCip Salazar Hernandez & Gatmaitan: Enrique T. Manuel & Vida M. Panganiban-Alindogan	108
19	Russia	PwC Legal: Konstantin Bochkarev	114
20	Saudi Arabia	Rouse & Co. International/Kadasa & Partners: Sara Holder & Mohammad Jomoa	119
21	South Africa	Adams & Adams: Alexis Apostolidis & Sophia Czarnocki	125
22	Spain	Elzaburu: Colm Ahern	132
23	Sweden	Synch Advokat AB: David Leffler & Elisabeth Sundberg	137
24	Taiwan	TIPLo Attorneys-at-Law: J. K. Lin & H. G. Chen	143
25	Thailand	Tilleke & Gibbins: Nandana Indananda & Siraprapha Rungpry	151
26	Turkey	Gün + Partners: Selin Sinem Erciyas & Filiz Toprak Esin	157
27	Ukraine	Gorodissky & Partners (Ukraine): Nina Moshynska	164
28	United Arab Emirates	Rouse & Co. International: Sara Holder	171
29	United Kingdom	Bird & Bird LLP: Katharine Stephens & Audrey Horton	176
30	USA	Kirkland & Ellis LLP/SpencePC: Eugene Goryunov & William Cory Spence	185
31	Vietnam	Pham & Associates: Pham Vu Khanh Toan	192

Further copies of this book and others in the series can be ordered from the publisher. Please call +44 20 7367 0720

Disclaimer

This publication is for general information purposes only. It does not purport to provide comprehensive full legal or other advice. Global Legal Group Ltd. and the contributors accept no responsibility for losses that may arise from reliance upon information contained in this publication. This publication is intended to give an indication of legal issues upon which you may need advice. Full legal advice should be taken from a qualified professional when dealing with specific situations.

Malaysia



Lin Li Lee



Kah Yee Chong

Tay & Partners

1 Patent Enforcement

1.1 Before what tribunals can a patent be enforced against an infringer? Is there a choice between tribunals and what would influence a claimant's choice?

A patent is enforced by initiating a civil action against an infringer at the High Court ("Court"). Patent infringement proceedings are largely instituted in the specialised Intellectual Property ("IP") Court in the commercial division of the High Court, which focuses solely on IP disputes in the view that such disputes involve highly technical issues and require prompt resolution, and that IP laws rapidly change and develop. The specialised IP Court comprises Sessions Courts which preside over criminal cases involving intellectual property and a dedicated High Court which possesses civil and appellate jurisdictions.

1.2 What has to be done to commence proceedings, what court fees have to be paid and how long does it generally take for proceedings to reach trial from commencement?

A civil action is commenced by filing a Writ, accompanied by the payment of a prescribed fee, which must be served on the defendant. A case is often set down for trial within six to nine months of the commencement of proceedings.

1.3 Can a party be compelled to disclose relevant documents or materials to its adversary either before or after commencing proceedings, and if so, how?

A party can be compelled to provide disclosure of relevant documents or materials by way of discovery process. In an action commenced by Writ, a notice has to be served on the party who is required to produce documents. Privileged documents cannot be disclosed, whereas confidential documents may be discoverable subject to confidentiality orders of the Court.

1.4 What are the steps each party must take pre-trial? Is any technical evidence produced, and if so, how?

- 1) In a Writ action for infringement, the defendant is required to enter his appearance within 14 days of service of the Writ.
- 2) Within 14 days of entering his appearance, the defendant is required to file and serve his defence.

- 3) Within 14 days of service of the defence, the plaintiff may file and serve a reply to the defence.
- 4) Pleadings are deemed closed 14 days after the filing and service of the reply or, if there is no reply, within 14 days of filing and service of the defence.

The Court will fix case management where the parties are required to appear before the Court for directions on the management of the case. Case management directions are typically as follows:

- (a) a statement of the issues to be tried must be filed and served;
- (b) a statement of agreed facts must be filed and served;
- (c) a common bundle of documents for trial must be filed and served;
- (d) a list of witnesses must be filed and served; and
- (e) witness statements must be filed and served before the trial.

In an action commenced by Writ, evidence-in-chief of witnesses including technical evidence, which may be given in the form of oral or documentary evidence, is produced by way of witness statements. Any documents being relied on, such as prior art documents, visual and/or sound recordings, drawings, diagrams, models and physical products, should as far as possible be made available to the other party and the Court when the witness statements are filed and exchanged. During pre-trial case management, the Court will give direction as to the period within which witness statements must be filed and exchanged. Evidence-in-chief of witnesses tendered in the Court may be cross-examined by the other party and subsequently re-examined by the party who calls the witnesses.

Unless the Court otherwise directs, expert evidence is to be given in a written report signed by the expert and exhibited in an affidavit sworn to or affirmed by him, testifying that the report exhibited is his and that he accepts full responsibility for the report.

1.5 How are arguments and evidence presented at the trial? Can a party change its pleaded arguments before and/or at trial?

The Court may give direction as to which party should begin the case and the order of speeches in the trial. In most cases, unless the defendant bears the burden of proof on all the material issues, the plaintiff shall begin by opening his case. The plaintiff may then proceed to call and examine each of his witnesses who will undergo examination-in-chief, which is now usually conducted by way of witness statements, cross-examination by the defendant and re-examination by the plaintiff. After all witnesses have been called and examined, the plaintiff's case is closed.

If the defendant elects to adduce evidence, the defendant will proceed to open his case and call his witnesses who will undergo the

three stages of the examination process mentioned above. When all his witnesses have been called and examined, the defendant closes his case.

After full trial, both parties will be required to file written submissions within a period specified by the Court. After written submissions have been filed, the Court will give direction as to the period within which submissions-in-reply have to be filed by both parties. The Court will then fix a date to deliver its decision.

Any party may amend any pleading at any time before pleadings are deemed to be closed and must serve the amended pleading on the other party. Where an amended pleading is served on the other party, the other party may amend his pleading and serve the same on the original party within 14 days. If the other party disagrees with the amendment, he may apply to the Court within 14 days to disallow the amendment.

If, however, the pleading is to be amended on a second or subsequent time or after pleadings are closed, leave of the Court must be obtained as the Court has discretion to grant leave at any stage of the proceedings, on such terms as to costs or as may be just.

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, which is subject to the complexity of the issues involved and the number of witnesses being called to testify, generally lasts from three to 15 days. A judgment is usually made available within four to eight weeks after written submissions and submissions-in-reply are filed.

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

Judges in the specialised IP Court and the majority of the Judges in the Commercial Courts are not technically trained and do not have a technical background. The Judges are guided by the evidence and assistance given by technical and 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 institute infringement proceedings. Any licensee (unless excluded by the licence contract) or the beneficiary of a compulsory licence may institute infringement proceedings in his own name if the owner of the patent refuses or fails to institute the proceedings within three months of the receipt of his request to do so.
- (ii) Any aggrieved person may institute Court proceedings against the owner of the patent for the invalidation of the patent.
- (iii) Any interested person has the right to request, by instituting proceedings against the owner of the patent, that the Court declare that the performance of a specific act does not constitute an infringement of the patent. However, 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 If declarations are available, can they address (i) non-infringement, and/or (ii) claim coverage over a technical standard or hypothetical activity?

- (i) Declarations of non-infringement of a patent are available.

- (ii) Declarations are available at the discretion of the Court. The Court will be more likely to grant declaration if there is a real commercial reason for seeking the declaration and there is a real prospect of resolving real commercial disputes between 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?

The Patents Act 1983 (“PA 1983”) is silent on secondary infringement. A finding of infringement is made only if the product or process falls within the scope of claim(s) of the patent-in-suit. If only part of the infringing product or process is supplied, and not all of the essential integers of the independent claim(s) are met, it is unlikely to be deemed infringement.

1.11 Can a party be liable for infringement of a process patent by importing the product when the process is carried on outside the jurisdiction?

A party can be liable for infringement of a patented process by importing the product which is obtained directly by means of the patented process, notwithstanding that the process is carried on outside Malaysia.

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

The Malaysian Courts adopt purposive construction in interpreting claims by focusing on the intention behind the wording of the claim instead of the literal meaning of the wording, thereby allowing the scope of protection of a patent claim to extend to non-literal equivalents. The Court is concerned with the question of whether a reasonable person skilled in the art would have understood the inventor.

1.13 Can a defence of patent invalidity be raised, and if so, how? Are there restrictions on such a defence e.g. where there is a pending opposition?

In patent infringement proceedings, the defendant may raise objections to the validity of the patent and counterclaim for invalidation, in which case the defendant must serve on the plaintiff the particulars of objections with the defence or counterclaim. There are no restrictions on such a defence.

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

A patent may be invalidated on any of the following grounds:

- (a) the invention is not an invention within the definition of the PA 1983;
- (b) the invention is excluded from protection;
- (c) the performance of the invention would be contrary to public order or morality;
- (d) the invention is not a patentable invention;
- (e) the description or the claim does not comply with the requirement of the patent regulations;
- (f) any drawings which are necessary for the understanding of the claimed invention have not been furnished;

- (g) the right to the patent does not belong to the person to whom the patent was granted; or
- (h) incomplete or incorrect information has been deliberately provided or caused to be provided to the Registrar for modified or substantive examination by the person to whom the patent was granted or by his agent.

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

Issues on infringement and invalidity of patents are heard by the Court. The Patent Office does not have authority to hear such matters. Where invalidation proceedings are pending, the Court has discretion to grant a stay of infringement proceedings pending resolution of validity of the patent in another Court or make an order for transferring the case so that both actions are heard before the same Court, in which case the invalidation action may be heard first, or both cases may be heard together in one trial sitting.

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

Other grounds of defence which may be raised are as follows:

- (a) the infringing acts are only for scientific research and not for industrial or commercial purposes;
- (b) the infringing acts are solely for uses reasonably related to the development and submission of information to the relevant authority which regulates the manufacture, use or sale of drugs;
- (c) the infringing acts are in respect of products which have been put on the market by the owner of the patent, a third party whose rights are derived from prior manufacture or use, the licensee or the beneficiary of a compulsory licence;
- (d) the infringing acts are related to parallel imports;
- (e) the infringing acts are for uses on any foreign vessel, aircraft, spacecraft or land vehicle temporarily in Malaysia;
- (f) the infringing acts are done after the patent term;
- (g) the infringing acts are done after it is notified in the Gazette that the patent has lapsed and before it is notified in the Gazette that the patent has been reinstated;
- (h) the infringing acts are done pursuant to a compulsory licence;
- (i) the infringing acts are done by a Government agency or a third person designated by the Minister;
- (j) the infringing acts are done by a third party who, at the priority date of the patent application was, in good faith in Malaysia, making the product or using the process or had made serious preparations towards the same; and
- (k) the claim for an infringement action is time-barred.

1.17 Are (i) preliminary, and (ii) final injunctions available, and if so, on what basis in each case? Is there a requirement for a bond?

Both preliminary and final injunctions are available at the discretion of the Court. Other interlocutory injunctions available include *Anton Piller* orders and *Mareva* injunctions.

The grounds for obtaining an interlocutory injunction are as follows:

- (a) there must be a serious question to be tried;
- (b) damages *in lieu* of an injunction would be inadequate for the plaintiff;
- (c) the plaintiff must provide an undertaking as to damages;

- (d) balance of convenience must lie in favour of the plaintiff being granted the injunction;
- (e) the plaintiff is under a duty to make full and frank disclosure; and
- (f) an application for an injunction must be made promptly.

The grounds for obtaining an *Anton Piller* order are as follows:

- (a) there must be a *prima facie* case;
- (b) the defendant is in possession of the incriminating evidence;
- (c) the defendant's act(s) must have caused serious damage to the plaintiff;
- (d) the plaintiff must provide an undertaking as to damages;
- (e) the plaintiff is under a duty to make full and frank disclosure; and
- (f) an application for an injunction must be made promptly.

The grounds for obtaining a *Mareva* injunction are as follows:

- (a) there must be a good arguable case;
- (b) the plaintiff must specify a limit on the amount of the defendant's assets being dissipated;
- (c) the plaintiff is under a duty to make full and frank disclosure;
- (d) the defendant must have assets within the jurisdiction;
- (e) there is a risk of the defendant disposing of his assets;
- (f) the plaintiff must provide undertaking as to damages; and
- (g) an application for an injunction must be made promptly.

As indicated above, there is a requirement for an undertaking to compensate the defendant for damages arising from the injunction, should it later be determined that the injunction should not have been granted.

1.18 On what basis are damages or an account of profits assessed?

Damages or an account of profits are assessed after the trial of an action for infringement by the Court or the Registrar, depending on the difficulty or complexity of the issues involved. The procedure of assessment is by way of affidavit evidence, and if the Registrar so requires, supplemented by cross-examination of the deponents. Both parties will usually be required to give discovery.

A successful plaintiff may elect whether to claim damages in respect of the infringement or an account of profits. An account of profits is assessed by taking into consideration the profit from the use of the invention instead of the entire infringing sale. On the other hand, damages are quantified under three headings, namely, loss of profits, loss of opportunity and loss of reputation.

1.19 What other form of relief can be obtained for patent infringement? Would the tribunal consider granting cross-border relief?

Other forms of relief available for patent infringement are delivery-up and/or destruction of the infringing items, and/or tools or equipment used to manufacture the infringing items and publication of public apology by the defendant.

Generally, the Courts would not grant cross-border relief because patent rights are territorial in nature.

1.20 How common is settlement of infringement proceedings prior to trial?

The Courts generally encourage settlement of disputes without resorting to Court proceedings. The Court may give direction to the

parties to resolve disputes by way of mediation prior to trial if both parties are agreeable to it. It is common that parties may choose to attempt negotiation or mediation for settlement of infringement proceedings prior to trial, which is more cost-effective in the long run.

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

A claim for patent infringement is time-barred after five years from the act of infringement.

1.22 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?

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 may be based on a point of fact or law, or both. An appeal from the Court of Appeal to the Federal Court requires leave of the Federal Court and may only be based on a point of law.

1.23 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?

The costs of proceedings depend on the complexity of the matter, the number of witnesses and the length of trial. The typical costs of proceedings to first instance judgment on (i) infringement, and (ii) validity would be in the region of (i) USD 80,000 to USD 200,000, and (ii) USD 50,000 to USD 90,000, respectively. A successful party may recover about 50% to 80% of incurred costs on taxation.

1.24 For jurisdictions within the European Union: What steps are being taken in your jurisdiction towards ratifying the Agreement on a Unified Patent Court, implementing the Unitary Patent Regulation (EU Regulation No. 1257/2012) and preparing for the unitary patent package? For jurisdictions outside of the European Union: Are there any mutual recognition of judgments arrangements relating to patents, whether formal or informal, that apply in your jurisdiction?

There are no formal or informal mutual recognition of judgments arrangements relating to patents that apply in Malaysia.

Nevertheless, the enforcement of foreign judgments in Malaysia is governed by the Reciprocal Enforcement of Judgments Act 1958 (“REJA”). Judgments from countries listed in the First Schedule of the REJA can be enforced in Malaysia, namely, those from the United Kingdom, Singapore, Hong Kong, New Zealand, Sri Lanka and India.

There are several conditions to enforce a foreign judgment under the REJA:

- (a) the judgment must be a final and conclusive judgment from a superior Court for a definite sum;
- (b) the application must be made within six years from the date of judgment;
- (c) the foreign Court had jurisdiction;
- (d) the judgment debtor receives notice of proceedings to defend the action and appears in the proceedings;
- (e) the judgment was not obtained by fraud;

- (f) the enforcement of the judgment is not contrary to public policy in Malaysia; and
- (g) the rights under the judgment are vested in the person seeking to enforce the judgment.

2 Patent Amendment

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

Once a patent has been granted, the Registrar may, upon a request made by the owner of the patent, amend the patent by correcting a clerical error or obvious mistake in a patent or for any other reason acceptable to the Registrar. A request to amend a patent must be made to the Registrar in the prescribed form, together with the payment of the prescribed fee. However, the Registrar is not allowed to make any amendment if there are proceedings pending before any Court in which the validity of the patent may be put at issue.

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

The Registrar is not allowed to make an amendment if there are proceedings pending before any Court in which the validity of the patent may be put at issue.

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

The Registrar is not allowed to make amendments to a patent if the amendment would have the effect of disclosing a matter which extends beyond that disclosed before the amendment, or if the amendment would have the effect of extending the protection conferred at the time of the granting of the patent.

3 Licensing

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

Generally, the parties are free to agree on any terms of a licence contract, provided that the terms are in compliance with the Contracts Act 1950. As far as the PA 1983 is concerned, any clause or condition in a licence contract is invalid if it imposes upon the licensee restrictions not derived from the rights conferred under the PA 1983 on the owner of the patent, or unnecessary for the safeguarding of such rights. The Competition Act 2010 (“CA 2010”), on the other hand, prohibits any agreement which has the object of significantly preventing, restricting, or distorting competition in any market for goods or services, such as price fixing, market sharing and limiting or controlling production.

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 patent can be the subject of a compulsory licence, but it is rare. The terms of the compulsory licence are proposed by the applicant and the proposed terms are to be filed together with an application

for compulsory licence in the prescribed form. The final terms will be determined after consideration by the Intellectual Property Corporation of Malaysia (“Corporation”).

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 the fact that they may be inventions within the PA 1983:

- (a) discoveries, scientific theories and mathematical methods;
- (b) plant or animal varieties or essentially biological processes for the production of plants or animals, other than manmade living micro-organisms, micro-biological processes and the products of such micro-organism processes;
- (c) schemes, rules or methods for doing business, performing purely mental acts or playing games; and
- (d) methods for the treatment of human or animal body by surgery or therapy, and diagnostic methods practised on the human or animal body. However, this exclusion does not apply to products used in any such methods.

5.2 Is there a duty to the Patent Office to disclose prejudicial prior disclosures or documents? If so, what are the consequences of failure to comply with the duty?

The PA 1983 does not expressly impose a duty to the Patent Office to disclose prejudicial prior disclosures or documents.

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 are no opposition proceedings in Malaysia.

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

Any person aggrieved by any decision or order of the Registrar or the Corporation may appeal to the High Court. There is a right of appeal to the Court of Appeal with respect to the decision of the High Court. An appeal from the Court of Appeal to the Federal Court requires leave of the Federal Court.

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

Disputes over entitlement to priority and ownership of the invention may be resolved by filing a civil action at the High Court, in which case a declaratory judgment may be sought. Alternatively, such disputes may be resolved by negotiation, mediation or arbitration.

5.6 Is there a “grace period” in your jurisdiction, and if so, how long is it?

There is a “grace period” of 12 months which is available to a patent applicant in respect of disclosures made by reason or as a consequence of acts committed by the applicant or his predecessor in title, or any abuse of the rights of the same.

5.7 What is the term of a patent?

The term of a patent is 20 years from the filing date of the application. However, where a patent application was pending on 1 August 2001 or where a patent was granted and remained in force on 1 August 2001, the term of the patent is 20 years from the filing date or 15 years from the date of the grant of the patent, whichever is longer.

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 no 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 CA 2010 does not contain any provision that prevents relief for patent infringement being granted.

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

See our answer to question 3.1.

8 Current Developments

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

The recent decision of the Federal Court in the case of *SKB Shutters Manufacturing Sdn Bhd v Seng Kong Shutter Industries Sdn Bhd & Anor* [2015] 6 MLJ 293 has had a significant impact on future patent invalidation proceedings and patent drafting.

The case concerned an infringement action instituted by SKB Shutters (“Appellant”) against Seng Kong Shutter (“Respondent”) in respect of the Appellant’s patent entitled ‘Rolling Door’ (“Patent”), whereby the Respondent counterclaimed for invalidation on the ground that the Patent lacked novelty and an inventive step, in view that it was anticipated by the Patent in the form of an aluminium PVC piece and two United States Patents (“Prior Art”). The High Court held that the Patent was valid and allowed the Appellant’s claim for infringement.

On appeal, the Court of Appeal held that the High Court had erred in law by comparing the Appellant’s product with the Prior Art

in assessing novelty in which case the Court should compare the claims in the Patent with the features disclosed in the Prior Art. Upon finding that the first claim (“Claim 1”) was not novel, the Court of Appeal held that the patent was invalid.

In the present appeal, the Appellant claimed that the Court of Appeal’s finding of invalidation based on only one invalid claim was unsound, as the Court failed to assess each of the 11 claims individually and those claims ought not to have been declared invalid by the Court.

The Federal Court, having found that Claim 1 and the 11th claim (“Claim 11”) of the Patent, which are independent claims, were invalid, held that the rest of the claims, being dependent on Claim 1, would fall unless the dependent claims were redrafted or amended to incorporate the features of the claim upon which they are dependent and are made an independent claim. The Court, nevertheless, held that there is no provision in the PA 1983 which allows a patent claim to be amended when the validity of the patent is challenged or allows a partially valid patent to be enforced without amendment. Given that Section 56(3) of the PA 1983 merely states that some claims or part of a claim may be declared invalid, the Court opined that it can refer only to independent claims.

The Court also agreed with the Court of Appeal to compare claims of the Patent with the features disclosed in the Prior Act when assessing novelty. The Court further held that when assessing whether the Patent lacked inventive step, the issue on construction of the claims could be determined by an expert as an ‘unimaginative skilled addressee’ without any assistance by a person skilled in the art.

Premised on the above grounds, the Federal Court affirmed the decision of the Court of Appeal and held that the Patent was invalid.

The decision of the Federal Court would appear to be based purely on technical grounds that, on a literal interpretation of Section 79A(3) of the PA 1983, amendment of a patent, the validity of which is being challenged in Court, is not permissible.

Further, the decision does not take into account that the obstacle posed by Section 79A(3) may arguably be overcome by an order by the High Court that the dependent claim(s) be amended accordingly by the patentee under Section 79A(1) upon the disposal of the Court proceedings. In such circumstances, the amendment(s) would not contravene Section 79A(3) since the validity of the patent would no longer be under challenge.

In addition, it is arguable that the Court is empowered under Section 56(3) of the PA 1983 to amend a claim, in order that the

affected dependent claim(s) may be re-drafted so as to become an independent claim. In this regard, the Federal Court appears to have read into the provision of Section 56(3) the word “independent” when it concluded that this provision is not the equivalent of Section 63 of the UK Patents Act 1977 (which permits enforcement of a partially valid patent). It held that Section 56(3) “merely states that some claims or part of a claim may be declared invalid which in our view it can only refer to the independent claims of a patent”. Statutory interpretation does not appear to lend support to the Federal Court’s reading of Section 56(3).

This decision has far-reaching ramifications for future patent invalidation proceedings in Malaysia, which are likely to extend to the manner in which claims should be drafted to avoid being invalidated purely due to mere dependence. Amendments have been proposed to the relevant provisions in the PA 1983 in order to overcome the issues raised in this case.

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

Following the signing of the Trans-Pacific Partnership Agreement (“TPPA”) on 4 February 2016, the Ministry of International Trade and Industry will form a national committee to monitor, facilitate and oversee the overall implementation of the TPPA in Malaysia. The participation of Malaysia in the TPPA has significantly changed Malaysian intellectual property law, including the patent law, and generated considerable impact on the drug and healthcare industry.

For the purpose of implementing the TPPA, proposals to enact new provisions and/or amend the existing provisions to replace or supplement the current legal framework, such as extending the patent term, has the effect of delaying the manufacture of generic drugs, imposing an obligation on the Corporation to disclose patent applications and examination results and facilitating enforcement of the owner’s patent rights by way of early notification are anticipated.

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

In view that there are no specific provisions for administrative enforcement of patent rights, the owner of the patent or the patent applicant would generally resort to civil proceedings or alternative dispute resolutions.

**Lin Li Lee**

Tay & Partners
6th Floor, Plaza See Hoy Chan
Jalan Raja Chulan
50200 Kuala Lumpur
Malaysia

Tel: +603 2050 1888
Email: linli.lee@taypartners.com.my
URL: www.taypartners.com.my

Lin Li Lee's expertise includes litigating patents, trademarks, copyright, industrial designs infringement disputes, passing off disputes, anti-counterfeiting actions, domain name disputes and advising on complex franchising and licensing transactions.

Lin Li graduated from the University of Leeds with an LL.B. (Hons) in 1999 and obtained her certificate of legal practice in 2000. She was admitted as an advocate and solicitor of the High Court of Malaysia in 2001. She is a partner at Tay & Partners and the head of the IP & Technology Practice. She has represented clients in the technology, pharmaceutical, manufacturing, education, consumer retail services, and food and beverage industries. She is an executive committee member of the Malaysian Intellectual Property Association, and a member of the Asian Patent Attorneys Association, the ASEAN Intellectual Property Association, and INTA.

**Kah Yee Chong**

Tay & Partners
6th Floor, Plaza See Hoy Chan
Jalan Raja Chulan
50200 Kuala Lumpur
Malaysia

Tel: +603 2050 1888
Email: kahyee.chong@taypartners.com.my
URL: www.taypartners.com.my

Kah Yee Chong practises in the area of intellectual property. The scope of her practice encompasses advisory work, trademark registration and other contentious and non-contentious matters. She has assisted in advisory work relating to intellectual property, data protection and franchising. Kah Yee graduated from the University of Liverpool with an LL.B. (Hons) in 2013 and obtained her certificate in legal practice in 2014. She was admitted as an advocate and solicitor of the High Court of Malaysia in 2015.



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.

Our clients refer to us as their strategic alliance – to us, this just means that we are reliable, trustworthy and an ally to their business. We are at the forefront of the Malaysian intellectual property industry and have been consistently recognised for our practice in Intellectual Property in surveys by major legal directories. We have also been consistently voted as a leading law firm in Malaysia for Intellectual Property.

Please visit www.taypartners.com.my for more information.

Current titles in the ICLG series include:

- Alternative Investment Funds
- Aviation Law
- Business Crime
- Cartels & Leniency
- Class & Group Actions
- Competition Litigation
- Construction & Engineering Law
- Copyright
- Corporate Governance
- Corporate Immigration
- Corporate Investigations
- Corporate Tax
- Data Protection
- Employment & Labour Law
- Enforcement of Foreign Judgments
- Environment & Climate Change Law
- Family Law
- Franchise
- Gambling
- Insurance & Reinsurance
- International Arbitration
- Lending & Secured Finance
- Litigation & Dispute Resolution
- Merger Control
- Mergers & Acquisitions
- Mining Law
- Oil & Gas Regulation
- Outsourcing
- Patents
- Pharmaceutical Advertising
- Private Client
- Private Equity
- Product Liability
- Project Finance
- Public Procurement
- Real Estate
- Securitisation
- Shipping Law
- Telecoms, Media & Internet
- Trade Marks



59 Tanner Street, London SE1 3PL, United Kingdom
Tel: +44 20 7367 0720 / Fax: +44 20 7407 5255
Email: sales@glgroup.co.uk

www.iclg.co.uk