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Review**

Malaysia
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Dave A Wyatt

Designs 2017

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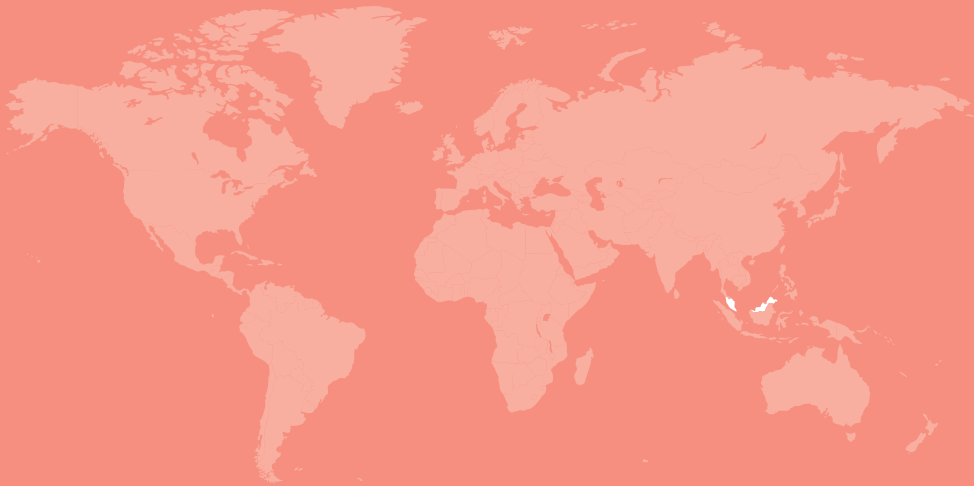
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Malaysia

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Legal framework

The protection of industrial designs in Malaysia is governed by the Industrial Designs Act 1996 and the Industrial Designs Regulations 1999, which came into force on September 1 1999.

The industrial designs law is a standalone regime and bears little similarity to the patent legislation. Applications undergo formal examination only, although objections of a substantive nature are occasionally raised. The Intellectual Property Corporation of Malaysia (MyIPO) also conducts a novelty cross-check of its own records for conflicting registrations, although the citation of prior art is rare. The nature of the formal examination system is such that most applications do proceed to registration.

The law was last amended in 2013, with major changes including a switch from local to worldwide novelty and extension of the term of protection of Malaysian design registrations from 15 to 25 years.

The 2013 amendments to the act also recognised registered designs as personal property capable of being mortgaged or

otherwise used as collateral in financial transactions. Similar changes are expected for patents and trademarks in the future as part of official moves to develop a local IP market.

Malaysia is a member of the Paris Convention and the World Trade Organisation. Accession to the Hague Agreement is anticipated under the Association of Southeast Asian Nations Economic Community Blueprint commitments.

Unregistered designs

Malaysian law does not provide for an unregistered design right. Therefore, it is particularly important to register designs in Malaysia wherever possible. The new term of protection of 25 years should make design registration a more attractive option.

Registered designs

An 'industrial design' is defined as features of shape, configuration, pattern or ornament applied to an article by any industrial process or means, and which in the finished article appeal to and are judged by the eye.

An 'article' is defined as any article of

manufacture or handicraft. It includes a part of such an article or handicraft only if that part is made and sold separately.

The protection of designs does not extend to any method or principle of construction, meaning that industrial design registration cannot be exploited to obtain patent-like protection, but rather is confined to the aesthetic appearance of a specific article. Features of shape or configuration that are dictated solely by function are discounted when assessing registrability of a design. Similarly, ‘must-match’ features cannot contribute to registrability.

Finally, an industrial design that is contrary to public order or morality is not registrable. Local sensitivities are taken into account when assessing morality, noting that Malaysia has a multicultural society.

Although spare parts are not explicitly excluded from registration, this may well be the effect of the various exclusions contained in the definitions of ‘protectable subject matter’.

A straightforward application for a single design may be completed up to registration with a budget of around \$1,000 if no objections are raised in prosecution. For a multiple application, each additional design after the first one may add around another \$500 to \$600 to the overall costs. Upon registration, no further official fees are payable until the first renewal falls due five years later.

Procedures

An application for registration comprises:

- the completed application form;
- an original power of attorney;
- a statement explaining briefly the applicant’s derivation of title from the author;

- one set of representations of the design; and
- payment of the official fees.

If priority is claimed, a certified copy of the priority application and its verified English translation are required, although these may be submitted after the application date.

The representations consist of drawings or photographs showing several views of the design applied to the article. There is no prescribed minimum number of views, although these should be sufficient to show the whole design, particularly the novel features. If priority is claimed, there will normally be an objection if the views filed do not match those of the priority document. However, some minor deviations may be justifiable based on differing national practice.

The first sheet of the representations must carry a statement of novelty, which indicates the features of the design for which novelty is claimed. This statement is not a claim to what is protected, like a patent claim. However, it can be used to highlight particular features or to de-emphasise the importance of features shown in dotted lines. MyIPO generally prefers applicants to use standard wordings for the statement of novelty.

When filing the application, the applicant must indicate which views of the design are to be published in the *Official Journal* and annexed to the certificate on registration. An official fee is payable for each view published.

The application must name the article. Care should be taken when choosing the article name, since this is relevant to the question of whether a third party’s product may infringe. The applicant must also state the relevant class and sub-class according to the Locarno international classification.



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Upon filing an application, a serial number is allocated immediately. The application then proceeds to formal examination. If there are any objections, an adverse report will be issued. The term for response may be extended for up to three months on payment of official fees.

An application will proceed directly to registration once it is found to be in order. The details of the registration are published in the *Official Journal*. There is no option of deferring publication on registration. An applicant that wishes to defer publication may seek to delay prosecution. However, an application that is not in order for registration within 12 months of the filing date, due to any default or neglect on the part of the applicant, shall be deemed withdrawn.

There are no provisions on opposition. Instead, any person may apply to the High Court for revocation of a registration on the grounds that the design was not new or the registration was procured by unlawful means. Revocation may be sought as an original action or by way of counterclaim in an infringement suit.

For the purposes of novelty, prior art consists of designs previously disclosed to the public, whether in Malaysia or elsewhere, as well as any design that is the subject of an earlier-dated Malaysian registration. Before July 2013, a local novelty standard applied, meaning that only prior disclosures in Malaysia counted under the first limb. However, the 2013 amendments to the act adopted worldwide novelty.

Although infringement requires the article to be the same as that set out in the registration document, novelty is assessed based on the design itself (ie, irrespective of the article to which it is applied). Thus, a design applied to one article will lack novelty over prior art consisting of the same design applied to a different article.

An earlier design need not be identical to the registered design in order to count as an anticipation. The registered design will still lack novelty if it differs from the earlier design only in immaterial details or in features commonly used in the relevant trade. The scope of protection will depend on the degree to which the registered design

can be distinguished from the prior art. An incremental design will have a narrow scope of protection, whereas a radically different design will cast a wider net over potential infringements.

An aggrieved or interested person may apply for rectification of the register. Such an application may be made to the High Court or the registrar, although the latter may refer the application to the High Court. Rectification of the register cannot be used as a substitute for revocation of a design, but rather only to add, delete or amend an entry in the register. An application for rectification can be opposed by the registered owner.

Multiple applications

An application may include multiple designs, provided that each belongs to the same Locarno class. Apart from this limitation, the designs and the articles to which they are applied may be unrelated to each other. Each additional design attracts a further filing fee, as well as publication fees. The different designs in a multiple application are protected independently and have individual registration numbers and certificates issued.

When it was first introduced, a multiple application afforded useful cost savings over filing an individual application for each design. In particular, the official fees for filing and renewal of multiple designs were discounted by 50% for the second and subsequent designs. This cost-saving benefit was eliminated in early 2012 when significant increases in the official fees for design were introduced. Overall, the benefits of filing multiple design applications have been notably diminished in recent years.

Enforcement

Legal process and remedies

There is a cause of action for infringement against a person that, without a licence from or the consent of the owner of a registered design, applies the design or any obvious or fraudulent imitation thereof to any article in respect of which the design is registered; or imports, sells, hires or offers or keeps for sale or hire any such article.

Case law has held that 'obvious' means that it is immediately apparent to the eye that

the offending design is an imitation. On the other hand, a ‘fraudulent’ imitation means that the offending design is not necessarily an obvious copy of the registered design; it may even contain differences engineered to disguise the copying, but which can nonetheless be deemed immaterial.

Apart from the registered owner, the plaintiff may be a licensee if it can prove that it previously requested the registered owner to sue and the latter refused or failed to act within three months. However, the owner’s right to join in such proceedings is not prejudiced. There is a statutory limitation period of five years from the act of infringement within which to commence action.

It takes about nine months from filing of a court action to setting down for trial. The entire proceedings until resolution may take around two years, depending on the case’s complexity.

Upon successful proof of infringement and defence of any counterclaim for revocation, the court may grant remedies including damages or an account of profits. An injunction may also be ordered to prevent further or imminent infringement. The court may refuse monetary relief if the defendant satisfies the court that at the time of the infringement, it was unaware of the registration and had previously taken all reasonable steps to ascertain whether the design had been registered.

Recent case law

In *Alpha Home Appliance Sdn Bhd v NSB Home Appliance* ([2015] MLJU 1829) the Kuala Lumpur IP High Court determined that the defendants had infringed the plaintiff’s registered design for a ceiling fan. The essential feature of the registered design was a central motor housing of round shape. The defendants submitted that although their fan’s housing was round, it was also concave at the bottom. However, in the judge’s opinion, when viewing it from a slight distance, the concave bottom was neither noticeable nor distinctive enough to distinguish it from the plaintiff’s design. A counterclaim for revocation of the registration was rejected on the ground that the admitted

evidence was insufficient to demonstrate a lack of novelty.

Ownership changes and rights transfers

The original owner of a design may assign its rights, including the right to apply for registration, to any other party. The assignment must be in writing. If an application has been filed or the design has been registered, an application to record the change of ownership should be made to MyIPO.

Apart from an assignment, ownership changes by way of transmission or other operation of law and security interest



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Mr Wyatt has given presentations on Malaysian IP law and practice to local institutions of higher learning, business councils and industry and professional associations, as well as in public educational seminars. Although his practice has focused on patent and design prosecution, as patent disputes and litigation have been increasing in Malaysia in recent years, he has come to be in demand for his opinions on patent validity and infringement. He has appeared before the high court in several states of Malaysia as a patent attorney expert witness.

transactions may be recorded. For a registered design, the application should be made within six months of the transaction date. Otherwise, the court may refuse to award costs to the new owner in an infringement action. A certified copy of the transaction document must be submitted for the purposes of recordal. If the transaction is effected by an instrument chargeable with duty, the registrar must be satisfied that the instrument has been duly stamped.

An entry in the register will be made on approval of the application. A change of ownership shall have no effect against third parties unless recorded in the register. There are no provisions for recordal of licences.

Related rights

When the act came into force in 1999, simultaneous amendments were made to the Copyright Act 1987 which substantially reduced the application of copyright law to designs and, in particular, the making of three-dimensional articles. As a result, copyright law in Malaysia has become a barren ground for rights holders seeking protection for their designs and registration of designs under the act is highly recommended and often essential to secure meaningful protection.

As for overlap with trademark rights, Malaysian trademark law still takes a traditional and fairly conservative view of what constitutes a trademark. The registration of trademarks for the shape of goods is not common, although this may change when the Trademarks Act 1976 is finally modernised and Malaysia accedes to the Madrid Protocol.

Integrated circuit layout designs are protected under the Layout Designs of

Integrated Circuits Act 2000. This is a copyright-type regime with no registration required or even possible. A layout design is protected automatically, provided that it is original, it has been fixed in material form and the rights holder was a qualifying person at the time that the design was created. A 'qualifying person' generally means a natural or legal person who is a national, resident or corporation of Malaysia or any member of the World Trade Organisation.

A layout design is protected for 10 years from its first commercial exploitation anywhere in the world, subject to a maximum term of 15 years from the date of its creation.

The rights holder has the right to reproduce and authorise the reproduction of all or a substantial part of the protected layout design and to commercially exploit and authorise the commercial exploitation of the protected layout design and any integrated circuit or article in which it is incorporated. **WTR**



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