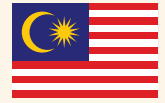


# Malaysia



By Yen Yen Oon and Azlina Aisyah Khalid, Henry Goh & Co Sdn Bhd

## What are the criteria for patentability in your jurisdiction?

The basic criteria for patentability are novelty, inventive step and industrial applicability.

Malaysian patent law has a worldwide novelty standard, qualified by a 12-month grace period in respect of any public disclosure of the invention that originates from the applicant before the filing date of the Malaysian patent application. The 12-month grace period is calculated from the date of first disclosure and does not protect against third-party disclosure.

Inventive step is assessed based on obviousness to a skilled person.

An invention is considered capable of industrial application if it can be made or used in any kind of industry.

the definition of an 'invention' (ie, an idea that solves a technical problem).

## Are there restrictions on any other kinds of invention?

The following are specifically excluded from patentability:

- discoveries, scientific theories and mathematical methods;
- plant and animal varieties, and essentially biological processes for the production of plants or animals;
- schemes, rules and methods of doing business, and purely mental acts and games; and
- methods of treatment of humans or animals by surgery or therapy, and diagnostic methods practised on humans or animals.

For plant or animal varieties or essentially biological processes, an exception is provided for manmade living micro-organisms, as well as micro-biological processes and products resulting from such processes. Apart from first medical use claims (for which there is statutory basis), MyIPO currently allows Swiss-type second medical use claims with respect to treatments.

MyIPO examiners tend to adopt the approach of the European Patent Office with regard to substantive matters concerning biotechnological inventions.

## What are the limits on patentability?

Grant of a Malaysian patent can be refused on the grounds that performance of the claimed invention is contrary to public order or morality.

Further, the Malaysian IP Office (MyIPO) has the power to prohibit publication of a patent application that contains information that is prejudicial to the public interest or security. Any patent application containing prejudicial information will be allowed to proceed to the grant stage, but no patent will be granted unless the prohibition is lifted.

## Does your jurisdiction have a grace period? If so, how does it work?

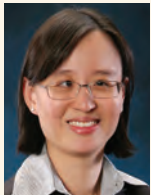
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## What types of patent opposition proceedings are available in your jurisdiction?

Malaysian patent law does not currently provide for either pre-grant or post-grant opposition. The only avenue of recourse for an aggrieved party is to institute invalidation proceedings before the high court.

## Are there any other ways to challenge a patent outside the courts?

There are currently no formal provisions in Malaysian patent law for third-party intervention. Examiners are under no obligation to consider prior



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## Can inventions covering software be patented?

It is possible to protect software-related inventions in Malaysia, provided that such inventions meet the statutory definition of an 'invention' (ie, an idea that solves a technical problem). Data processing which involves no technical effect or advance does not constitute a patentable invention. Software inventions which are construed as business methods are not patentable, as business methods are excluded from patentability.

According to MyIPO's patent examination guidelines, claims directed to a computer program *per se* or a computer program embodied on a carrier, regardless of its content, are not allowed. A computer program may be patentable if the claimed subject matter makes a technical contribution to the art (eg, program-controlled machines or program-controlled manufacturing processes).

## Can inventions covering business methods be patented?

Business methods are specifically excluded from patentability, as they are considered not to fall within

art submitted by third parties, since there are no legal provisions compelling them to do so. However, MyIPO examiners do consider such documents if the application in question is still under examination.

### How can a patent office decision be appealed in your jurisdiction?

Under the Patents Act, MyIPO cannot refuse a patent application without giving the applicant the opportunity to be heard. If written or oral submissions before or during a hearing are insufficient to overturn a decision, the applicant has the right to appeal to the high court.

### How long should an applicant expect to wait before being granted a patent and what level of cost should it budget for?

The cost, from filing to grant, for a 30-page application with 10 claims or fewer to undergo normal substantive examination can be less than \$2,000, including official fees. This is provided that only one examination report is issued and no extensions of time are necessary.

It typically takes three to four years for an application to proceed to grant. There are several options for expediting prosecution, including:

- requesting modified substantive examination;
- requesting expedited examination; or
- participating in the MyIPO-Japan Patent Office (JPO) Patent Prosecution Highway (PPH) pilot programme.

### Modified substantive examination

Modified substantive examination is a simplified examination process in which the specification of the application is amended to adopt the specification of a relevant (European, US, UK, Australian, Japanese or Korean) corresponding patent. It is atypical for an adverse examination report to issue following a modified substantive examination request. Allowance of the application can be expected within six to 12 months of the modified substantive examination request.

### Expedited examination

A request for expedited examination can be filed once a request for normal examination has been submitted and the application has been published. Expedited examination may be considered on the following grounds:

- national or public interest;
- evidence of potential or ongoing infringement;
- a requirement making registration a condition for obtaining grants from the government or recognised institutions;
- intended commercialisation of the invention within two years of requesting expedition;
- an invention relating to green technologies; or
- other reasonable grounds.

Examiners prefer to base the decision to allow an application on the positive results of relevant corresponding applications and rarely make a

decision based solely on technical or substantive arguments. Unless a suitable granted corresponding claim set is available, pursuing expedited examination will result only in an adverse examination report being issued and, ultimately, the application being returned to the normal prosecution track.

### MyIPO-JPO PPH

A request for participation in the PPH programme can be made based on a corresponding Japanese or Patent Cooperation Treaty application which has received a positive patentability opinion from the JPO. The prosecution period is reduced significantly to four to five months under this programme, compared to two to three years under the normal examination process. It is possible to obtain grant within four to five months of filing, provided that the request for normal examination and participation in the PPH is filed at the same time as the application.

### What are the most effective ways for a patent owner to enforce its rights in your jurisdiction?

In Malaysia, a patent owner may enforce its rights only on grant of the patent, through civil litigation. Criminal actions are not available for patent infringement.

### What are the stages in the litigation process leading up to a full trial?

Patent litigation begins with a writ of summons enclosing a statement of claim. The applicable procedural rules are set out in the Rules of the Court 2012. The writ is sealed by the high court. All applications for interim relief – such as injunctions, Anton Piller orders and discovery orders – can be applied for through a notice of application supported by an affidavit. Interim relief can be applied for *ex parte* or *inter partes*.

On service of the writ, the defendant may file its defence (and any counterclaim); the plaintiff then files its reply (and its defence to any counterclaim). A defendant may bring invalidation proceedings as a defence against an infringement claim.

Once the pleadings have closed, the court sets a date for case management, where it will issue directions on how the trial will be conducted. Case management practice and directions are generally uniform.

Once the case management directions have been met, the court will set a date for the full trial. Existing practice is that the court directs that the main evidence be submitted through question-and-answer style witness statements. Thereafter, opposing counsel may cross-examine the witnesses and counsel may re-examine their own witnesses. The main examination, cross-examination and re-examination take place through oral testimony given under oath. However, on occasion, the court directs that all evidence be submitted orally.

### What scope is there for forum shopping?

There is no scope for forum selection. All IP suits must be initiated at the high court of the place where



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Azlina Aisyah Khalid heads the prosecution unit of the trademark department. She provides clients with pre-litigation advice on trademark, copyright and industrial design infringement, passing off and corporate IP due diligence. Her knowledge and skills extend to securing trade description orders for enforcement, consultancy on franchise and licensing agreements and domain name registration and protection. Ms Khalid has specialised in intellectual property since 1996 and is a registered Malaysian trademark, patent and industrial design agent, and a non-practising member of the Malaysian Bar. She has been nominated in *Asialaw Leading Lawyers*, listed as one of Malaysia's recommended individuals for trademarks in the *WTR 1000* and voted a Malaysian IP Star by *Managing Intellectual Property*.

*“Malaysian patent law does not currently provide for either pre-grant or post-grant opposition. The only avenue of recourse for an aggrieved party is to institute invalidation proceedings before the high court”*

the defendant resides or where the cause of action occurred. However, many cases are now filed in the Kuala Lumpur High Court, which has a dedicated IP court.

#### **How easy is it for defendants to delay proceedings and how can plaintiffs prevent them from doing so?**

Once a legal action has been initiated, strict timelines must be observed by both parties. Once pleadings have closed, the court will set case management hearing dates for status updates and for parties to file supporting papers, reports and documents within a fixed deadline. If these timelines are not observed, the court has discretion to strike out the matter or award judgment against the defaulting party.

#### **What level of expertise can a patent owner expect from the courts?**

The courts have dedicated IP judges to hear and adjudicate cases. The IP judges are trained to handle all types of IP case, although counsel in attendance and experts will assist with technical issues. Often the parties rely on expert witnesses who guide the judges in addressing complex technical points.

#### **Are cases decided by one judge, a panel of judges or a jury?**

There is no jury panel in civil litigation. A single judge sits at first instance (high court). At appellate level, there is a panel of judges comprising three judges in the courts of appeal and five judges in the Federal Court, with nine being the maximum number of judges sitting at the Federal Court. A patent appeal rarely requires more than five judges in the Federal Court.

#### **What role do expert witnesses play in the proceedings?**

Expert witnesses will usually be called by both parties; their role is to support the parties' contentions. They are usually appointed by the parties and are patent agents or persons skilled in the relevant art. Industry experts are encouraged and may come from Malaysia or abroad. If budget permits, foreign expert witnesses are encouraged. Expert witnesses are subject to cross-examination when testifying.

#### **Does your jurisdiction apply the doctrine of equivalents and if so, how?**

Recent decisions have shown that purposive construction is preferred (the English law *Improver* test), but the literal infringement and substantial infringement tests have never been overruled. In practice, the courts consider the doctrine of equivalents as just one of the tests to be applied (rather than the sole determining test) in deciding whether infringement has occurred.

#### **Are preliminary injunctions available? If so, under what circumstances?**

Yes. To obtain a preliminary injunction, the applicant must show that:

- there is a serious issue to be tried;
- damages are not an adequate remedy; and
- the balance of convenience favours granting the preliminary injunction.

The test set out in the English decision of *American Cyanamid* applies.

#### **How are issues around infringement and validity treated in your jurisdiction?**

Infringement and validity are two sides of the same coin. When patent infringement is alleged, the defendant will normally counterclaim for invalidation of the patent. Issues of validity are heard before the infringement case, as validity plays a key role in determining the outcome of the infringement action.

#### **What are the typical remedies granted to a successful plaintiff?**

The remedies must be pleaded in the statement of claim. The possible remedies are:

- permanent injunction;
- full discovery;
- delivery up of the infringing goods;
- declarations;
- general and punitive damages (if any); and
- costs.

#### **How are damages awards calculated? Are punitive damages available?**

The applicable principle for damages is to make good or replace the loss caused by the wrongful act. Two types of damages are available:

- Direct causation applies where the damages arise as a direct consequence of infringement and the following can be proven:
  - evidence surrounding causation;
  - market demand for the patented product;
  - lack of comparable products; and
  - the plaintiff's or its licensees' ability to manufacture and market the product.
- Calculation of lost profits, which includes:
  - lost or diverted sales;
  - increased expenditure caused by the infringement;
  - potential or actual loss of profits attributable to

- past and present infringement; and
- profits likely to be lost in the future.

In Malaysia, punitive damages are known as exemplary damages. They must be specifically pleaded and the facts relied on must be set out. The amount awarded is usually arbitrary. The factors taken into account include:

- whether the defendant infringed deliberately;
- the extent of the defendant's business activities and financial position; and
- the duration of the infringing activities.

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#### **How common is it for courts to grant permanent injunctions to successful plaintiffs and under what circumstances will they do this?**

The courts will commonly grant permanent injunctions, but this relief must be pleaded in the statement of claim. An injunction will be awarded if the court finds that infringement has taken place on the balance of probabilities.

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#### **How long does it take to obtain a decision at first instance and can this process be expedited?**

At first instance, a case takes between one and two years. The trial may be expedited in two ways. If

a case is filed under the fast-track system and all evidence and witnesses are ready, it can be dealt with within one year. If an interlocutory injunction is sought, the suit may be filed with a certificate of urgency. However, only the injunction hearings will be expedited – not the main proceedings.

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#### **Under what circumstances will the losing party at first instance be granted the right to appeal? How long does an appeal typically take?**

The losing party has an automatic right to appeal; the appeal must be filed within 30 days of the judgment. The grounds for appeal must be based on questions of law, not questions of fact. The appeal normally takes between 12 and 15 months; in case of a further appeal to the Federal Court, it can take two to three years before a final decision is issued. *iam*

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