

Malaysia



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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.

What types of invention are explicitly excluded from patent eligibility?

The 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 prejudicial to 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.

To what extent can inventions covering software or computer-implemented inventions be patented?

It is possible to protect software-related inventions in Malaysia, provided that these 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).

To what extent can inventions covering business methods be patented?

Business methods are specifically excluded from

patentability, as they are considered not to fall within 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 man-made living micro-organisms, as well as microbiological 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.

Are there other forms of protection for inventions that do not meet the criteria for patentability (eg, petty patents)? Are these examined? What kinds of remedy are available when enforcing them?

Malaysian patent law provides for the filing of utility innovation applications for any innovation which creates a new product or process, or any new improvement of a known product or process, which is capable of industrial application and includes an invention.

Only one claim is permitted in a utility innovation application.

Contrary to a patent application, the inventive step requirement does not apply to a utility innovation application in Malaysia. A Malaysian utility innovation application undergoes substantive examination, much like a patent application, albeit with a lower registrability bar. The time between applying for utility innovation and having the certificate granted is currently four years.

Similar to a patent, a utility innovation certificate has a maximum term of 20 years from the filing



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date. However, maintaining protection beyond 10 and 15 years (calculated from the filing date) requires the presentation of evidence that the innovation is in commercial or industrial use in Malaysia (or a satisfactory explanation of non-use).

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

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What types of patent opposition procedure are available in your jurisdiction?

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

Are there other ways to challenge a patent administratively without resorting to litigation?

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

What is the process for appealing a decision of the patent office in your jurisdiction? Is there data on the rate of success for such reviews?

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.

What is the cost of obtaining a patent in your jurisdiction? How long does the examination and registration process usually take?

The cost from filing to grant for a smooth-sailing application of approximately 30 pages in length, with 10 claims or fewer and undergoing normal substantive examination is under \$2,000, including official fees. This is provided that only one examination report is issued and no time extensions are required.

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

- requesting modified substantive examination;
- requesting expedited examination;

- participating in the MyIPO-Japan Patent Office (JPO) Patent Prosecution Highway (PPH) pilot programme; or
- participating in the MyIPO-European Patent Office (EPO) PPH pilot programme.

Modified substantive examination – a simplified examination process where the specification of the application is amended to adopt the specification of a relevant corresponding patent (eg, an EU, US, UK, Australian, Japanese or Korean patent). It is atypical for an adverse examination report to issue following a modified substantive examination request. Grant allowance can be expected within six to 12 months after 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. The grounds on which expedited examination may be considered are as follows:

- national or public interest;
- evidence of potential infringement or ongoing infringement proceedings;
- registration is a condition for obtaining grants from the government or recognised institutions;
- the invention has been or will be commercialised within two years of requesting expedition;
- the invention relates to green technologies; or
- other reasonable grounds.

Examiners prefer to base their decision to allow an application on the positive results of relevant corresponding applications and seldom make decisions solely on the basis of technical or substantive arguments. Unless a suitable allowed or granted corresponding claim set is available, pursuing expedited examination will result only in the application being issued an adverse examination report and returned to the normal prosecution track.

A request for participation in the MyIPO-JPO PPH pilot programme can be made on the basis of a corresponding Japanese or Patent Cooperation Treaty application which has received a positive patentability opinion from the JPO. Prosecution is significantly reduced to a four to five-month period under this programme as opposed to two to three years under normal examination. It is possible to obtain grant within four to five months of filing provided the request for normal examination and request for participation in the PPH are filed simultaneously with the application.

A request for participation in the MyIPO-EPO PPH pilot programme can be made on the basis of a corresponding European patent or Patent Cooperation Treaty application which has received a positive patentability opinion from the EPO. The first office action (if any) can be expected within three months of requesting PPH and a decision on grant is obtainable within six months of requesting PPH.

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



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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*.

only on grant of the patent, through civil litigation. Criminal actions are not available for patent infringement.

Does your jurisdiction have non-judicial administrative enforcement mechanisms for patents? What types of remedy are available?

There are no non-judicial administrative enforcement mechanisms for patents in Malaysia.

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. Under existing practice 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 selection?

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

Are there specialised IP courts in your jurisdiction? What litigation forums are most heavily used by patent owners in your jurisdiction?

Yes. There is a specialised IP court in Malaysia at the high court level and it is the preferred litigation forum of patent owners.

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 there ways for defendants to delay proceedings? 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.

“Many cases are now filed in the Kuala Lumpur High Court, which has a dedicated IP court”

Is there a procedure for discovery? What are the methods for compelling a counterparty to turn over evidence?

An order for discovery to aid interim reliefs can be applied for by submitting a notice of application (supported by affidavits) to the court.

Are cases decided by a single judge, a panel of judges or by 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 can and do expert witnesses play in 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 a doctrine of equivalents, and if so, how?

Malaysian courts have adopted purposive

construction to determine the scope and infringement of patent claims. To date, there has been no application of any doctrine of equivalents, though this may change if the UK Supreme Court's decision in *Actavis UK Limited v Eli Lilly and Company* is accepted as a persuasive precedent.

Is it possible to obtain preliminary injunctions? How serious is the risk of disruption to an accused infringer's business?

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.

“Malaysian courts have adopted purposive construction to determine the scope and infringement of patent claims”

What are the remedies available to a successful plaintiff? Which remedies are most often awarded by the courts?

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? Is it possible to receive punitive damages?

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 licensee's 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.

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.

How long does it take to get a decision at first instance and is it possible to expedite this process?

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.

Under what circumstances will the losing party in a first-instance case be granted the right to appeal? How familiar are the higher courts with patent matters? 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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