HENRYGOH
Intellectual Property Updates
Since 1977

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IP REFORMS ON THE HORIZON

Winds of change for Malaysian IP laws soon.

BY LIM ENG LEONG

Amongst the four main intellectual property (IP) Acts in Malaysia, trade mark and copyright laws have not seen much action in terms of reforms for the past decade. As IP laws must evolve in tandem with today's challenging times, global business and legal practices, some changes can be expected in the near future.

The Ministry of Domestic Trade, Cooperatives & Consumerism (MDTCC) has recently looked into reviewing all IP-related Acts. Receiving prime treatment is the Copyright Act 1987. The proposed reviews include powers of the copyright tribunal, balancing the rights of authors, performers and the public, studying the limitations of private and educational use as well as online copyrighted works.

One proposal that has created some stir amongst the public is the criminalization of ownership for a single counterfeit item. At present, possession of infringing copyrighted work (say, a pirated disc) is not an offence if proven that it was meant for private and domestic use. However, there is already a rebuttable presumption that if a person possesses three or more infringing copies, they are meant for import or not for private and domestic use. The changes if brought about would mean liability for either selling or buying of infringing copies. Also on review is to make owners of premises where counterfeiting takes place liable by incorporating landlord liability.

On the trade mark front, there is buzz from the Malaysian Intellectual Property Corporation (MyIPO) that the Trade Marks Act 1976 will likely be amended. Although we have yet to recognise "non-traditional trade marks", we can no longer procrastinate from harmonizing with the practices of other countries. Whilst we may not yet be equipped to accept scent, touch or taste marks, it is time to acknowledge that 3-dimensional, sound and colour marks can be true source-trade identifiers and thus registrable.

Practitioners anticipate that the reforms will include refinements to examination procedures. Objections must be carefully considered prior to being maintained and applicants be then forced to wait for a hearing before the examiner. If refused after hearing, the grounds of decision should be provided within a reasonable period so that the Applicant may expeditiously file an appeal to the High Court. In order to ensure expediency, there ought to be some statutory timelines for such procedures.

With regards to "Border Measures" provisions in the Act, it is hoped that these will be given more bite by compelling Customs authorities to proactively monitor the flow of counterfeit trade mark goods in and out of the country. Relying upon trade mark owners to provide evidence before decisive action is taken can affect owners as counterfeits quickly make their way into the open market.

There were some encouraging incentives announced in the Malaysian Budget 2010 i.e. tax reliefs (effective from 2010-2014) for companies that register trade marks or patents in Malaysia. However, there are limitations for eligibility in terms of company size and sales. We opine that industrial designs registration should be included to make these incentives more meaningful.

The effectiveness of the proposed reforms and incentives remains to be seen but it is heartening to note that Malaysia has taken a step in the right direction as any fine-tweaking of the laws to fit the current global IP landscape will ultimately benefit all.

PROTECTING PHARMACEUTICAL PATENTS IN MALAYSIA

Will Malaysian Patent laws be revised to stay in sync with those of Europe?

BY DAVE A WYATT

The Malaysian Patents Act 1983 provides for the protection of chemical compounds by way of product claims and has done so since the Act came into force. A chemical compound is generally treated in the same way as any other kind of product when determining its patentability. As permitted by Article 27.3(a) of TRIPs, however, Malaysian patent law excludes from patentability methods of therapy, surgery and diagnosis that are performed on humans or animals.

The question arises then, how can a novel medicinal or veterinary use of a known chemical product be protected, when the product itself lacks novelty? The use itself, though novel, is not patentable as a claim to the use would be tantamount to a claim to the therapeutic method.

The answer lies in Section 14(4) of the Act, which states that the provisions defining prior art "shall not exclude the patentability of any substance or composition, comprised in the prior art, for use in a method [of treatment or diagnosis], if its use in any such method is not comprised in the prior art". This exception provides a firm legal basis in the Act for the so-called first medical use claims of the kind "Substance X for use in medicine". Such a claim format defines a purpose-limited product. Since the claim is to a product, the exclusion of therapeutic methods does not affect its patentability. Section 14(4) mirrors similarly worded provisions in the UK Patents Act and the European Patent Convention. This provides Malaysian counsel with a wealth of pertinent case law that can be cited in litigation.

The next question that arises is how to protect a novel second or further medical use of a known substance or composition? This question was addressed, as far as Europe was concerned, by the Enlarged Board of Appeal (EBA) of the European Patent Office in its landmark decision G5/83 issued on 05 December 1984. The EBA took note of the practice of the Swiss Federal Intellectual Property Office of allowing protection by way of claims directed to the "use of a substance or composition for the manufacture of a medicament for a specified (new) therapeutic application". This format of claim was found not to be in conflict with the European Patent Convention, and accordingly its use was authorized by the EBA. As a result, claims of the so-called "second medical use" or "Swiss-type" format came into common use in Europe. Claims of this format have also been presented to, allowed and granted by the Malaysian IP Office (MyIPO) under regular office practice. Although the validity of Swiss-type claims has not been tested in Court, this claim format is indicated as allowable in MyIPO's Examination Guidelines for both first and subsequent therapeutic applications. This fact, and that so many Malaysian patents have been granted already with these types of claims, mean that it is unlikely, in this author's opinion, such claims will be held invalid in the future, provided the other patentability conditions are met.

Back in Europe, on 13 December 2007, an amended version of the European Patent Convention, referred to as EPC 2000, entered into force. Article 54 of EPC 2000 which sets out the novelty requirements includes a newly-added paragraph (5). This states that the definition of the state of the art (prior art) "shall not exclude the patentability of any substance or composition for any specific use in a method [of treatment or diagnosis], provided that such use is not comprised in the state of the art". This provision allows for the protection of second and subsequent medical uses by way of purpose-limited product claims rather than through the established and more convoluted Swiss claim format. Following on from this, in decision G2/08 dated 19 February 2010, the EBA took the opportunity to announce that the practice of filing Swiss-type claims shall be phased out for future European patent applications.

In practice, the new claim format available under Article 54(5) EPC 2000 and the old Swiss-type format are understood to afford the same scope of protection. The new format is more readily comprehensible. Therefore, one reason for the EBA's pronouncement may be to avoid a proliferation of patents containing claims of both format, since many European practitioners have continued to include Swiss claims in addition to those of the new format. Nevertheless, it can be seen that there is now developing a difference in both the law and practice between Europe and Malaysia in the protection of further medical indications , which may eventually give rise to confusion. It is to be hoped that in due course the legislator of Malaysia will act to close or reduce the gap so as to maintain the harmonized position that has prevailed for so many years.

PATENT RESTORATION: STANDARD OF REASONABLE CARE

Pinch a penny, lose a patent.

BY AMEEN KALANI

In a hearing before the Singapore Registrar of Patents in 2009, Advanced Systems Automation Ltd. filed applications for restorations of their 12 patents. Reference was made to Section 39(5) of the Singapore Patents Act where the patentee is required to show *reasonable care* to see that any renewal fee was paid within the prescribed period or that that fee and any prescribed additional fees were paid within the six months immediately following the end of that period.

The learned Registrar referred to the comment of Aldous J. in the case of **Continental Manufacturing & Sales Inc's Patent (1994) RPC 535** and distilled a three pronged test as follows:-

1. Was the proprietor able to pay the prescribed fees within the prescribed times?
2. Did the proprietor want to pay the prescribed fees within the prescribed times?
3. Did the proprietor take reasonable care to ensure that they were in a position to pay due fees in due time?

On the first limb, the Registrar noted that the proprietor had the financial means to renew their Chinese patent which cost about 44% of the total cost to renew all twelve Singapore patents in their portfolio. On the second limb, it was inferred that the proprietor adopted a policy of "we-must-get-the-money-so-that-we-can-**restore**-our patents" instead of "we-must-get-the-money-so-that-we-can-**renew**-our patents". On the last limb, it was found that after the voluntary discharge of their patent agent, the proprietor did not take action to update their address for service due to lack of funds although the total cost to do so would have amounted to a sum of about US$100.

The commercial practice of obtaining funds first and leaving the renewal and restoration till there are funds was viewed as not meeting the requirements of Section 39(5). The proprietor failed in their action to restore their patents.

TRADE MARKS REMAIN TERRITORIAL

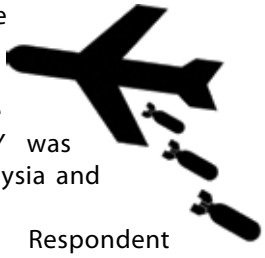
Bomb manufacturers resolve territory dispute without bloodshed.

BY AZLINA A KHALID

The IP Court of Malaysia recently decided that trade marks remain very much a territorial matter. In the case of Lockheed Martin Corporation v Raytheon Company 2009 MLJU 0996, Lockheed Martin ("the Applicant") applied to expunge Raytheon's ("the Respondent") Registered Trade Mark Number 05012716 for PAVEWAY registered in respect of *laser guided bombs kits in Class 13* ("LGB")

The Applicant's main ground for rectification was that the term "PAVEWAY" is not capable of being registered as a trade mark within the meaning and the purpose of the Trade Marks Act 1976 as it was descriptive of the goods and non distinctive. The Applicant's arguments included assertions that all LGB kits sold and produced in the United States of America are paveways, thus making the term synonymous with *laser guided bomb kit*. Additionally, the U.S. Government even established a performance specification for LGB manufacturers to comply before their products can be considered as "paveway" goods.

Interestingly enough, the Court decided that because of the territorial nature of the Malaysian trade mark laws, the appropriate test is whether the mark PAVEWAY was generic in Malaysia and not elsewhere.



The Respondent successfully defended their registration when the Court took note that the Applicant has never sold their goods bearing the PAVEWAY name in Malaysia. On the other hand, the Respondent has been the sole manufacturer selling LGB kits bearing the PAVEWAY trade mark to the Malaysian government since 1983. They are also the sole manufacturer selling the goods bearing the PAVEWAY trade mark internationally since 1972, using it extensively and advertising it in a trade mark sense.

The above case underlines the care that foreign companies must undertake and the issues they face when dealing with rectification of registered marks based on generic claims. Sufficient evidence must be shown that a registered mark has indeed become generic in Malaysia through use by others within the industry.

A "TIGER-RIFIC" NEW YEAR CELEBRATION

The Lunar New Year of the Tiger was greeted with great merriment when a unique Lion Dance troupe visited the House of Henry Goh last February.

The troupe included a seven year old boy who performed the Lion Dance and a ten year old drummer. The acrobatic youngsters delivered a lively show that had everyone present clapping and cheering. One lion even sported a Tiger Head complete with stripes!

After the exciting dance, the People of Henry Goh were treated to a sumptuous lunch at the Westin Hotel where traditional yee sang was stirred, tossed and lifted to new heights in an enthusiastic Loh Sang!

The event also witnessed the Long Service Awards ceremony for staff who had completed 5, 10 and more than 15 years with the Firm. A select group also received Certificates of Appreciation for their full attendance throughout the year.

Award recipients for over 15 years of service.

Award recipients for 10 years of service.

Award recipients for 5 years of service.

"Sustaining Your Trade Marks" Seminar

Henry Goh organised a half-day seminar on intellectual property risk management at the Melia Hotel on 30 March 2010. In conjunction with the event, Karen Goh took the opportunity to launch the firm's latest consultancy service – IP M.A.P.™

Presented by both In House Legal Counsel, Azlina Aisyah Khalid and Lim Eng Leong, the seminar addressed some of the more important issues surrounding risk management with an emphasis on trade marks. Following the presentation, an interactive session gave the participants a chance to voice their queries.

The event drew a large number of attendees from the local business scene and was well received.

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NEWS AT HENRY GOH

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Since 1977

HENRY GOH – NO. 1 PATENT & TRADEMARK FIRM (PROSECUTION WORK) IN MALAYSIA!

LEADING IP FIRM

We have done it again! For the second year running, we are ranked Tier 1 for both Malaysian Patent and Trade Mark (Prosecution) work in The World IP Survey 2010 by Managing Intellectual Property.

This achievement is yet another feather in the firm's cap and shows the confidence we have earned from our peers and clients.

From all of us at Henry Goh, thank you.

Ms Karen Goh, Managing Director of Henry Goh, and the company's Board of Directors cutting the celebration cake of 1HG, in conjunction with our No. 1 ranking

INDUSTRY EXCELLENCE AWARDS 2009

Henry Goh is proud to be awarded the Industry Excellence Awards 2009 - Certificate of Excellence (Export Services) by the Ministry of International Trade and Industry (MITI). The annual event is the highest recognition by the government, of Malaysian companies for their exceptional achievements in organisational excellence, distinctive branding, quality improvements and export excellence.

Ministry of International Trade and Industry

Ms Karen Goh at the awards presentation

The Export Excellence Awards are given to companies in acknowledgement of their commitment and efforts in penetrating export markets.

Henry Goh takes this opportunity to thank our loyal customers, business partners and our dedicated People of Henry Goh for their unwavering support.

RECENT APPOINTMENTS

Ki Wan Sia

Shiela Ho

Chew Qi-Guang

Hawa Diyana Saim

Ki Wan Sia - Patent Scientist

Wan Sia obtained her Honours degree in Science, majoring in Biochemistry from the National University of Malaysia in 2002. She started out her career with a prominent pharmaceutical company in Malaysia. Years later, she decided to switch to the IP industry and joined an established legal firm, handling trade mark matters before finding her true calling as a patent scientist in Henry Goh. She now looks forward to complete her training and take the professional examinations that will lead to qualifying as a Registered Patent Agent.

Wan Sia spends most of her spare time engaging in various outdoor activities.

Shiela Ho - Patent Scientist

Shiela graduated with a Bachelor of Science degree in Biotechnology from Monash University, Australia, in December 2008. She was among the fortunate few selected for the Biotechnology Entrepreneurship Special Training (BeST) Programme organised by the Malaysian Biotechnology Corporation (BiotechCorp) Sdn Bhd to equip science graduates with the necessary skills.

Shiela joined Henry Goh in May 2009 as an intern and in August 2009 was appointed a Patent Scientist.

Shiela enjoys reading and jazz music and plans to take up sky diving.

Chew Qi-Guang - Patent Engineer

Qi-Guang pursued and earned his Masters of Engineering degree in Chemical Engineering from The University of Sheffield, United Kingdom in 2009. Intellectual property had always been an intriguing subject during his research in university and thus it was only fitting that he started off his career at Henry Goh and apply his engineering and chemistry knowledge whilst undertaking patent prosecution work. Qi-Guang looks forward to qualifying professionally as a Registered Patent Agent in order to contribute further to the firm and industry.

Outside office, Qi-Guang enjoys archery, tennis, reading up on technology as well as having a profound love for tea and classical music.

Hawa Diyana Saim - Patent Engineer

Diyana has an Honours degree in Electronic Engineering from Universiti Teknologi Malaysia. She began working life by being attached to the R&D division of a premier electronic test and measurement company. She gained technical knowledge there but wanted to blend it with her passion for writing. At Henry Goh, this is exactly what she gets to do as patent drafting and prosecution work requires both skills and more.

In her free time, Diyana enjoys going out to the movies with her family or friends.