



SPRUCING UP MALAYSIA'S IP LAWS

Already on a par with international standards, Malaysia intends to improve its IP system by soon introducing various legislative reforms that will be much appreciated by IP owners, local and abroad. In this special issue we highlight some of the proposed changes that will be made to the Copyright, Industrial Designs, Trade Marks and Patents Acts respectively.



COPYRIGHT ACT REFORMS

BY AZLINA A KHALID The slew of proposed legislative reforms on intellectual property rights have finally come ashore to Malaysia, copyright included. Since early this year, the Government had given indications that it is serious about providing better protection for intellectual property rights especially copyright related matters and was working towards amending the Copyright Act 1987.

Amongst the objects of concern are balancing the rights of the stakeholders, role of collecting societies, liability of internet service providers, power of the copyright tribunal, internet and technology development.

Criminalizing Ownership

There had been much media exposure when the Minister of Domestic Trade, Co-operatives and Consumerism hinted at stiffer enforcement provisions for buyers of pirated materials. Currently, Section 41(2) of the Copyright Act states that it is an offence for "any person who has in his possession, custody or control three or more infringing copies of a work or recording." The proposal was to make owning even a single copy of pirated works an offence. Those found guilty may be fined an amount

equivalent to five times the price of a genuine product.

Landlord Liability

Also receiving a lot of flak was a proposed provision to make landlords liable for tenants found to use their premises for IP and copyright infringement activities. Business and real estate associations have made known their objections to it, some even going to the extent of saying that such a move may affect foreign direct investment negatively.

Statutory Enhancements

Amidst the hue and cry from the public and these parties, the Copyright Bill that is expected to be presented in the forthcoming December Parliamentary sitting has now dispensed with the controversial items. Instead, the Bill will incorporate, amongst others, the following:-

- Limitations and exceptions for Internet Service Providers and Application Service Providers;
- A greater scope of power for the Copyright Tribunal;
- Compliance with WIPO's Performances and Phonograms Treaty (WPPT) as well as WIPO's Copyright Treaty;
- Clarification on Sections 13A, 13B and 13C with respect to the overlap between copyright and industrial designs; and

- Voluntary Notification on copyrighted works.

Ownership Claim

Of particular interest is Item (e). As a member country of the Berne Convention, Malaysia provides automatic protection for copyright once the qualifications are met as prescribed under Section 10 of the Copyright Act 1987.

Since there are no formal requirements in registering ownership of copyright, owners usually rely on the statutory tool under Section 42(1) of the Copyright Act 1987. A person claiming to be the owner of the copyright in a work may make an affidavit or statutory declaration with a certified true copy of the work annexed to it stating that at the time specified, copyright subsists in the work and he is the owner of the copyright. An affidavit or statutory declaration made under this Section shall be admissible as evidence in any proceedings under the Act and is *prima facie* proof of the facts stated therein.

To a certain extent, the introduction of voluntary notification will provide an added degree of comfort and assurance to copyright owners. It may be regarded as a semblance of a "Register" maintained by MyIPO, thus lowering the burden of proof upon the owners in copyright infringement situations.

MALYSIAN IP MILESTONES



INDUSTRIAL DESIGNS ACT REFORM

BY DAVE A WYATT In Issue #2, 2009 of this newsletter, we celebrated a decade of independent industrial design law in Malaysia. Our report concluded that after 10 years, there was a need for modernisation of the law to bring it more into line with international standards.

The first sign of change on designs came with the release of a draft parliamentary bill for a new Designs Act 2010. The draft bill proposes changes not only in the substantive law, but also in the process of its administration.

Changes to Statutory Definitions

The key changes concern the definition of a design, the standard for its registrability, the term of protection, and a clearer demarcation between the jurisdictions of the Malaysian IP Office [MyIPO] and the High Court. That the amendments require a whole new act, rather than merely changes to the existing one, shows the scale

of the reform. The term "industrial" is deliberately removed from the title, in an attempt to highlight the new law's relevance to more contemporary concepts of design that are less bound to the industrial or manufacturing age.

As proposed, a product shall be susceptible of design protection in respect of its appearance as a whole or in part arising from the features of, in particular, the lines, contours, colours, shapes, textures or materials of the product or its ornamentation. A product is defined broadly and includes packaging, get-up and graphic symbols. It is no longer confined to tangible articles.

In order to be registrable, a design must be novel and have individual character, the latter meaning that it creates a different overall impression on an informed user than prior designs. In considering individual character, the degree of freedom of the designer is to be taken into account. Under the Industrial Designs Act 1996, only local novelty is required. The draft bill specifies a worldwide novelty standard for the first time, though this is tempered by a wide-ranging 12-months grace period that allows for market testing without prejudice to a later application for registration.

Term of Protection

As for the term of protection, it is proposed to extend this from the current 15 years to a maximum of 25 years.

Efficient Administration

On the administration front, under the 1996 Act rectification of the Register and

revocation of a design registration are principally matters for the Court. The Registrar has jurisdiction only in limited circumstances. According to the draft bill, an application for invalidation of a registration on the grounds of lack of registrability or non-entitlement would be made first to the Registrar, with the Registrar's decision appealable to the Court. This change is aimed at more efficient administration, with fewer burdens on the Court and lower costs for third parties that need to challenge a design registration.

Harmonisation

The substantive registrability requirements will be familiar to European practitioners as they largely adopt the wording of EU and harmonised European national laws on design protection. Harmonisation is normally seen as a good thing that simplifies securing IP rights in multiple jurisdictions.

Infringement

On the other hand, the substantive provisions on infringement in the draft bill remain the same. A finding of infringement still requires the infringer to have adopted the same design or an obvious or fraudulent imitation of it.

In conclusion, local and foreign designers alike face a future broadening of the scope of protectable subject-matter in Malaysia, coupled with a higher registrability bar. Whether the official objective of stimulating the creation and registration of more designs can be achieved in this way will only be known years from now, once the shape of the final Act has been decided by parliament and the new law fully tested and enforced by its users.



TRADE MARKS ACT REFORM

BY LIM ENGLEONG Following the article "IP Reforms on the Horizon" in our April 2010 newsletter, more light has been shed on the much anticipated Trade Marks Bill 2010. Various areas of Malaysian trade mark law stand to benefit if the proposals are taken up. They are:

Presumption of Registrability

IP stakeholders and practitioners alike will rejoice once examination procedures are simplified so that applicants no longer bear the burden of having to make a positive case for registration as required under the present Section 10 - "In order for a trade mark to be registrable, it shall contain...". Instead, if the presumption fails, the mark will be refused on either relative or absolute grounds. We believe this can be further refined if examiners specify clearly and elaborate the reasons behind any objection.

Fast Track Registration

At present, a smooth trade mark registration process takes approximately 24 months to complete.

While this timeline is a marked improvement from past years, it still leaves much to be desired. The new law will provide for expedited registration with a fast track period (additional fee and provision of acceptable grounds would be required) in order to assist the IP owners in instances of infringement and licensing. With the proposed amendment, IP owners can look forward to faster enforcement of their rights as opposed to the present system.

Forms of Application

Applicants would soon be able to file a multiple class application instead of paying more for separate applications in each good or service Class of interest. An application may also be divided instead of filing afresh; in line with international practices.

IP Journal

MyIPO proposes to do away with the "acceptance form" (TM29) and create an Official IP Journal to include publication of all accepted IP applications. An increase in the speed of publication and possibly making the journal available online for easy reference would be ideal.

TM as Collateral

An all new consideration under the Bill is recognising trade marks as intangible assets capable of being collateral for monetization and securitization in the financial sector. However, before this can kick in, we anticipate long-drawn discussions and input from Bank Negara.

Non-Traditional TM

It is high time that Malaysia finally recognises non-traditional marks, for example 3-Dimensional, colour,

scent, and sound, where these type of marks have long been accepted for registration in many countries. We believe this will more accurately reflect the changing face of creative trade marks that are presently adopted to identify owners' goods and services.

International Registration System

The call for Malaysia to accede to the Madrid Protocol trade mark system has been ongoing for years. The placement of this international system makes sense as more Malaysian trade mark owners are spreading their wings, looking beyond local protection. Whilst there will be much preparation needed at the MyIPO-front, it will be a right step for the nation towards forming the ASEAN Economic Community.

Remedies for Infringement

The current Act does not spell out the remedies available to a successful plaintiff in the case of a trade mark infringement. It is hoped that specific provisions for injunction, damages, account of profit, order for disposal, etc will help guide the courts in determining the appropriate reliefs.

Border Measures

As highlighted in our April article, the Custom authorities need to play a more active role in combating IP piracy and comply with Article 51 TRIPs for the border measures provision in the Act to be effective. This is important so as to enforce and make meaningful registered trade mark rights. Change may entail shifting responsibility to the Customs instead of MyIPO.

As we come to a close for the year, we eagerly look forward to 2011 being an exciting one for the IP arena.



PATENTS ACT REFORM

A part from the provisions for Malaysia's accession to the Patent Cooperation Treaty (PCT), the last substantial amendment to Malaysia's Patents Act was made in 2001. A raft of timely and much needed new provisions and amendments are presently proposed to the Patents Act to improve the efficiency of the patent delivery system, enhance the quality of granted patents as well as to strengthen the enforcement network already in place.

Expedited Examination

In recent years, the Intellectual Property Corporation of Malaysia (MyIPO) has made a concerted effort to overcome the backlog of pending patent applications by bringing on board a large number of new patent examiners across various technical disciplines. The proposed inclusion of a formal provision for expedited examination is another step in the right direction. Applicants will have the option of hopping onto a "fast track" prosecution lane with payment of additional fees. However, entry into this "fast track" is not envisioned to be automatic even with payment of fees and the standard of requirement to be met remains currently indeterminate.

Patent Term

Also in the pipeline is a provision for restoration of patent term similar to that adopted by the US Patent and Trademarks Office. When implemented, this will allow for an extension of the patent term for up to 2-years, for any delays in prosecution on the part of MyIPO.

Further Scope of Protection

In fulfillment of Malaysia's responsibilities as a signatory of the Convention on Biological Diversity and in line with her ambitions to become a developed BIO-nation, provisions to formally recognise and include Traditional Knowledge (TK) and Genetic Resource (GR) documents into the substantive examination procedure are also proposed. If relevant, this new provision would require submission of evidence of Prior Informed Consent (PIC) and Certificate of Origin (COO) during examination. Also, TKs and GRs would be

recognised as relevant prior art for search purposes.

Also proposed is a provision to define man-made or modified microorganisms and biological materials. The definitions set out in the European Patent Convention (EPC 2000), particularly EPC Rules 27 to 29, as well as the EU Directive 98/44/EC are likely to be adopted by MyIPO.

It is hoped that this amendment signals Malaysia's long awaited accession to the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure.

As an expansion to the existing provisions for generic drugs (e.g. issuance of compulsory license), there is now a proposal to allow generic manufacturers to export and import generics without the prior consent of patent owners, as provided for under the Doha Declaration. Details of the implementation mechanics of this provision are not yet known. This is seen as a Government initiative to encourage growth of the local generic drugs industry.

Third Party Observations

In a further effort to enhance the quality of patents granted, a provision to allow for pre-grant third party observations during substantive examination is also expected. However, opposition-type proceedings are not envisioned.

Enforcement

A number of new provisions are anticipated on the enforcement front. Of particular interest are proposals to introduce provisions to recognise contributory infringement and innocent infringement. Also, in the future, those accused of infringement may be able to take up action on patent owners who issue groundless threats. Further, it is proposed for non-registration of transactions (e.g. licenses) by patent owners to have an effect on infringement proceedings.

All these new provisions and amendments are expected to be tabled in Parliament in the near future. A wind of change is blowing across the Malaysian IP landscape. The year 2011 should be an exciting one.



MALAYSIA

Henry Goh & Co Sdn Bhd (332744-A)
House of Henry Goh, 217, Jalan Imbi,
55100 Kuala Lumpur, MALAYSIA.

☎ + (603) 2118 8688
☎ + (603) 2118 8777
✉ hgoh_kl@henrygoh.com

SINGAPORE

Henry Goh (S) Pte Ltd (199203221-E)
20, Science Park Road, #03-34/35, TeleTech Park,
Singapore Science Park II, SINGAPORE 117674.

☎ + (65) 6333 9525/6
☎ + (65) 6333 9527
✉ henryspl@singnet.com.sg

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HENRY GOH RETRO NITE 2010

It was a blast from the past for Henry Goh's staff when they attended the company dinner recently. The theme was Retro Night and aptly held at the Federal Hotel (built in 1957). Most guests came dressed to the nines and even Elvis Presley, Michael Jackson and Audrey Hepburn made an appearance!

Besides the great food, guests were entertained by the highly talented organizing committee, who performed a musical medley as "ABBA-bah", reenacting famous songs and dance moves from the retro era. There were fun games such as Guess! Guess! Guess! and "So You Think You Can Dance" for which attractive prizes were given to the winners. Competition for the Best Dressed individual was stiff but in the end Michael Jackson's reincarnate 'moonwalked' away with the honours.

Retro Night was certainly a roaring success, thoroughly enjoyed by those present. No one went home empty handed as all struck gold in the staff lucky draw culminating with a grand prize of the latest crazed gadget, the iPad tablet.



HG Boogie King!



Kisses from "No-Wonder" Girls.



"Retro" Organising Committee!



iPad! Enough said...



Top 5 Best-Dressed.



Let's do the twist!



One for the "Retro" album.



APAA 2010 at Jeju Island, South Korea

Held from 16-20 October 2010, Managing Director Ms Karen Goh along with Singapore Director, Mr. Ameen Kalani and Patent Agents Mr. Jason Cheah and Mr. Andrew Siew attended the event to once again foster ties with fellow members. The number of attendees has significantly increased this time to over 1300 people. Despite being an Asian association, the conference has now gone international with more participants from the West attending. It was a highly fruitful meeting for them, especially since Jeju Island was an excellent destination with natural breathtaking sceneries that left the attendees feeling relaxed and invigorated.



FRIM's Hari Inovasi 2010

The Forest Research Institute of Malaysia (FRIM) recently celebrated Innovation Day on 30 November and 01 December 2010. This year's theme, "Local Innovation, Regional Application, Global Recognition" underlined FRIM's commitment to creating, protecting and commercializing their IP.

Henry Goh's Patent Agents Ms. Oon Yen Yen and Mr. Jason Cheah were invited to be the guest judges for the "Most Innovative Inventions" competition. In addition, Henry Goh participated in FRIM's annual exhibition that showcased their researchers' latest inventions in all areas of technology as well as presented a talk entitled "Exporting Local IP" and "Innovation and Trademarks" where the speakers were Ms. Oon and Ms. Azlina Aisyah Khalid respectively.



Patents vs. Designs Seminar

In keeping up with its year-long IP awareness campaign, Henry Goh organized a public seminar on 30th September 2010, which focused on the differences between patent and design protection and how they can be complementary to one another.

It was a seminar with a difference where the audience was treated to a simultaneous presentation from Mr. Jason Cheah and Ms. Oon Yen Yen tackling both patent and design issues. The back-and-forth banter by the two speakers kept the presentation interactive and interesting. The latter part of the seminar was conducted by Mr. Dave Wyatt who dealt with practical approaches to patent/design infringement and case studies. The event was capped with Q&A session made lively by the participants. All in all we are highly pleased with the positive feedback received and look forward to planning similar ones in the future.



HOSPIS MALAYSIA MEDICAL EQUIPMENT

Over the years, the staff of Henry Goh have championed many charitable causes; whether in support of the community or fellow colleagues. We have made visits to orphanages and old folks homes bearing food and enjoyment; heighten environment awareness causes, supported breast cancer campaigns, purchasing school uniforms and shoes for children, etc. Our contributions in whatever form have brought smiles to faces, brightened someone's day. Most of all, it made a difference.



This year, providing medical equipment is our cause. On 4th November 2010, Karen and team visited Hospis Malaysia to present a donation on behalf of the staff and company towards the purchase of an oxygen concentrator. Hospis Malaysia is a charitable organisation that offers professional palliative care and medicine to those who are suffering from life-limiting illness such as cancer, AIDS, muscular dystrophy, motor neurone disease, etc. Hospis Malaysia regularly loans medical equipment free of charge to registered patients, and on top of its list is the oxygen concentrator (OC).

