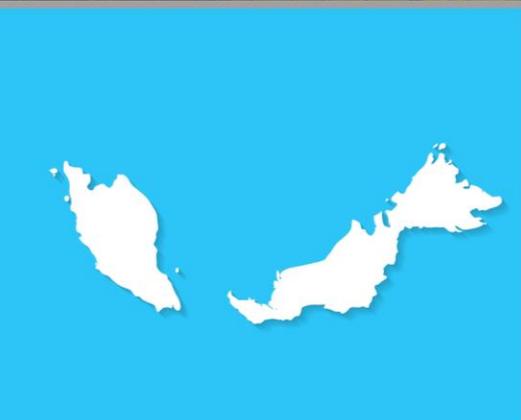


Malaysia-IPR Toolkit

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Of Intellectual Property

Assignee and Assignee hereby agree that all properties created during the assignment, trademark



Malaysia – IPR TOOLKIT

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NOTE: The United States Government thanks you for your interest and concern regarding the protection of intellectual property rights. This toolkit is meant to be a helpful resource for basic information gathering with respect to Malaysia’s intellectual property laws. This toolkit is not to be used to guide legal decisions, and does not qualify as any type of legal advice. Always seek legal counsel within the jurisdiction in which protection is sought before making any decisions concerning your intellectual property rights protection. A list of lawyers and legal aid is available on the United States Ambassador’s website.

MALAYSIA IPR TOOLKIT

I. What is IPR?

Intellectual property (“IP”) and intellectual property rights (“IPR”) refer to the legal rights given to people for creations and innovations of their minds. IPR contains of a multitude of facets, including primarily, but certainly not limited to: copyrights, trademarks, patents and trade secrets. Copyrights are the rights granted to original works of authorship in fixed, tangible mediums. Trademarks are words, names, symbols or devices used by a business to distinguish its goods from those of its competitors. Patents are granted to inventors of a new, useful process, machine, article of manufacture or composition of matter, or to any useful improvement thereof. Trade secrets are things such as recipes, processes, formulas and strategies that derive independent economic value and advantage to an individual or business that goes through reasonable efforts to maintain their secrecy. Smaller, but equally-important facets of IP include things such as geographical indications, plant variety patents, registered designs, etc.

II. Current IPR Framework

Malaysian law relating to intellectual property is provided primarily through legislation such as the Copyright Act 1987, Trade Marks Act 1976, Industrial Designs Act 1996 and Patents Act 1983. Some concepts in IPR protections, including passing off (i.e. protection for unregistered trademarks) and confidential information (i.e. trade secrets) are based on English common law.

Malaysia has a Registry of Trademarks, Industrial Designs and Patents (the Registry) for the registration of trademarks and the grant of industrial designs and patents. While there is no compulsory registration system for copyright, there is a copyright voluntary notification system.

The Intellectual Property Corporation of Malaysia (MyIPO) is the entity empowered to register trademarks, industrial designs and patents as well as copyright notification. The Enforcement Division of the Ministry of Domestic Trade, Co-operatives and Consumerism (MDTCC) is the agency responsible for the criminal enforcement of trademark and copyright infringement. The Intellectual Property Court handles civil action involving intellectual property infringement.

A. Copyright

The basis of Malaysian copyright law is the Copyright Act 1987 and the Copyright (Amendment) Act 1997. Under Malaysian law, copyrights give the creator of a work exclusive rights to reproduce, create derivatives of, distribute, perform, display or transmit the work, and deny others those rights unless the creator grants permission. The law stipulates that copyright protection in Malaysia exists regardless of the quality of the work or the purpose for which it was created, and prevents unauthorized reproduction of the work in any material form, including the three-dimensional reproduction of artistic works.

Works eligible for copyright protection under the Copyright Act include the following:

- Literary works (computer programs are treated as

literary works);

- Artistic works;
- Musical works;
- Films;
- Sound recordings;
- Broadcasts;
- Derivative works, i.e. works derived from works eligible for copyright; and
- Published edition of works.

Pursuant to the Copyright Act, a work is automatically legally protected under the following conditions:

- a. Sufficient effort has been made to make the work original in character;
- b. The work has been written down, recorded or reduced to material form; and
- c. The author is a qualified person, the work is made in Malaysia, or the work is first published in Malaysia.

Term

The basic term of copyright under the current legal framework is the life of the author plus 50 years. For published editions, sound recordings, photographs, films (including video films) and broadcasts, the term of copyright is 50 years from the beginning of the calendar year following the year in which the work was first published or broadcast. Under the Copyright (Amendment) Act 2000, performers have copyright protection to their live shows for 50 years.

Ownership

The first owner of copyright is the author. With certain exceptions, the author of a work is the person who created the work. Where a work has been specially commissioned, or is made in the course of the author’s employment, copyright is deemed to be transferred to the commissioner or employer, unless there is an agreement to the contrary. It is also possible to assign future copyright, in which case copyright will vest automatically in the assignee once the work is made.

Berne Convention

As Malaysia is a signatory of the Berne Convention, copyrighted works created in Malaysia would be recognized by each contracting member country of the Berne Convention.

Exclusive Rights of the Copyright Owner

Copyright gives the owner a bundle of exclusive rights to do the following in relation to literary, musical and artistic works, films sound recordings and derivative works.

The copyright owner has the exclusive right to control the following in Malaysia, in relation to the work and its derivative form:

- Reproduction in any material form;
- Communication to the public;
- Performance, showing or playing to the public;
- Distribution of copies of the work to the public by sale or other transfer of ownership; and
- Commercial rental to the public.

Under the Copyright (Amendment) Act, derivative works are defined broadly to include translation, adaptations, arrangements, other transformations of works eligible for copyright and also collections of works eligible for copyright that constitute intellectual creation by virtue of the selection and arrangement of their contents. With this amendment, multimedia works will be eligible for copyright protection.

Licensing

A license of copyright must be in writing. Where a copyright is in joint ownership, a license granted by one of the joint owners will have effect as though it had also been granted by his or her co-owner(s). It is possible to license both existing copyright and future copyright.

Moral Rights

The Copyright Act provides for the recognition and protection of the moral rights of the author of the copyright work. The essence of moral rights is to protect the integrity and reputation of the author. This recognizes that the work is an extension of the author's intellect and personality and as there is an intimate bond between an author and his/her work, the author should be able to safeguard those aspects of his work.

Two types of moral rights are recognized:

i. Right against attribution of authorship to another

This prevents any person from presenting a work without identifying the author.

ii. Right of integrity

This gives the author of the work the right to prevent the

distortion, mutilation or other modification of the work that

- Significantly alters the work; and
- Might reasonably be regarded as adversely affecting the author's honor or reputation.

Remedies

In the event of infringement, a copyright owner may be entitled to a range of remedies, including damages, account of profits, injunction to restrain the infringing acts and delivery up.

B. Trademarks

What is a Trademark?

A trademark is defined as "a mark used or proposed to be used in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services and a person having the right either as proprietor or as registered user to use the mark whether with or without an indication of the identity of the person."

The Trade Mark Act 1976 allows any mark used or proposed to be used in relation to goods or services to indicate a connection in the course of trade between the goods or the services, and the person having the right to use the mark to be registered.

The Nature of Trademark Protection

Registration of a trademark gives the proprietor the exclusive right to use the trademark as an indication of the origin of his particular goods or services. Unauthorized use of the trademark without the proprietor's consent shall be deemed to be infringement.

Trademarks, especially marks not capable of registration as trademarks for one reason or another, or else are only likely to be used for a limited period, do not need to be registered to be effective, because the law of passing off will provide some measure of protection. However, registration confers significant advantages.

Duration

A trademark registration is valid for a period of 10 years from the filing date and can be renewed indefinitely for subsequent periods of 10 years.

Requirement of Use

A registered mark may be removed from the register if it is not used for a period of three years or more.

Assignment

A trademark can be assigned with or without the goodwill of the business concerned. The assignment, which is not recorded with MyIPO, will not be admissible as evidence in Court to prove title to a

registered trademark unless the Court otherwise directs.

Licensing

A trademark owner is free to license the right to use his trademark as he or she sees fit, and such license will normally incorporate a range of obligations relating to quality control, royalties, accounts, and so on. While it is not compulsory to record a license agreement to use a registered trademark with MyIPO, it is beneficial to do so. A license agreement serves to equate a registered user with the registered proprietor and, furthermore, protects a registered user from the vulnerability of removal on grounds of alleged non-use.

C. Trade Secrets

Common Law Protection

Malaysia adopts English common law relating to breach of confidence. Therefore, the best way to protect and maintain the confidentiality of information (i.e. trade secrets or proprietary information) is to ensure that access to and reproduction of that information is restricted.

What is Protected?

Not all information regarded as confidential will be protected under breach of confidence. Information in the public domain is not protected. The court will examine the type of information to determine whether it is of a confidential nature. The court will also look at whether the information was disclosed in circumstances expressly or implicitly imposing a duty of confidence on the recipient of information.

Types of Trade Secrets Recognized by Malaysian Courts:

- Manufacturing processes;
- Secret formulas;
- Names and addresses of customers and suppliers;
- Specific questions sent to customers;
- Costs of inputs;
- Specific needs of customers;
- Status of ongoing negotiations with customers.

Preventive Action

When dealing with confidential and/or sensitive information, entering participating parties into a non-disclosure agreement is the safest way to ensure that private information does not become public knowledge.

Breach of Confidence

In Malaysia, the unauthorized disclosure of confidential information may give rise to civil liability on the part of

disclosing party on the basis that a non-disclosure agreement between parties demonstrates intent to be bound to such an agreement.

A breach of confidence is generally actionable in the Malaysian Courts if the following three conditions are fulfilled:

- i. The information disclosed must be confidential in nature. The information may be in respect of trade secrets (e.g. customer lists), technological secrets (e.g. know how relating to a manufacturing process), personal information or any other form of confidential information.
- ii. The information must have been imparted in circumstances which give rise to an obligation of confidentiality.
- iii. There must be an actual or anticipated unauthorized use or disclosure of the information.

As there is no system of registration for confidential information, it is strongly advisable for a Non-Disclosure Agreement (NDA) to be drafted and signed by the parties that sets out their obligations to one another in terms of any confidential information. In the event that a legal action becomes necessary due to a breach of confidence, enforcement of the NDA can be handled in a similar manner as enforcement of any other business contract.

D. Patents

The grant and enforcement of patent rights in Malaysia are governed by the Patents Act 1983 (Patents Act) and the Patents Regulations 1986. These laws provide for an independent patent system for Malaysia whereby a domestic application must be filed to secure a Malaysian patent. Malaysia is a member of the Patent Cooperation Treaty (PCT), making it possible to secure a Malaysian patent through a PCT application designating Malaysia.

Who May Apply for Grant of a Patent?

The inventor is entitled to apply for a patent. If more than one inventor was involved, a joint application may be made which allows each inventor to claim a share in the patent rights. In cases where the invention was devised by an employee in the course of his employment or made pursuant to a commission, the patent rights are deemed to accrue to the employer and the commissioner respectively.

Utility Innovation

Malaysian patent law provides for the grant of utility innovations. A utility innovation is an exclusive right granted for a "minor" invention which does not need to meet the same "inventiveness standards" as a traditional patent. Only one claim is allowed for utility innovations. The filing procedure and requirements for utility

innovations are similar to patent applications.

Duration and Scope of Protection

A patent is protected 20 years from the date of filing, and a utility innovation is protected 10 + 5 + 5 years from the date of filing subject to use.

During the period of grant, the patent holder has the exclusive right to exploit the invention covered by the patent in Malaysia, and to take legal action against any infringers of the patent.

Licensing

Every license of a patent must be in writing and signed by or on behalf of the contracting parties. Unless there is provision to the contrary, a licensee is entitled to sublicense some or all of the rights licensed to him. The Patents Act provides for licenses of right (for patents or utility innovations) and the grant of compulsory licenses (for patents only).

Rights of a Patent Owner and Infringement of a Patent

The owner of a patent has the exclusive right to:

- Exploit the patented invention;
- Assign or transmit the patent; and
- Conclude license contracts.

In this regard, the right to “exploit a patented invention” gives the patent owner the monopoly to:

- Make, import offer for sale, sell or use a product, or stock such product for the purpose of sale or use;
- Use a process, and make, import, sell or use a product obtained directly by means of the process.

A patent is infringed by any person who does any of the above without the consent of the patent owner.

Remedies

The owner of a patent may initiate civil action against any person who infringes the patent. The relief available for infringement includes damages, account of profits, injunction and an order for forfeiture or destruction of the infringing goods.

E. Industrial Designs

The protection of industrial designs in Malaysia is governed by the Industrial Designs Act 1996 (IDA). The Industrial Designs Act creates a local registration of industrial designs rather than the previous method of registration under England’s Registered Designs Act of 1949.

Ownership

The owner of the design is normally the author of the design. If the design was created by an employee or on commission, the employer or commissioner would be

the owner of the design, barring contracted-for agreements.

Duration of Ownership

In Malaysia, a registered industrial design is given an initial protection period of five years from the date of filing, and is renewable for a further four consecutive terms of five years each (a total of 25 years).

Scope of Protection

Under the IDA, the owner of an industrial design has the exclusive right to make, import, use, sell, hire, offer or expose any article to which the registered industrial design is applied. The owner has the discretion to deny these rights to anyone else unless specific permission is granted.

Assignment and License

A registered industrial design is considered personal property and is capable of assignment, transmission or being dealt with by operation of law in the same way as other personal or moveable property. A person so entitled to a registered industrial design is required to record his title or interest in the Register of Industrial Designs. Failing to register will give no cause of action for relief from third parties. An assignment of an industrial design must be in writing, signed by both parties and recorded in the Register of Industrial Designs.

Remedies

The owner of a registered design may initiate a civil action against an infringer. The relief available for infringement includes damages, account of profits, injunction and any other legal remedies.

Overlap between Copyright and Design Registration

Under the Copyright (Amendment) Act, any registered design or any design that is capable of being registered under any written law relating to industrial design (but which has not been so registered) and that has been reproduced more than 50 times by an industrial process will not be eligible for copyright protection.

F. Enforcement

The legal framework for the protection of intellectual property rights – patents, copyrights, trademarks, registered designs, confidential information/trade secrets, and the right to take action for passing off – is relatively well established in Malaysia and, generally, such rights may be enforced through civil and/or criminal action. Criminal action, however, is only available for copyright and trademark infringement.

III. COPYRIGHT

A. Registration

The Malaysian copyright in work arises automatically once the appropriate criteria are fulfilled. Copyright owners can claim ownership by way of a Statutory Declaration or by filing a Voluntary Notification at MyIPO. One method of giving notice of copyright is by placing a copyright notice on the work. This notice usually consists of the word "copyright" or the symbol "©" accompanied by the name of the person/entity claiming copyright and the year of creation/publication.

The Copyright (Amendment) Act 2012 introduced and implemented a voluntary notification system for copyright owners to the MyIPO. The notification is on a voluntary basis and does not impede the requirement of non-formality for the enjoyment and exercise of the copyright protection under the Berne Convention. A copyright owner may submit a Copyright Voluntary Notification or a simple statutory declaration affirmed by a Commissioner of Oath to confirm the ownership of the work. The certificate of notification issued by MyIPO shall be prima facie evidence of the particulars relating to the copyright as stated in the Register of Copyright and is admissible in all courts in Malaysia.

B. What can be Protected by Copyright Law

There are four primary requirements for copyright eligibility under the Copyright Act:

1. The work is original: The standard of originality required is low in that the work does not have to be unique or novel. However, the expression of the idea must be original, i.e. the work is not copied from that of another. Copyright protection does not extend to any idea, procedure, and method of operation or mathematical concept.
2. The work must be recorded, or otherwise reduced to material form to be eligible for copyright: Copyright protects only the expression of the idea, and not the idea per se. A literary, musical or artistic work must be written down, recorded or reduced to material form to be eligible for copyright.
3. The work must belong to one of the 6 categories of protected works (literary, musical, artistic, sound recordings, films and broadcasts).
4. The work complies with the qualifications for copyright.

A work will only secure copyright protection if:

- It was made by a citizen or permanent resident of Malaysia or a Berne Convention country, or by a company incorporated in Malaysia or a Berne country;
- it was transmitted from Malaysia or a Berne

Convention country;

- it was erected in Malaysia or a Berne Convention country or being any other artistic work was incorporated in a building located in Malaysia or a Berne Convention country; or
- it was first published in Malaysia or a Berne Convention country (and not elsewhere) or it was published in Malaysia or a Berne Convention country within 30 days of its first publication elsewhere. ("Publication" is given a specific definition in the 1987 Act which involves publication sufficient to "satisfy the reasonable requirements of the public").

C. Where to Register

Because there is no official registration system, a copyright owner may submit Copyright Voluntary Notification to:

Registrar, Copyright Department
Intellectual Property Corporation of Malaysia (MyIPO)
Unit 1-7, Ground Floor, Menara UOA Bangsar
No. 5 Jalan Bangsar Utama 1
59000 Kuala Lumpur
Tel: +603-22998400 Fax: +603-22998989

D. Infringement and Enforcement

Copyright infringement carries both civil and criminal penalties.

Civil Infringement

The Copyright Act defines the exclusive rights of a copyright owner. These rights include control over the reproduction, communication to the public, distribution of copies of the work to the public by sale or transfer of ownership and the commercial rental of the work (or a substantial part thereof) in its original or derivative form. To exercise any of these exclusive rights without license from the copyright owner, or cause anyone to do so, may amount to infringement.

The Act provides for various "fair use" exceptions, such as limited copying by libraries and use by the press for purposes of reporting current events. Activity that leads to profit for the infringer is unlikely to amount to fair use.

Criminal Provisions

The Copyright Act prohibits various dealings in infringing copies as follows:

- Making for sale or hire any infringing copy;
- Selling, letting for hire or by way of trade, exposing or offering for sale or hire any infringing copy;
- Distributing infringing copies;
- Possessing, otherwise than for his private and domestic use, any infringing copy;
- By way of trade, exhibiting in public any infringing

copy; or

- Importing into Malaysia, otherwise than for his private and domestic use, an infringing copy.

To avoid liability, a defendant must show that he or she acted in good faith and had no reasonable grounds for supposing that copyright would or might thereby be infringed.

The Copyright Act also enables the owner to sue for a breach of their moral rights and to claim damages and the publication of corrections.

The Enforcement Division of the Ministry of Domestic Trade and Consumer Affairs is responsible for copyright enforcement in Malaysia. Copyright owners shall lodge an official complaint supported by the necessary documents to the Enforcement Division of MDTCC if they suspect infringement. The Division will then conduct the necessary investigations and prosecutions.

IV. TRADEMARK

A. Registration

Application Procedure

An application for trademark registration is made by completing and filing Form TM5 (Application for Registration of a Trademark), which contains the filing particulars and representation of the mark, with the Form TM1 (Address of Service). The applicant is also required to affirm a statutory declaration stating that the applicant is the bona fide proprietor of the trademark and that the application is filed in good faith. At the time of filing, applicants will be given an application number together with the filing date of the application. When the mark is registered, the application number becomes the registration number and registration will date back from the date of application.

Examination by the Registry

After the application to register the trademark is filed, it will be examined for registrability.

Registrar's Objections

If objections are raised, the Registrar sends an official letter giving the reasons for the objection to which the applicant has two months to reply. Further extensions may be available. In response, the applicant must explain why the application should be accepted for registration.

If the Registrar accepts the submissions, the application will then proceed to be advertised in the Government Gazette. However, if the submissions are unsuccessful, the Registrar will issue another official letter explaining its objections. The applicant then has the opportunity to request a formal hearing before a senior officer of the Registry. If that fails, the matter may be appealed to the High Court.

Advertisement

Upon acceptance, the Registrar will issue a form (Form TM31) with details of the application for confirmation by the applicant or its trademark agent. Once the form has been signed and returned with the requisite fee, the Registrar will proceed to advertise the application in the Government Gazette.

Opposition

Upon advertisement, there is a period of two months in which opposition against the mark may be raised. Opposition is initiated by filing the prescribed notice in writing (Form TM7), explaining the grounds for opposition with the Registrar of Trademarks and with a copy to the applicant. The applicant is then required to send a counter-statement (Form TM8) to the Registrar and the opponent within two months. Afterwards, both parties will file their evidence. The Registrar will then request that both parties file written submissions in support of their case. The Registrar will then consider all of the evidence and submissions and decide whether or not to allow registration of the trademark.

The opposition process can be an important part of the maintenance of trademark rights, as it presents an opportunity for trademark owners to attempt to prevent marks from entering the market which could cause confusion.

Registration

If there is no opposition, the Registry will accept the mark for registration and issue a Certificate of Registration. Registration is effective from the date of application.

Expedited Examination

Trade Marks Regulations (Amendment) 2011 introduced an expedited examination procedure for applicants for the registration trademarks in Malaysia. Applicants are required to obtain the approval of the IPCM for the expedited examination. To qualify for expedited examination, an applicant must submit their request within four months from the date of the application. The Registrar of the IPCM must be satisfied that the request for expedited examination was made based on one of the following grounds:

- For national or public interest;
- That there are infringement proceedings pending;
- That the application for the trademark registration is a pre-requisite for availing of monetary benefits or schemes run by the Government or by an institution recognized by the Registrar;
- Any other reasonable grounds.

Priority

A Malaysian application can be used as a basis for claiming priority in countries which are party to the Paris Convention and World Trade Organization (WTO).

B. What can be Registered

Any mark used or intended for use in relation to goods to indicate a connection in the course of trade between the goods/services and a lawful user of the mark may be registered, provided that the mark is inherently distinctive, or at least capable of distinguishing the goods of the user from the goods/services of others. To be registrable in the Register, a mark must be inherently distinctive of the proprietor's good/services, by being:

- a. the name of an individual, company or firm represented in a special or particular manner;
- b. the signature of the applicant for registration or of some predecessor in his business;
- c. an invented word or words;
- d. a word having no direct reference to the character or quality of the goods or services not being, according to its ordinary meaning, a geographical name or surname; or
- e. any other distinctive mark.

The following marks are not registrable under the Trade Mark Act:

- a. if use of the mark is likely to deceive or cause confusion to the public, or would be contrary to law;
- b. if the mark contains or comprises any scandalous or offensive matter, or would otherwise not be entitled to protection by any court of law;
- c. if the mark contains a matter which, in the opinion of the Registrar, is, or might be, prejudicial to the interest or security of the nation;
- d. if the mark is identical with, or so nearly resembles, a mark which is well-known in Malaysia for the same goods or services of another proprietor;
- e. if the mark is well-known and registered in Malaysia for goods or services not the same as to those in respect of which registration is applied for;
- f. if the mark contains a geographical indication with respect to goods not originating in the territory; and
- g. if the mark is intended for wine and spirits that contain a geographical indication identifying the wines or spirit, but not originating from the place indicated.

Under Section 15 of the Trade Mark Act, as well as Regulations 13, 14, and 15 of the Trade Mark Regulation, trademarks may not be registered if they include the following words:

- Patent, Patented, By Royal Letters Patent, Registered, Registered Design and Copyright;
- His Majesty Yang di-Pertuan Agong, Her Majesty Raja Permaisuri Agong, The Royal Highness Sultans and Their Excellencies Yang di-Pertua Negeri;
- Royal or Imperial Crowns, Arms, Crest, Armorial bearings or insignia;
- The Royal Malaysian Army and Royal Malaysian Police;
- Red Crescent, Geneva Cross in red and Swiss Federal Cross in white or silver on red ground;
- Words or representation of ASEAN and National Flower.

C. Where to Register

All applications must be submitted together and with the prescribed fee at the Intellectual Property Corporation of Malaysia (MyIPO), in Kuala Lumpur, or at one of the branch offices located in Sabah and Sarawak. Applications, correspondence and enquiries should be directed to:

Registrar, Trade Mark Department
Intellectual Property Corporation of Malaysia (MyIPO)
Unit 1-7, Ground Floor, Menara UOA Bangsar
No. 5 Jalan Bangsar Utama 1
59000 Kuala Lumpur
Tel: +603-22998400
Fax: +603-22998989

D. Infringement and Enforcement

Infringement

A registered trademark in Malaysia is infringed by a person who, not being the registered proprietor or registered user of the trademark, uses a mark that is identical with, or so nearly resembling, the mark in question and could feasibly deceive or cause confusion in the course of trade in relation to goods in respect of which the trademark is registered. "Use" of a mark extends to the usual activities of manufacture, distribution and sale.

The Trade Marks Act also prohibits counterfeit trademarked goods from being imported into Malaysia. Under the Trademark Amendment Act, the Malaysian Customs and Excise Department and any officer appointed by the Minister of Domestic Trade and Consumer Affairs (authorized officers) are entitled to seize and detain any imported goods that infringe upon a registered trademark. However, transshipment goods are exempted from seizure.

A passing off action prevent one trader from misrepresenting in the course of trade his goods or business as being, or being associated in some way with,

the goods or business of another trader. In order to succeed in a passing off action, the plaintiff must show that, at the time the defendant commenced the act complained of, the plaintiff had acquired a substantial reputation and goodwill in the name, trading style or get up of his goods or business. The plaintiff must show that the defendant's acts are reasonably likely to injure or actually injure the business or goodwill of the plaintiff.

Enforcement

The Trade Descriptions Act 2011 aims to promote good trade practices by prohibiting false trade descriptions and false and/or misleading statements, conduct and practices in relation to the supply of goods and services. The Trade Descriptions Act provides criminal remedies against those who deal in goods to which a false trade description has been applied.

A trade description is any indication (whether direct or indirect) of the following:

- Nature or designation;
- Composition;
- Fitness for purpose, strength;
- Quality;
- Place or date of manufacture, production, processing or reconditioning;
- Person by whom manufactured, produced, processed or reconditioned; or
- Other history, including previous ownership or use.

A false trade description includes any false indication, directly or indirectly, of any of the foregoing.

An offense is committed under the Trade Descriptions Act by any person who, in the course of trade or business, applies a false trade description to any goods or supplies, or offers to supply any goods to which a false trade description is applied.

The Enforcement Division

The Enforcement Division of the Ministry of Domestic Trade, Co-operative and Consumerism (MDTCC) is the Malaysian government agency responsible for the enforcement of the Trade Description Act.

Officers of the Enforcement Division have discretionary powers of investigation, search and seizure. All documents and goods seized will be kept in the Enforcement Division's custody until criminal proceedings brought as a result of the seizures conclude.

Penalties

The Sessions Court is empowered by the Trade Description Act to impose the maximum penalties provided for under the Trade Description Act:

- A maximum fine of MYR250,000 (approx. US\$ 65,000) and/or imprisonment for up to three years (for a first offense); and
- A maximum fine of MYR500,000 (approx. US\$ 130,000) and/or imprisonment for up to five years (for subsequent offenses).

In the case of a company found guilty of applying a false description on any goods, or distributing goods with a false description under the TDA 2011, the penalty is MYR250,000 (first offense) and MYR500,000 (subsequent offenses). Where a company is involved in an offense, officers of the company may also be guilty of an offense if it can be shown that the offense was committed with the consent or connivance of those officers, or that the offense was attributable to any neglect on their part.

However, where a company is found guilty of applying a false trade description to any goods as if the goods were subject to any rights relating to registered trademark, or found to have sold or distribute the same, the penalty that can be imposed is a fine not exceeding MYR15,000 (approx. US\$ 4,000) for each good bearing the false trade description, and a fine not exceeding MYR30,000 (approx. US\$ 8,000) for each good bearing the false trade description on subsequent offenses.

Whether or not there is a conviction following seizure of infringing goods, the court may make an order for forfeiture of those goods. The normal practice on forfeiture is to destroy infringing goods, but an application can be filed with the Enforcement Division for preservation of the goods so that they may be used as evidence in civil proceedings.

E. Geographical Indications

The Geographical Indications Act 2000 seeks to provide statutory protection for producers and traders of goods identified by geographical indications.

A “geographical indication” is an indication which identifies goods as originating in a country or territory, or a region or locality in that country or territory, where a given quality, reputation or other characteristic of the goods is essentially attributable to their geographical origin. Geographical indications can be used on natural or agricultural products, or any product of handicraft or industry.

A geographical indication will be protected even if it is not registered. The following shall not be protected as geographical indications:

- Geographical indications which are contrary to public order or morality or territory of origin;
- Geographical indications which are not, or have ceased to be, protected in their country; or

- Geographical indications which have fallen into disuse in their country or territory of origin.

When the application for registration of a geographical indication complies with the requirements and is not contrary to public order or morality, and no opposition has been filed or no appeal to high court has been filed against the Registrar's decision, the Register shall confirm the geographical indication and issue to the applicant a certificate of registration. A certificate of registration issued shall be prima facie evidence of the facts stated in the certificate and of the validity of the registration.

V. PATENTS

A. Registration

Application and Preliminary Examination

An application is made in the prescribed form giving the specifications describing the invention, details of the matter for which protection is sought, and technical information on the invention.

The application is then examined by the Registry for compliance with all formalities.

Substantive Examination

Within 18 months of the filing date of the patent application, the applicant is required to request one of the three Substantive Examinations options (i.e., Modified Substantive Examination, Normal Substantive Examination or Deferred Substantive Examination.) This 18-month period is absolute and non-extendible, and a failure to make a request for substantive examination within this period will mean that the application will be deemed withdrawn, and reinstatement will not be possible.

Modified Substantive Examination

This mode of examination is available to the applicant provided there is a corresponding patent which has been granted at the time of the filing of the request for examination by the patent offices in the Japan, South Korea, United States, UK or Australia, or by the European Patent Office (EPO). The applicant must ensure that the Malaysian application conforms to the designated foreign patent. If it does not, the application must be amended to conform substantially to the designated foreign-granted patent in order to qualify for modified examination.

Normal Substantive Examination

In this mode of examination, the application is examined for compliance with all substantive and formality requirements. Grant of the patent may take longer than patents that have gone through modified examination. Generally, this option is selected when the applicant

does not have corresponding applications in any of the six specified jurisdictions (US, UK, Australia, EPO, Japan, South Korea), is unsure if corresponding patents will be granted in those jurisdictions within five years from the filing of the Malaysian application, or if the applicant will not be amending the Malaysian application to conform with the designated foreign patent.

Deferment of Substantive Examination

It is possible to defer the request for substantive examination for up to five years from the filing date of the patent application.

Issuance of Certificate and Advertisement of Grant

Upon successful examination, the patent is granted and the Registrar will issue the Certificate of Grant and record the patent in the Register. Thereafter, the patent particulars and abstract will be advertised in the Government Gazette. Copies of the full patent specification as granted are made available to the public after grant.

Any resident in Malaysia who desires to file a patent application overseas must seek prior written permission from the Registry of Patents Malaysia. Consent is not required if the application is filed in Malaysia first, and a subsequent application overseas is made at least 2 months later, provided that no direction is issued by Registrar prohibiting or restricting its publication. Failure to seek consent is an offence and is punishable by a fine not exceeding 15,000 ringgit, imprisonment for a term not exceeding two years, or both.

Malaysia became a member of the Paris Convention on January 1, 1989. This provides that applicants for patents in one convention country may claim the date of filing of the application in that country as the priority date for applications in another. However, such "priority applications" for patents must be made within 12 months of the original filing date. A certified copy of the original application must be filed in support of a priority application.

B. What can be Registered

In order to obtain a patent, an invention must comply with the following requirements:

- World-wide novelty: the invention must be "new" in that it must not have been made known to the public, whether in Malaysia or elsewhere, before the priority date of the application;
- It involves an inventive step: the invention must involve an "inventive step," meaning it must not be obvious to a person reasonably skilled in the art; and
- It has industrial application: the invention must be

capable of being made or used in a form of industry.

C. What cannot be Registered

The invention must not fall into one of the following categories of excluded subject matter:

- Discoveries, scientific theories or mathematical methods;
- Plant or animal varieties or essentially biological processes for the production of plants or animals (other than man-made living microorganisms, microbiological processes and the products of such microorganism processes);
- Schemes, rules or methods of doing business, performing purely mental acts or playing games; or
- Methods for the treatment of human or animal body by surgery or therapy, and diagnostic methods practiced on the human or animal body (although products used in any such methods are patentable).

D. Where to Register

An applicant must file a patent or utility innovation application with the Intellectual Property Corporation of Malaysia (MyIPO), in Kuala Lumpur, or at one of the branch offices located in Sabah and Sarawak. Applications, correspondence and enquiries should be directed to:

The Registrar
The Patent Registration Office
Intellectual Property Corporation of Malaysia (MyIPO)
Unit 1-7, Ground Floor, Menara UOA Bangsar
No. 5 Jalan Bangsar Utama 1
59000 Kuala Lumpur
Tel: +603-22998400
Fax: +603-22998989

E. Infringement

A patent is infringed by any person who, without the consent of the owner of the patent, does any of the following acts:

- Makes, imports, offers for sale or sells, uses, or stocks such product for the purpose of selling, using or offering it for sale; or
- Uses the process, or makes, imports, offers for sale or sells, or uses a product obtained directly by means of the process.

The owner of a patent has the right to institute court proceedings. Any beneficiary (i.e. a licensee) may request that the patent owner initiate court proceedings for infringement. If the owner refuses or fails to institute the proceedings within three months from receipt of the request, the beneficiary may institute the proceedings in his name after notifying the patent owner of his intention to do so.

The Enforcement Division of the Ministry of Domestic Trade and Consumer Affairs is responsible for patent enforcement in Malaysia. Patent owners must submit an official complaint supported by the necessary documents to the Enforcement Division of MDTCC if they suspect infringement. The Division then conducts the necessary investigations and prosecutions.

VI. INDUSTRIAL DESIGNS

A. Registration

An application in the prescribed form must be filed at the Industrial Design Registration Office accompanied by the design drawings, statement of novelty and the associated fee. However, foreign applicants are required to appoint a Malaysian agent to attend to the filing and prosecution of the design application.

B. What can be Protected

To be registrable under the Industrial Designs Act, a design must be new and have features of shape, configuration, pattern or ornament that appeal to and are judged solely by the eye. A design must not include features determined by a method or principle of construction, or features of shape or configuration that are dictated solely by the function that the article has to perform or are dependent upon the appearance of another article of which the article is intended by the creator of the design to form an integral part.

Priority

An applicant may claim priority based on an earlier corresponding application in a convention country filed within six months of the local application.

C. Where to Register

All applications must be submitted together with the prescribed fee at the Intellectual Property Corporation of Malaysia (MyIPO), in Kuala Lumpur or at one of the branch offices located in Sabah and Sarawak. Applications, correspondence and enquiries should be directed to:

Registrar, Industrial Designs Department
Intellectual Property Corporation of Malaysia (MyIPO)
Unit 1-7, Ground Floor, Menara UOA Bangsar
No. 5 Jalan Bangsar Utama 1
59000 Kuala Lumpur
Tel: +603-22998400
Fax: +603-22998989

D. Infringement

It is an infringement if any person, without the consent or license of the owner, applies the industrial design or any fraudulent or obvious imitation of it to any article for which the industrial design is registered, or imports such an article for which the industrial design is

registered, or imports such an article into Malaysia for the purposes of trade, or sells or hires such an article. An infringing design is one which is identical to, or not substantially different from, the registered design as applied to the goods for which the design is registered.

No criminal remedies are available for registered design infringement.

VII. Current Malaysia Intellectual Property Legislation

A. Legislation

Malaysia has a mature set of intellectual property laws enacted by legislature which includes the following:

- Trade Marks Acts 1976 (Amendments & Regulations)
- Trade Descriptions Act 2011
- Copyright Act 1987 (Amendments & Regulations)
- Industrial Designs Act 1996 (Amendments & Regulations)

- Patents Act 1983 (Amendments & Regulations)
- Geographical Indications Act 2000 (Amendments & Regulations)
- Layout-Designs of Integrated Circuits Act 2000
- Protection of New Plant Varieties Act 2004

B. International Treaties

Malaysia is currently a member of the following treaties:

- Paris Convention for the Protection of Industrial Property
- Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)
- Berne Convention
- Patent Cooperation Treaty (PCT)

Annexes: Charts that Guide U.S. Companies Step-By-Step through the Process in Malaysia

Figure 1: Flowchart of patent application and granting procedure

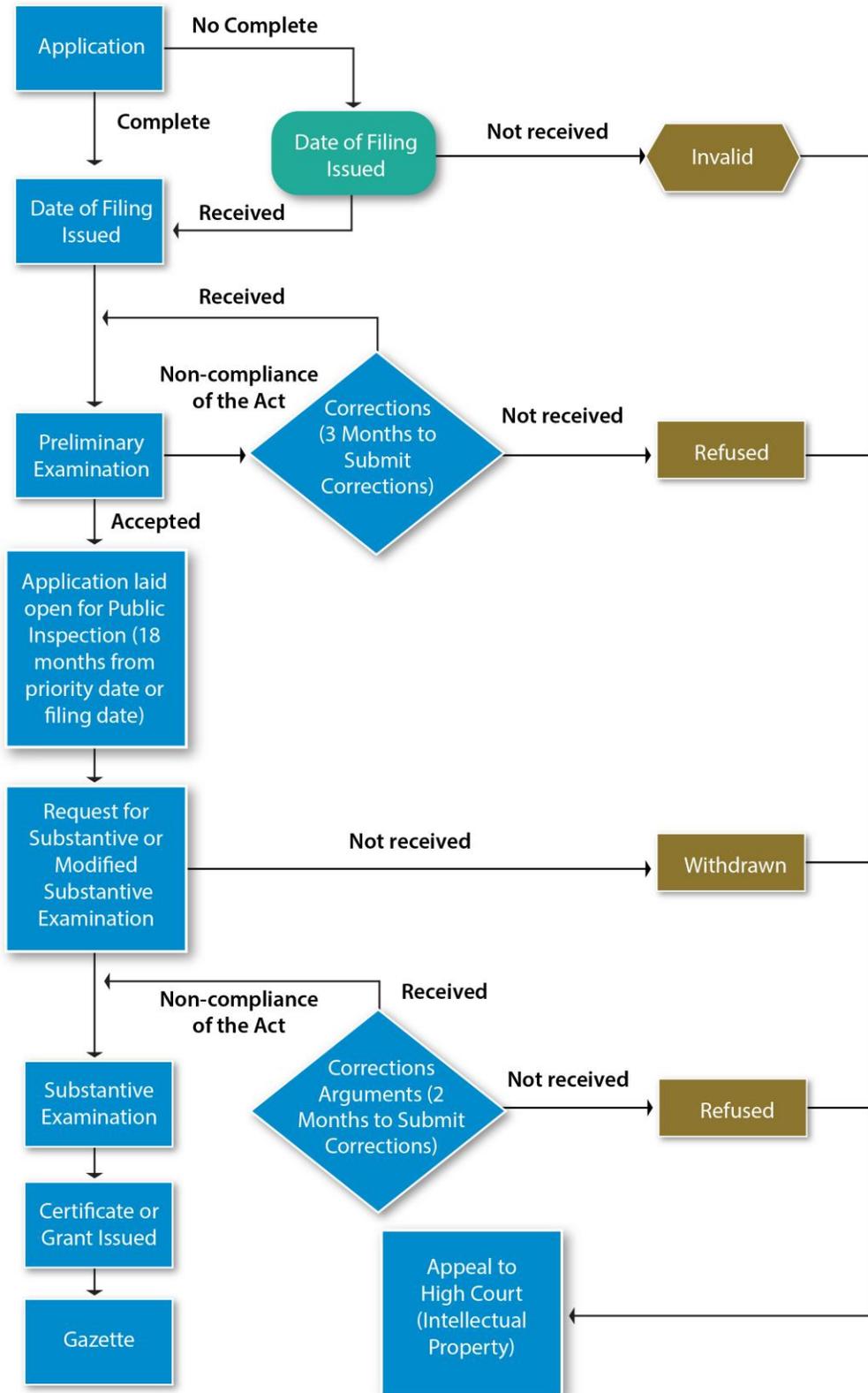


Figure 2: Flowchart of trademark application procedure

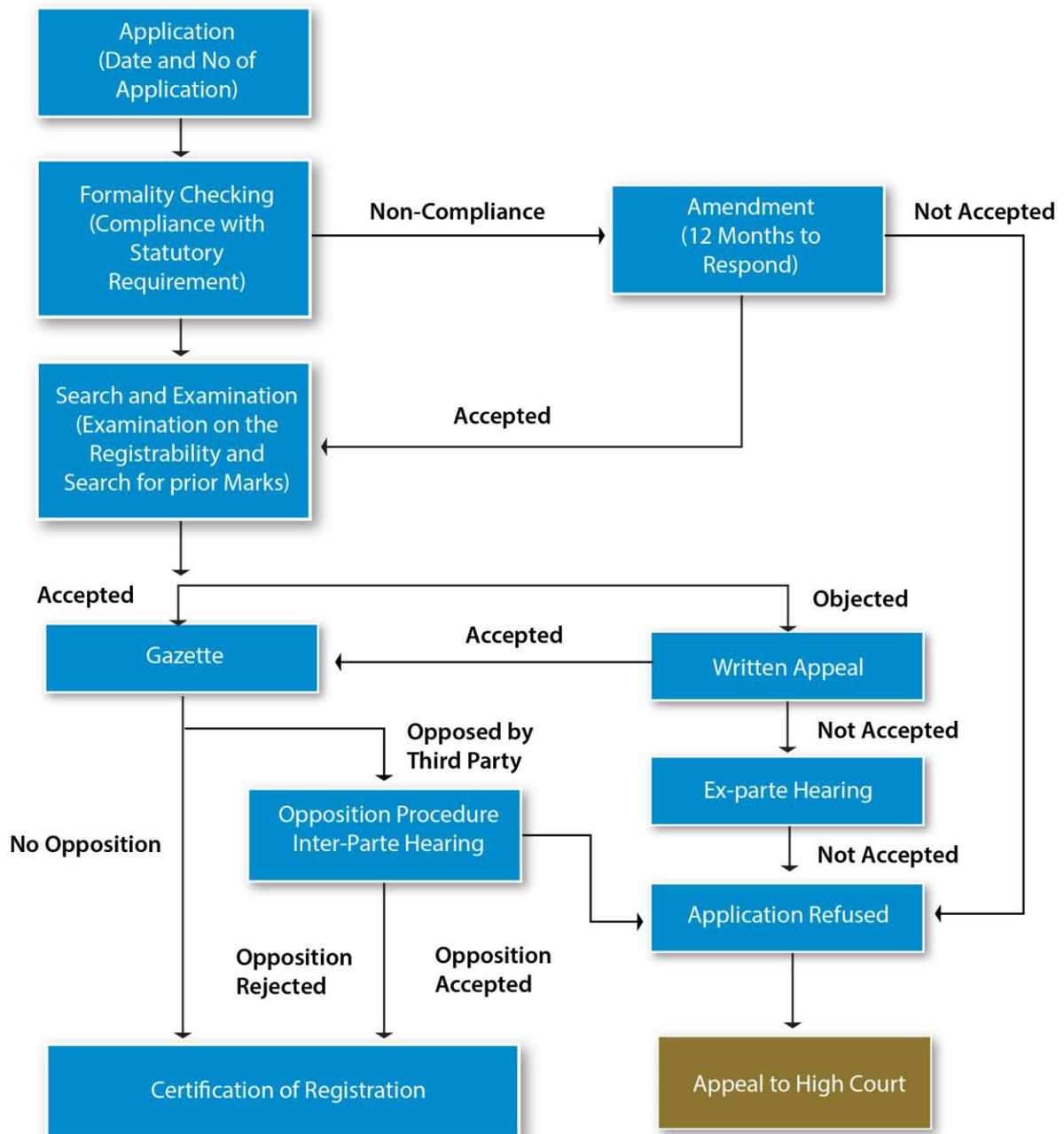


Figure 3: Flowchart of the geographical indications application procedure

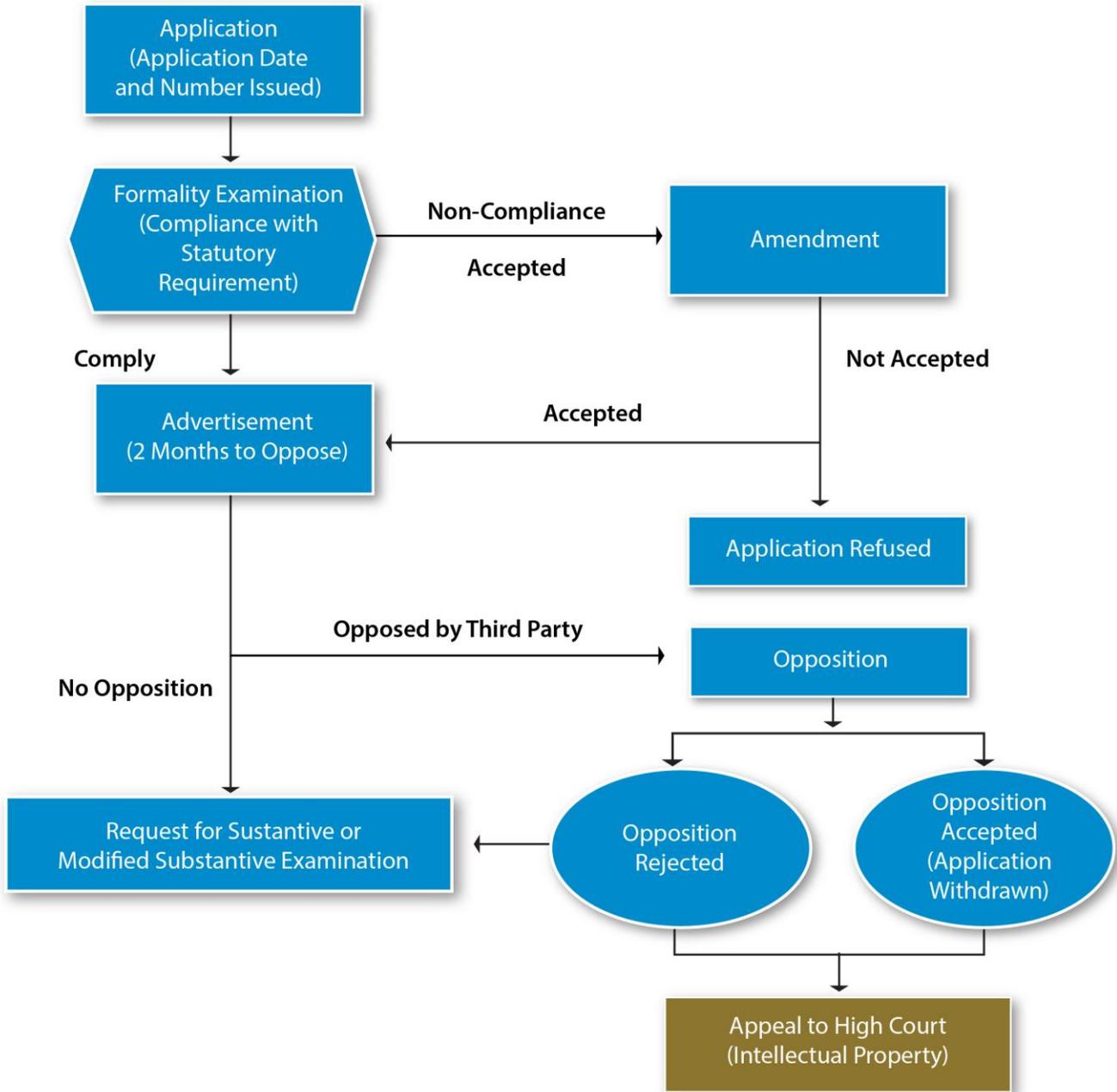


Figure 4: Flowchart of copyright-voluntary notification

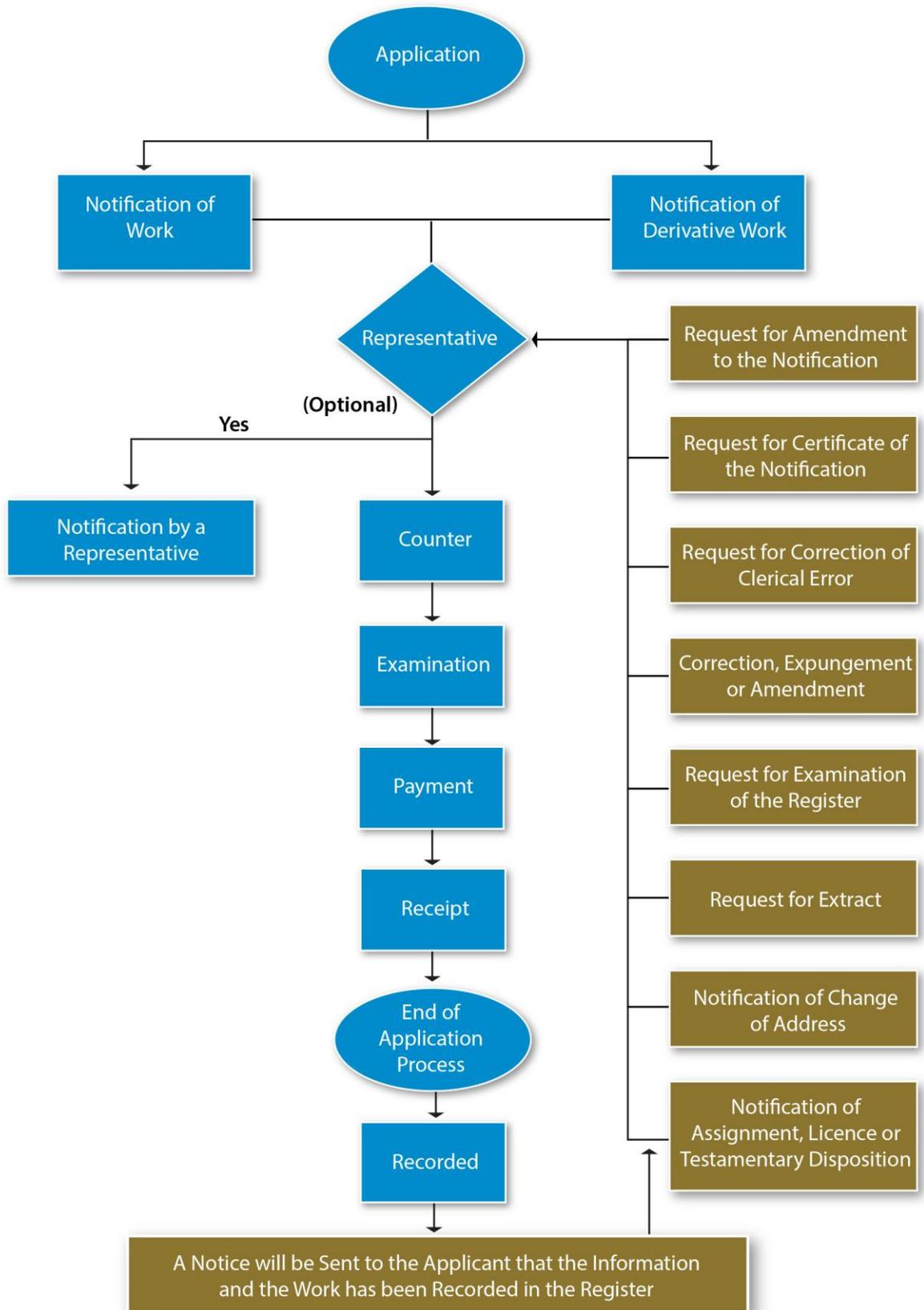


Figure 5: Flowchart of industrial design application procedure

