

# Patents

*Contributing editor*  
Richard T McCaulley Jr



2017

GETTING THE  
DEAL THROUGH

GETTING THE  
DEAL THROUGH 

# Patents 2017

*Contributing editor*  
**Richard T McCaulley Jr**  
**Ropes & Gray LLP**

Publisher  
Gideon Robertson  
gideon.roberton@lbresearch.com

Subscriptions  
Sophie Pallier  
subscriptions@gettingthedealthrough.com

Senior business development managers  
Alan Lee  
alan.lee@gettingthedealthrough.com

Adam Sargent  
adam.sargent@gettingthedealthrough.com

Dan White  
dan.white@gettingthedealthrough.com



Published by  
Law Business Research Ltd  
87 Lancaster Road  
London, W11 1QQ, UK  
Tel: +44 20 3708 4199  
Fax: +44 20 7229 6910

© Law Business Research Ltd 2017  
No photocopying without a CLA licence.  
First published 2004  
Fourteenth edition  
ISSN 1742-9862

The information provided in this publication is general and may not apply in a specific situation. Legal advice should always be sought before taking any legal action based on the information provided. This information is not intended to create, nor does receipt of it constitute, a lawyer-client relationship. The publishers and authors accept no responsibility for any acts or omissions contained herein. The information provided was verified between February and March 2017. Be advised that this is a developing area.

Printed and distributed by  
Encompass Print Solutions  
Tel: 0844 2480 112



## CONTENTS

<b>Global overview</b>	<b>7</b>	<b>Mexico</b>	<b>108</b>
Richard T McCaulley Jr Ropes & Gray LLP		Eugenio Pérez and José Luis Ramos-Zurita Uhthoff, Gómez Vega & Uhthoff, SC	
<b>Austria</b>	<b>8</b>	<b>Nigeria</b>	<b>114</b>
Peter Israiloff Barger, Piso & Partner		Florence Atuluku and Samira Usman Aliant Law Nigeria	
<b>Brazil</b>	<b>16</b>	<b>Norway</b>	<b>119</b>
Philippe Bhering, Giuliano Maurer, Flavia Merola and Rafael Toegel Bhering Advogados		Kyrre Tangen Andersen Kluge Advokatfirma Krister Mangersnes Håmsø Patentbyrå	
<b>China</b>	<b>24</b>	<b>Pakistan</b>	<b>125</b>
Matthew Murphy and Xia Yu MMLC Group		Ali Kabir Shah and Hanya Haroon Ali & Associates	
<b>Colombia</b>	<b>30</b>	<b>Peru</b>	<b>132</b>
Carlos R Olarte, Alexander Agudelo and Liliana Galindo OlarteMoure		Maria del Carmen Arana Courrejolles Estudio Colmenares & Asociados	
<b>Costa Rica</b>	<b>37</b>	<b>Philippines</b>	<b>142</b>
Luis Diego Castro and Simón A Valverde Castro & Pal Asociados Ltda		Mila Federis and Caesar J Poblador Federis and Associates Law Offices	
<b>Ecuador</b>	<b>42</b>	<b>Poland</b>	<b>150</b>
María Rosa Fabara Vera and Gerardo Naranjo Fabara & Compañía Abogados		Dorota Rzażewska, Piotr Godlewski and Mirosława Ważyńska JWP Patent & Trademark Attorneys	
<b>France</b>	<b>49</b>	<b>Portugal</b>	<b>157</b>
Benjamin May, Louis Jestaz and Mickaël Da Costa Aramis		António Andrade VdA Vieira de Almeida	
<b>Germany</b>	<b>55</b>	<b>Russia</b>	<b>162</b>
Henrik Holzapfel and Martin Königs McDermott Will & Emery		Vladimir Biriulin and Nikolay Bogdanov Gorodissky & Partners	
<b>Honduras</b>	<b>61</b>	<b>Saudi Arabia</b>	<b>167</b>
Ricardo A Mejía Bufete Mejía & Asociados		Mohammad Jomoa and Asif Iqbal Kadasa and Partners	
<b>India</b>	<b>67</b>	<b>South Africa</b>	<b>173</b>
Archana Shanker and Gitika Suri Anand and Anand		Russell Bagnall Adams & Adams	
<b>Italy</b>	<b>79</b>	<b>Switzerland</b>	<b>180</b>
Stefania Bergia Vanzetti e Associati		Rudolf A Rentsch CMS Andrea Carreira and Demian Stauber Rentsch Partner AG	
<b>Japan</b>	<b>87</b>	<b>Taiwan</b>	<b>186</b>
Masayuki Yamanouchi and Makoto Ono Anderson Mōri & Tomotsune		Yulan Kuo, Frank Lu and Charles Chen Formosa Transnational, Attorneys at Law	
<b>Korea</b>	<b>93</b>	<b>Turkey</b>	<b>193</b>
Yoon Suk Shin, Eun-Young Park and Gon-Uk Huh Lee International IP & Law Group		Korcan Dericioğlu Dericioğlu & Eren Law Office	
<b>Malaysia</b>	<b>101</b>		
Bong Kwang Teo, Min Lee Boo and Yen Cheng Koo Wong Jin Nee & Teo			

<b>Ukraine</b>	<b>199</b>	<b>Venezuela</b>	<b>224</b>
Oleksandr Mamunya and Yulia Chyzhova Aequo		María Milagros Nebreda and Carlos Pacheco Hoet Peláez Castillo & Duque	
<b>United Kingdom</b>	<b>205</b>	<b>Vietnam</b>	<b>230</b>
Richard T McCaulley Jr Ropes & Gray LLP		Pham Vu Khanh Toan Pham & Associates	
<b>United States</b>	<b>213</b>		
Richard T McCaulley Jr Ropes & Gray LLP			

# Preface

## Patents 2017

### Fourteenth edition

**Getting the Deal Through** is delighted to publish the fourteenth edition of *Patents*, which is available in print, as an e-book and online at [www.gettingthedealthrough.com](http://www.gettingthedealthrough.com).

**Getting the Deal Through** provides international expert analysis in key areas of law, practice and regulation for corporate counsel, cross-border legal practitioners, and company directors and officers.

Throughout this edition, and following the unique **Getting the Deal Through** format, the same key questions are answered by leading practitioners in each of the jurisdictions featured. Our coverage this year includes new chapters on Costa Rica, Norway and Saudi Arabia.

**Getting the Deal Through** titles are published annually in print. Please ensure you are referring to the latest edition or to the online version at [www.gettingthedealthrough.com](http://www.gettingthedealthrough.com).

Every effort has been made to cover all matters of concern to readers. However, specific legal advice should always be sought from experienced local advisers.

**Getting the Deal Through** gratefully acknowledges the efforts of all the contributors to this volume, who were chosen for their recognised expertise. We also extend special thanks to the contributing editor, Richard T McCaulley Jr of Ropes & Gray LLP, for his continued assistance with this volume.

GETTING THE   
DEAL THROUGH 

London  
March 2017

# Malaysia

Bong Kwang Teo, Min Lee Boo and Yen Cheng Koo

Wong Jin Nee & Teo

---

## Patent enforcement proceedings

---

### 1 Lawsuits and courts

**What legal or administrative proceedings are available for enforcing patent rights against an infringer? Are there specialised courts in which a patent infringement lawsuit can or must be brought?**

Patent rights are only enforceable by the patent owner by way of a civil action. There are presently no administrative proceedings available for the enforcement of patent rights.

There is a specialised Intellectual Property High Court in Kuala Lumpur and most civil actions for patent infringement are filed here. However, there is no legal prohibition for a patent owner to institute a civil action in High Courts in other states of Malaysia if the parties reside outside Kuala Lumpur.

---

### 2 Trial format and timing

**What is the format of a patent infringement trial?**

The format of a patent infringement trial is the same as any general civil suit trial. Due to the nature of patent infringement, where substantial dispute as to facts is inevitable, civil action is generally brought by way of a writ of summons together with a statement of claim setting out the material facts of the claim made and the remedies sought. Malaysia adopts the common law system of pleadings where the parties are required to exchange pleadings within the prescribed time frame. After being served with the statement of claim, the defendant must file his or her defence and counterclaim (if any) within the prescribed period, followed by a reply by the plaintiff if necessary. Where the defendant disputes the validity of the patent, he or she must include the particulars of objections, setting out the grounds of objections clearly in his or her defence.

There is no trial by affidavit in Malaysia. Parties are required to prove their case by calling witnesses who would state their cases in the first stage of trial, namely examination in chief, by way of written witness statements. However, all witnesses must be present in court during the trial for cross-examination.

Experts are invariably called to assist the court during a patent suit. In fact, expert opinions on the issues of novelty and inventive steps are indispensable in a patent trial.

Malaysia does not have a jury system, hence disputed issues are decided by a single judge. A trial will typically last between one and two weeks, depending on the complexity of the matter and the issues in dispute.

---

### 3 Proof requirements

**What are the burdens of proof for establishing infringement, invalidity and unenforceability of a patent?**

The burden of proof in a patent infringement suit is the civil burden of balance of probabilities. This same burden of proof applies to the issues of infringement, invalidation and unenforceability.

In order to make out a case for infringement, the following need to be proved:

- that each and every essential integer or feature of the plaintiff's patented claim is taken by the defendants; and
- the defendants' product works the same way as the plaintiff claims in his or her patent.

The validity of a patent can be challenged through a counterclaim filed by the defendant. The court will invalidate a patent if the person requesting the invalidation proves the following:

- that what is claimed as an invention in the patent is not an idea that permits, in practice, the solution to a specific problem in the field of technology or is excluded from protection as it falls under the category of non-patentable inventions or is contrary to public order or morality or is not patentable because it does not comply with the requirements of being a patentable invention, novel, involving an inventive step and being industrially applicable;
- that the description or the claim does not comply with the requirements of application;
- that any drawings that are necessary for the understanding of the claimed invention have not been supplied;
- that the right to the patent does not belong to the person to whom the patent was granted; or
- that incomplete or incorrect information has been deliberately provided or caused to be provided to the Registrar at the time of filing a request for a substantive examination by the person to whom the patent was granted or by his or her agent. See section 56 of the Patents Act 1983 (PA).

---

### 4 Standing to sue

**Who may sue for patent infringement? Under what conditions can an accused infringer bring a lawsuit to obtain a judicial ruling or declaration on the accusation?**

The owner of the patent (section 59 PA), licensee and beneficiary of the compulsory licence (section 61 PA) have the right to sue for patent infringement. An accused infringer can bring a lawsuit against the owner of the patent to obtain a declaration from the court that committing the act in question does not constitute an infringement of the patent. However, if the act in question is already the subject of an infringement action, and the accused infringer is already made a defendant to that suit, the claim for a declaration of non-infringement is not allowed (section 62 PA). An accused infringer can also bring a lawsuit against the owner of the patent for the invalidation of the patent (section 56 PA).

---

### 5 Inducement, and contributory and multiple party infringement

**To what extent can someone be liable for inducing or contributing to patent infringement? Can multiple parties be jointly liable for infringement if each practises only some of the elements of a patent claim, but together they practise all the elements?**

There is no provision for indirect or contributory infringement under the PA. In order to prove infringement, as mentioned above, each and every essential integer or feature claimed by the patented invention must be present in the defendant's product or process. In a process or

method patent, the defendant must be shown to have taken every step of the patented process. Thus, it is not possible to make the defendants jointly liable if they merely carried out part of the patented claim.

However, it is possible to sue based on the tort of conspiracy to injure, if the parties are acting in concert to injure the interests of the plaintiff.

## 6 Joinder of multiple defendants

**Can multiple parties be joined as defendants in the same lawsuit? If so, what are the requirements? Must all of the defendants be accused of infringing all of the same patents?**

Multiple parties can be joined as defendants in the same lawsuit with the leave of the court or if separate actions are brought against each of the defendants, where there are some common questions of law or fact would arise in all the actions and all rights to relief claimed in the action (whether they are joint, several or alternative) are in respect of or arise out of the same transaction or series of transactions (see Order 15 rule 4 Rules of Court 2012, (ROC 2012)).

Because of the requirement of commonality of issues of law and fact, it appears that all of the defendants have to be accused of infringing all of the same patents. Where it appears to the court that the joinder of causes of action or of parties may embarrass or delay the trial or is otherwise inconvenient, the court may order separate trials or make such order as may be expedient (see Order 15 rule 5 ROC 2012).

## 7 Infringement by foreign activities

**To what extent can activities that take place outside the jurisdiction support a charge of patent infringement?**

Only committing an infringing act within Malaysia would constitute an act of patent infringement (see section 58 PA).

## 8 Infringement by equivalents

**To what extent can 'equivalents' of the claimed subject matter be shown to infringe?**

The court does recognise infringement by way of the 'equivalents' of the claimed subject matter. An assessment of the same would be done by way of a purposive interpretation of the claim set out in the widely accepted case of *Catnic Components Ltd v Hill and Smith Ltd* [1982] RPC 183. This approach has been accepted in the Court of Appeal's decision of *Cadware Sdn Bhd v Ronic Corporation* [2013] 6 MLJ 19 where the Court of Appeal adopted the purposive construction doctrine laid down in the *Catnic* case as well as applying the *Improver* test (as expounded in the case of *Improver Corp v Remington Consumer Products Ltd* [1990] FSR 181) when considering whether there is infringement of patent.

## 9 Discovery of evidence

**What mechanisms are available for obtaining evidence from an opponent, from third parties or from outside the country for proving infringement, damages or invalidity?**

Discovery of evidence is limited to the issues that had been raised by the particulars. This may be done through the processes of discovery of documents or by interrogatories.

The Court may at any time order any party to a cause or matter to give discovery by making and serving on any other party a list of the documents that are or have been in his or her possession, custody or power and may at the same time or subsequently also order him or her to file an affidavit verifying such a list and to serve a copy thereof on the other party. The documents where discovery may be ordered include documents on which the party relies or will rely; documents that would adversely affect his or her own case; adversely affect another party's case; or support another party's case (see Order 24 Rule 3 ROC 2012).

Where discovery is by way of interrogatories, a party to any cause or matter may apply to the court for an order giving the party leave to serve on any other party interrogatories relating to any matter in question between the applicant and the other party in the cause or matter and requiring that other party to answer the interrogatories on affidavit within a specific period of time, which shall not be less than 14 days from the date of service of the interrogatories (see Order 26 Rule 1 ROC 2012).

## 10 Litigation timetable

**What is the typical timetable for a patent infringement lawsuit in the trial and appellate courts?**

Depending on the complexity of the matter, a patent infringement lawsuit typically takes about nine to 18 months while proceedings in the appellate court may take about six to 12 months.

## 11 Litigation costs

**What is the typical range of costs of a patent infringement lawsuit before trial, during trial and for an appeal? Are contingency fees permitted?**

The costs of a patent infringement suit are dependent on many factors, primarily the law firms and legal personnel involved, the complexity of issues involved and the time taken in prosecuting the case. The costs of the expert may be significant as well and vary from one case to another.

A typical range of legal costs of a patent infringement lawsuit is approximately as follows:

- pretrial costs, which will include the settling of pleadings, case management, preparation for trial (eg, preparation of witness statements and expert reports), but excluding interlocutory applications such as application for injunction: 150,000–300,000 ringgit;
- trial proper: 130,000–350,000 ringgit for a three-to-five-day trial inclusive of preparation of written submissions; and
- appeal (to the Court of Appeal): 80,000–150,000 ringgit.

Contingency fees are prohibited under the Legal Profession Act 1976.

## 12 Court appeals

**What avenues of appeal are available following an adverse decision in a patent infringement lawsuit? Is new evidence allowed at the appellate stage?**

A patent infringement lawsuit, which invariably includes a claim for permanent injunction, must be brought in the High Court. Appeal from the High Court can be made to the Court of Appeal as of right. There is a second chance for appeal to the apex court, namely the Federal Court. However, an appeal to the Federal Court is not automatic. The would-be appellant must first obtain leave from the Federal Court. Leave will be granted if there is a question of law that is of general application and not previously decided by the Federal Court or, alternatively, if it is a question of importance upon which further argument and decision of the Federal Court would be to public advantage.

New evidence is not allowed at the appellate stage unless the Court is satisfied that the new evidence was not available to the party previously or reasonable diligence would not have made it so available and the new evidence, if true, can reasonably be assumed to have had a determining influence upon the decision of the High Court.

## 13 Competition considerations

**To what extent can enforcement of a patent expose the patent owner to liability for a competition violation, unfair competition, or a business-related tort?**

A patent owner is granted the exclusive rights to 'exploit' the patented invention; to assign or transmit the patent; and to conclude licence contracts. 'Exploitation' of a patented invention is defined to include inter alia, the making, selling or using the patented product. Besides that, the owner of a patent is expressly given the right to institute court proceedings against any person who has infringed or is infringing his or her patent.

In enforcing a patent by way of infringement action, there is generally no risk of being liable for unfair competition or any tortious liability except when a case for 'unlawful interference with trade' is made out. The essential requirement for unlawful interference is that the claimant must prove 'a deliberate interference with the claimant's interests by unlawful means'. Case law has established that to enforce an IP right, even if the same is subsequently invalidated, is generally not to be regarded as unlawful. In view of this, it is generally believed that a claim for unlawful interference is hard to maintain based solely on the institution of an infringement action.

In enforcing a patent by way of concluding licence contracts or other agreements, a patent owner may be liable if the following two broad circumstances are proved:

- if the agreement has the object or effect of significantly preventing, restricting or distorting competition in any market for goods or services; or
- if the patent owner is engaging in, whether independently or collectively in any conduct that amounts to an abuse of a dominant position in any market for goods or services.

The above-mentioned dual prohibitions of anticompetitive conduct are clearly provided under the Malaysian Competition Act 2010, which came into force on 1 January 2012. However, there is an express exception laid down in the Competition Act 2010 whereby it is clearly stated that the prohibition against abuse of dominant position does not apply to the relevant enterprise in a dominant position in 'taking any step which has reasonable commercial justification or represents a reasonable commercial response to the market entry or market conduct of a competitor' (section 10(3) of Competition Act 2010). There is no case law that may shed light on the scope and meaning of this section, particularly on whether enforcement of a patent right is covered within this express exception. To date, there is no guidance issued by the Malaysian Competition Commission on the enforcement of an IPR, including patent rights in regard to the said dual prohibitions.

#### 14 Alternative dispute resolution

##### To what extent are alternative dispute resolution techniques available to resolve patent disputes?

The court will generally propose the option of mediation during the stage of pretrial case management whereby mediation may be carried out in the following ways:

- by way of a judge-led mediation;
- by way of a mediation to be carried out by the Kuala Lumpur Regional Centre for Arbitration; or
- by other mediators agreeable by both parties.

On 30 June 2016 the Chief Justice of Malaysia issued 'Practice Direction No. 4 of 2016 (Practice Direction on Mediation)', directing that all judges of the High Court and the deputy registrars and all judges of the Sessions Court and magistrates and their assistant registrars may, at the pretrial case management stage, give such directions that the parties facilitate the settlement of the matter before the court by way of mediation. Intellectual property cases are listed as examples of cases that are easy to settle by mediation. In practice, mediation of a patent lawsuit rarely happens, possibly because the issue of infringement is normally keenly contested and it is factually and legally complex.

#### Scope and ownership of patents

##### 15 Types of protectable inventions

##### Can a patent be obtained to cover any type of invention, including software, business methods and medical procedures?

An invention is only patentable if it is new, involves an inventive step and is industrially applicable (see section 11 PA). An invention is regarded as 'new' if it is not anticipated by 'prior art' and 'prior art' is defined to mean everything disclosed to the public anywhere in the world by written publication, by oral disclosure, by use or in any other way, prior to the priority date of the patent application claiming the invention.

However, the following are excluded as patentable subject matters:

- discoveries, scientific theories and mathematical methods;
- plant or animal varieties or essentially biological processes for the production of plants or animals, other than man-made living micro-organisms, micro-biological processes and the products of such micro-organism processes;
- schemes, rules or methods for doing business, performing purely mental acts or playing games; and
- methods for the treatment of human or animal body by surgery or therapy, and diagnostic methods practised on the human or animal body.

This does not include products used on any such methods (see section 13 PA). Based on the above, business methods and medical procedures are not patentable subject matters. Although software is not specifically mentioned, the Guidelines for Patent Examination Manual issued by the Intellectual Property Corporation of Malaysia state that a computer program by itself or as a record on a carrier is not patentable, irrespective of its contents. The situation does not change when the computer program is loaded into a known computer. The computer program will, however, qualify for patentability when the subject matter as claimed makes a technical contribution to the prior art.

#### 16 Patent ownership

##### Who owns the patent on an invention made by a company employee, an independent contractor, multiple inventors or a joint venture? How is patent ownership officially recorded and transferred?

An invention made by an employee or pursuant to a commission shall be deemed to accrue to the employer or the person who commissioned the work in the absence of any provisions to the contrary in the contract of employment or for the execution of the work (see section 20 PA). Thus, if an independent contractor is engaged to research and come up with a new invention, and there is no express reservation of rights, the rights to the invention will be deemed accrued to the person engaging him or her.

Generally, the rights to a patent shall belong to the inventor. Where there are multiple inventors, the rights to the patent shall belong to them jointly (see section 18 PA).

A patent may be assigned or transmitted. Such assignment or transmission must be officially recorded and no such assignment or transmission shall have effect against third parties unless so recorded in the Register of Patents. Application to record an assignment or transmission must be effected by way of an application to the Registrar in the prescribed manner together with the payment of the prescribed fee. Further, in the case of an assignment, the application to record it must be accompanied by an assignment agreement signed by or on behalf of the contracting parties (see section 39 PA).

With regard to joint ownership of patents, it is clearly provided in the PA that in the absence of any agreement to the contrary between parties, such joint owners may separately assign or transmit their rights in the patent application or patent, among others (see section 40 PA).

#### Defences

##### 17 Patent invalidity

##### How and on what grounds can the validity of a patent be challenged? Is there a special court or administrative tribunal in which to do this?

The validity of a patent can be challenged through an application by an aggrieved person for the invalidation of the patent. The application must be made with the High Court. The High Court will invalidate a patent upon proof of any of the following grounds:

- that what is claimed as an invention in the patent is not an idea that permits in practice the solution to a specific problem in the field of technology or is excluded from protection as it falls under the category of non-patentable inventions or is contrary to public order or morality or is not patentable because it does not comply with the requirements of being a patentable invention, new, involving an inventive step or being industrially applicable;
- that the description or the claim does not comply with the prescribed requirements for application particularly on the issue of sufficiency of disclosure of the invention;
- that any drawings that are necessary for the understanding of the claimed invention have not been supplied;
- that the right to the patent does not belong to the person to whom the patent was granted; or
- that incomplete or incorrect information has been deliberately provided or caused to be provided to the Registrar at the time of filing a request for a substantive examination by the person to whom the patent was granted or by his or her agent (see section 56 PA).



As mentioned in question 1, there is an Intellectual Property High Court established in Kuala Lumpur. However, it is not the only court with the sole jurisdiction where an action for invalidation must be filed. In fact, all civil High Courts in Malaysia are seised with jurisdiction to hear injunction applications as well as any disputes over a granted patent. There is, however, no administrative tribunal empowered to hear disputes involving the validity of patents.

### 18 Absolute novelty requirement

**Is there an 'absolute novelty' requirement for patentability, and if so, are there any exceptions?**

Yes, Malaysia practises an 'absolute novelty' requirement for patentability. The only exception where a disclosure may be disregarded is where:

- such disclosure occurred within one year preceding the date of the patent application and if such disclosure was by reason or in consequence of acts committed by the applicant or his or her predecessor in title;
- such disclosure occurred within one year preceding the date of the patent application and if such disclosure was by reason or in consequence of any abuse of the rights of the applicant or his or her predecessor in title; and
- such disclosure is by way of a pending application to register the patent in the UK Patent Office as at the date the PA came into force (see section 14 PA).

### 19 Obviousness or inventiveness test

**What is the legal standard for determining whether a patent is 'obvious' or 'inventive' in view of the prior art?**

An invention is considered as involving an inventive step where having regard to any matter that forms part of the prior art such an inventive step would not have been obvious to a person having ordinary skill in the art (see section 15 PA). The test to apply to determine whether an invention lacks inventive step (or is obvious) or not is set out in the case of *Windsurfing International Inc v Tabur Marine (Great Britain) Ltd* [1985] RPC 59 (*Windsurfing* test), which is to:

- identify the inventive concept embodied in the patent in suit;
- the court has to assume the mantle of the normally skilled but unimaginative addressee in the art at the priority date and to impute to him or her what was, at that date, common general knowledge in the art in question;
- identify what, if any, differences exist between the matter cited as being 'known or used' and the alleged invention; and
- the court has to ask itself whether, viewed without any knowledge of the alleged invention, those differences constitute steps that would have been obvious to the skilled man or if they require any degree of invention.

The *Windsurfing* test has been adopted by Malaysian courts in, among others, the court of appeal decision of *Seng Kong Shutter Industries Sdn Bhd & Anor v SKB Shutters Manufacturing Sdn Bhd* [2014] 5 MLJ 98; [2014] 4 CLJ 1037.

### 20 Patent unenforceability

**Are there any grounds on which an otherwise valid patent can be deemed unenforceable owing to misconduct by the inventors or the patent owner, or for some other reason?**

Except for the provisions for invalidation of a granted patent (and probably on grounds of public order and morality), there is no statutory provision that may be relied upon to render a granted patent unenforceable. In fact, section 31 PA clearly provides that even if the performance of any act in respect of a claimed invention is prohibited by any law or regulation, the patent shall not be invalidated ipso facto.

### 21 Prior user defence

**Is it a defence if an accused infringer has been privately using the accused method or device prior to the filing date or publication date of the patent? If so, does the defence cover all types of inventions? Is the defence limited to commercial uses?**

Prior use as a defence is clearly provided under the Patents Act. However, it is provided that the use must be in good faith in Malaysia at the priority date. The element of good faith is an indispensable requirement for the defence. Such rights of prior use, however, cannot be assigned or transmitted, except as part of the business of the person concerned (see section 38 PA). It appears that there is no limitation on the type of invention or that the use must be confined to commercial uses. In any event, the right of a patent owner does not include the right to stop anyone from uses in respect of scientific research (see section 37 PA).

### Remedies

#### 22 Monetary remedies for infringement

**What monetary remedies are available against a patent infringer? When do damages start to accrue? Do damage awards tend to be nominal, provide fair compensation or be punitive in nature? How are royalties calculated?**

Upon a successful claim against a patent infringer, the court may award monetary remedies in the form of an account of profits or damages. Account of profits is not awarded as of right. There must be some justification, such as on equitable grounds, for the court to order an account for profit. The court will also award reasonable costs against the patent infringer. Damages are at large and normally cover three types: loss of business profits, loss of opportunity and damage to goodwill. Damages start to accrue from the first date of infringement that is proven. The burden is upon the plaintiff to prove its losses. Damages are generally compensatory and not punitive in nature. There are two broad bases for assessing damages: upon the proof of loss of business profit, and on a royalty basis (if the patent owner is customarily in the business of granting licences). There is no fixed method for calculating royalties. It is a matter of contractual agreement between a licensor and licensee.

#### 23 Injunctions against infringement

**To what extent is it possible to obtain a temporary injunction or a final injunction against future infringement? Is an injunction effective against the infringer's suppliers or customers?**

Interlocutory injunctions and final injunctions are possible remedies to be obtained against future infringement. The courts are generally less inclined to grant an interlocutory injunction pending trial due to the severe implications the injunction may have on the business of the defendant unless the principles expounded in the case of *American Cyanamid Co v Ethicon Ltd* [1975] AC 369 are clearly established. The requirements for a grant of an interlocutory injunction are as follows:

- there are bona fide issues to be tried;
- the balance of convenience is in favour of the applicant for injunction;
- there is an undertaking as to damages by the plaintiff; and
- damages are not an adequate remedy.

An injunction is not applicable against the infringer's suppliers or customers unless an application is made to join them as parties to the injunction application.

#### 24 Banning importation of infringing products

**To what extent is it possible to block the importation of infringing products into the country? Is there a specific tribunal or proceeding available to accomplish this?**

There is presently no provision under the Patents Act 1983 to prevent the importation of infringing products into Malaysia. Parties who wish to do so would have to obtain a court order to be served on the customs officials.

**25 Attorneys' fees****Under what conditions can a successful litigant recover costs and attorneys' fees?**

The award of costs to a successful party is a matter of right. However, the amount of costs to be awarded is a matter within the discretion of the court. Attorney fees are normally not recoverable as cost per se. The costs awarded to the winning party may represent only part of the legal costs actually incurred.

**26 Wilful infringement****Are additional remedies available against a deliberate or wilful infringer? If so, what is the test or standard to determine whether the infringement is deliberate? Are opinions of counsel used as a defence to a charge of wilful infringement?**

There is no provision for additional remedies provided under the PA against a deliberate or wilful infringer.

**27 Time limits for lawsuits****What is the time limit for seeking a remedy for patent infringement?**

Five years from the act of infringement (section 59 PA).

**28 Patent marking****Must a patent holder mark its patented products? If so, how must the marking be made? What are the consequences of failure to mark? What are the consequences of false patent marking?**

There is no provision for patent marking in Malaysia. However, it is an offence to falsely represent that any product for sale is a patented product or process. Upon conviction, a person is liable to a fine not exceeding 15,000 ringgit or to imprisonment for a term not exceeding two years, or to both (see section 64 PA).

**Licensing****29 Voluntary licensing****Are there any restrictions on the contractual terms by which a patent owner may license a patent?**

Parties are generally free to decide on the terms of their licence agreements provided that they are in compliance with the general law relating to formation and legality of contracts and do not breach section 45 of the PA. Section 45 clearly states that any clause or condition in a licence contract shall be invalid in so far as it imposes upon the licensee, in industrial or commercial field, restrictions not derived from the rights conferred under the Act on the owner of the patent, or unnecessary for the safeguarding of such rights. There is, currently, no case law that touches or expounds on this section. We believe one of the examples that may fall within the section 45 prohibition is the tying-in provision.

**30 Compulsory licences****Are any mechanisms available to obtain a compulsory licence to a patent? How are the terms of such a licence determined?**

The mechanism and conditions for securing a compulsory licence are laid down in sections 48 to 54 of the Act. The gist of these provisions is that any person, who made efforts to obtain authorisation from patent owners on reasonable commercial terms and conditions but was unsuccessful within a reasonable time period, may apply to the Registrar for a compulsory licence any time after the expiration of three years from the grant of a patent or four years from the filing date of the patent application, whichever is later, under any of the following circumstances:

- where there is no production of the patented product or application of the patented product or application of the patented process in Malaysia without any legitimate reason; or
- where there is no product produced in Malaysia under the patent for sale in any domestic market, or there are some but they are sold at unreasonably high prices, or do not meet the public demand without any legitimate reason.

The other ground upon which one may apply for compulsory licence is the so-called 'interdependence of patents' ground. This is when the invention claimed in a later patent cannot be used in Malaysia without infringing an earlier granted patent, but the invention claimed in the later patent constitutes, in the opinion of the Malaysian Intellectual Property Office (MyIPO), an important technical advance of considerable economic significance; the MyIPO may grant a compulsory licence to the owner of the later patent when requested to the extent necessary to avoid infringement of the earlier patent.

When applying for a compulsory licence, the applicant shall set forth the amount of royalty, the conditions of the exploitation of the patent and the restrictions of the rights of the licensor or the licensee, as the case may be, and a request of the said licence.

The MyIPO shall fix the scope of the compulsory licence upon granting the same to specify, in particular: the period for which the licence is granted; the time limit within which the beneficiary of the compulsory licence shall begin to work the patented invention in Malaysia; and the amount and conditions of the royalty due from the beneficiary of the compulsory licence to the owner of the patent.

**Patent office proceedings****31 Patenting timetable and costs****How long does it typically take, and how much does it typically cost, to obtain a patent?**

The timeline for securing a patent in Malaysian is dependent on the type of application filed. A straightforward local patent application or a PCT national phase entry application with no objection will typically take four to six years from the Malaysian filing date to be granted.

The total estimated legal cost to obtain a straightforward local patent (with less than 10 claims) would be within the range of 5,000 to 7,000 ringgit.

The official filing fees to obtain a straightforward local patent (with less than 10 claims) from filing through to registration would be 1,550 ringgit (excluding professional fees, GST and disbursements). The official filing fees are provided on the MyIPO website at the following link: [www.myipo.gov.my/en/patent-form-fees/lang=en](http://www.myipo.gov.my/en/patent-form-fees/lang=en).

**32 Expedited patent prosecution****Are there any procedures to expedite patent prosecution?**

There are provisions for filing a request for an expedited examination of a patent application based on any of the following grounds:

- it is in the national or public interest;
- there are infringement proceedings taking place or evidence showing potential infringement with regard to the patent being applied;
- the applicant has already commercialised the invention or plan to commercialise the invention within two years from the filing date of a request for expedited examination;
- application for grant of the patent is a condition to obtain monetary benefits from the government or institutions recognised by the Registrar of Patents;
- the invention relates to green technologies that will enhance the quality of the environment or conservation of energy resources; or
- there are other reasonable grounds that support the request.

Besides the above, an applicant may also make a request for an accelerated examination of a pending application through the Patent Prosecution Highway (PPH) pilot programme. But a PPH application can only be filed if there are search reports, examination reports or certificate of grants of a corresponding Japanese patent application filed with the Japan Patent Office (JPO) because the pilot programme is only between Japan and Malaysia.

**33 Patent application contents****What must be disclosed or described about the invention in a patent application? Are there any particular guidelines that should be followed or pitfalls to avoid in deciding what to include in the application?**

A patent application shall contain: a request for the grant of a patent; a description; a claim or claims; a drawing or drawings as required; and an abstract. It is further clearly provided that the descriptions shall, among

### Update and trends

A significant decision that shaped patent law and practice in Malaysia is the Federal Court's decision in *SKB Shutters Manufacturing Sdn Bhd v Seng Kong Shutter Industries Sdn Bhd & Anor* [2015] 6 MLJ 293; [2015] 9 CLJ 405. This case involved the appellant's Malaysian patent No. MY-128431-A (patent 431). Patent 431 is entitled 'rolling door' and it seeks to protect features and parts of a commonplace rolling door. In the Court of Appeal, the appellant's patent 431 was held to be invalid and the appellant's claim for patent infringement against the respondents was dismissed. The respondent relied upon the grounds of lack of novelty and lack of inventive step by reason of prior disclosure and prior use. The appellant sought and was granted leave to appeal to the Federal Court with seven questions of law, which were as follows:

- (i) Where a patent comprises multiple claims, whether, in invalidating a patent for lacking novelty or inventive step, the Court must make a determination on each and every claim.
- (ii) Where a patent comprises multiple claims, some of which are independent, and other claims that are dependent on the independent claims:
  - having determined that an independent claim of a patent lacks novelty or inventive step, the Court is required to assess the dependent claim aside from the said independent claims before invalidating a patent; and
  - having only determined that one or more claims of a patent lack novelty and/or inventive step, the Court should invalidate those claims, while preserving the patent in respect of its valid dependent claims.
- (iii) Where there is no dispute that the appellant's product is an embodiment of the claims of the appellant's patent, whether, in assessing prior art to determine if the appellant's patent is anticipated by or is inventive over the prior art, it is permissible to compare features of the appellant's product to the features of the prior art.
- (iv) Whether on a true construction of the case of *The General Tire & Rubber Co v The Firestone Tyre & Rubber Co Ltd & Ors* [1972] RPC 457, a comparison between a device that is disclosed by the claims of a patent with a device that is disclosed by an earlier publication (or prior art) is permitted.
- (v) In the event that the answer to questions (iii) and (iv) above are in the negative, whether, having determined that the prior art must be compared to the patent claims in assessing if the Appellant's patent is anticipated by or is inventive over the prior art, it is open to the Court of Appeal to construe the patent claims without the assistance of persons skilled in the art.
- (vi) Upon finding that the expert witnesses could hardly be described as 'the unimaginative skilled addressee' in determining if there is inventive step in the appellant's invention or otherwise, whether it is permissible for the Court to refer to the evidence of such experts to make a finding that the concept embodied in the appellant's patent is common general knowledge in the field of mechanical engineering that would be obvious to a normally skilled but unimaginative addressee in the art.
- (vii) Where there is a finding that the prior art does not contain clear and unmistakable directions to do what the inventor claims to have invented and where the prior art in itself does not disclose the device disclosed by the patent claims, whether it is permissible for the Court of Appeal to make a finding that the appellant's patent lacks novelty as it is anticipated by the prior art.

In this case, apart from the answers to the questions of law mentioned above, the Federal Court had reaffirmed the Court of Appeal's decision that once the independent claims are found to be invalid, the dependent claims would fall. The Federal Court opined that under the Malaysian Patents Act there are no express provisions that allow for a patent to be amended when its validity is challenged. This is different from the provisions of sections 63 of the UK Patents Act, which expressly allow for an amendment where its validity has been put in issue before a court. The Federal Court also held that the Malaysian Patents Act does not allow a partially valid patent without amendment

to be enforced. A narrow interpretation had been taken of section 56(3) PA, which was viewed as only referring to the independent claims of a patent.

The answers of the Federal Court on questions (i) and (ii) had a significant impact on the way patent claims are to be drafted and worded. It would seem that a dependent claim should be avoided if possible. Hitherto, it was generally believed that a claim can be partially valid. Further it does not follow that once an independent claim is shown to be invalid, a dependent claim will automatically fall. In fact, a dependent claim operates to narrow the scope of the independent claim. As such, a dependent claim may possess the requisite novelty and inventive step. In other words, there is still a need to assess the validity of each dependent claim on its own merit, but the *SKB Shutters* decision seems to have changed this position.

In the course of answering question (vi), which relates to whether it is possible to refer to the evidence of an expert who is admittedly not qualified as a person skilled in the art because he was not an 'unimaginative skilled addressee', the Federal Court seems to have created some confusion. Its decision in this regard seems to suggest that anyone can be called to assist the court in a patent trial and this person or 'expert' need not approximate a person skilled in the art. It even declares that the court can construe patent claims 'without the assistance of a person skilled in the art'. This seems to run counter to the provisions of section 15 PA, which clearly states that the issue of inventive step, at least, must be assessed through the eyes of a person skilled in the art. Further, the comments of the Federal Court seem to run counter to a long line of established case laws, including *Lubrizol v Esso Petroleum* [1989] RPC 727, which held that:

*Patent specifications are intended to be read by persons skilled in the relevant art, but their construction is for the court. Thus the court must adopt the mantle of the notional skilled addressee and determine, from the language used, what the notional skilled addressee would understand to be the ambit of the claim. To do that it is often necessary for the Court to be informed as to the meaning of technical words or phrases and what was, at the relevant time, the common general knowledge; the knowledge that the notional skilled man would have.*

(per Aldous LJ in *Lubrizol v Esso Petroleum* [1998] RPC 727 at 738). Perhaps we should await another Federal Court decision to clarify the position on this important issue of person skilled in the art and his or her role in a patent trial.

There is another appeal pending before the apex court that may expound the law relating to the test for determining the inventive step of an invention. In the Federal Court case of *Spind Malaysia Sdn Bhd v Justrade Marketing Sdn Bhd & Anor* (Civil Application No. 08(f)-199-04/2016(W)), the Federal Court has granted leave to the appellant Spind Malaysian Sdn Bhd to pose the following questions of law to it:

- (i) Is the patented invention inventive (or not obvious)? For this purpose the court is required to apply and carry out the 4-steps test from the case of *Windsurfing International Inc v Tabur Marine* (Great Britain) Ltd [1985] RPC 59 (or more commonly known as the 'Windsurfing test');
- (ii) Will there be a distinction drawn between determining the 'claimed features' of the claims of a patent (for the purpose of assessing novelty and infringement) and determining the 'inventive concepts' of the invention in the patent (for the purpose of assessing inventiveness)?
- (iii) If the answer to question (ii) is in the affirmative, will an assessment of the 'inventive concepts' of the invention be confined to just the claims of the patent or will it be construed from reading the patent specifications as a whole and with the common knowledge of the skilled person?

We expect the Federal Court to hear the appeal in the second half of 2017 and believe it will issue a decision on the crucial issue of inventive step.

other things, disclose the invention in such terms that it can be understood and in a manner sufficiently clear and complete for the invention to be evaluated and to be carried out by a person having ordinary skill in the art, and state any advantageous effects of the invention with reference to the background art.

In addition, the claims of the patent shall be clear and concise and fully supported by the description; and the number of the claims shall be

reasonable taking into consideration the nature of the invention. Where the application contains drawings, the technical features mentioned in the claims shall, wherever possible, be followed by Arabic numerals to such features and placed between parentheses.

There are a number of standard application requirements, such as; that all application documents must be of a high enough quality as to allow direct reproduction by photography, electrostatic processes,

photo offset and microfilming and shall be on white, matte, durable A4 paper (measuring 29.7cm x 21cm) .

There is also, however, a requirement imposed by the Malaysian Patents Regulations, that in the application, every fifth line of each sheet of the description and the claims shall be numbered in Arabic numerals placed to the left of the relevant lines but to the right of the margin.

#### 34 Prior art disclosure obligations

##### Must an inventor disclose prior art to the patent office examiner?

There is no legal obligation to disclose the prior art to the patent office. However, it is a requirement imposed by the Regulations that the description of the patent shall indicate the background art, as far as is known to the applicant, which can be regarded as useful for the understanding, searching and examination of the invention; and, wherever possible, cite the document reflecting such art. It is understood that these requirements are merely advisory.

#### 35 Pursuit of additional claims

##### May a patent applicant file one or more later applications to pursue additional claims to an invention disclosed in its earlier filed application? If so, what are the applicable requirements or limitations?

It is permissible for an applicant to file one or more 'divisional applications' to pursue additional claims to an invention disclosed in its earlier filed application provided that each divisional application shall not go beyond the disclosure in the initial application. This is the so-called 'no added new matter' limitation. Procedurally, in accordance with Regulation 19A of the Patents Regulations 1986, a voluntary request for divisional application must be filed within three months from the date of the mailing of the Examiner's first report.

#### 36 Patent office appeals

##### Is it possible to appeal an adverse decision by the patent office in a court of law?

Any person aggrieved by any decision or order of the Registrar may appeal to the court (see section 88 PA).

#### 37 Oppositions or protests to patents

##### Does the patent office provide any mechanism for opposing the grant of a patent?

The Patent Office does not provide for any mechanism for opposing the grant of a patent in Malaysia. However, the Patent Office does accept observations made by any third parties.

#### 38 Priority of invention

##### Does the patent office provide any mechanism for resolving priority disputes between different applicants for the same invention? What factors determine who has priority?

The Patent Office does not provide any mechanism for resolving priority disputes between different applicants for the same invention. The Malaysian Patent Office recognises the 'first to file' principle. The only way to resolve such disputes would be to file a civil suit seeking a declaration of right in the High Court or through voluntary arbitration proceedings between the parties.

#### 39 Modification and re-examination of patents

##### Does the patent office provide procedures for modifying, re-examining or revoking a patent? May a court amend the patent claims during a lawsuit?

The Registrar may, upon an application made by the owner of a patent, amend the description, the claim or claims or the drawings of the patent or amend any other document associated with the patent for the purpose of correcting a clerical error or an obvious mistake or for any other reason acceptable to the Registrar. However, no amendment should be allowed if the amendment would have the effect of disclosing a matter that extends beyond that disclosed before the amendment or if the amendment would have the effect of extending the protection conferred at the time of the grant.

The Malaysian Patents Act does not have similar provisions to that in the UK, which allows a court to amend the patent claims during a lawsuit. In the Federal Court decision of *SKB Shutters Manufacturing Sdn Bhd v Seng Kong Shutter Industries Sdn Bhd & Anor* [2015] 9 CLJ 406, the apex court clearly ruled that the position in Malaysia relating to amendment of patent claims must be distinguished from the position in the UK.

#### 40 Patent duration

##### How is the duration of patent protection determined?

The duration of the 20-year patent protection is determined from the filing date.

**Wong Jin Nee  
& Teo**  
ADVOCATES AND SOLICITORS

**Bong Kwang Teo  
Min Lee Boo  
Yen Cheng Koo**

**tbk@wjnt-law.com  
bml@wjnt-law.com  
kyc@wjnt-law.com**

13A-5, Level 13A, Menara Milenium  
Jalan Damanlela  
Bukit Damansara, 50490  
Kuala Lumpur  
Malaysia

Tel: +603 2092 3322  
Fax: +603 2092 3366  
www.wjnt-law.com

## Getting the Deal Through

Acquisition Finance  
Advertising & Marketing  
Agribusiness  
Air Transport  
Anti-Corruption Regulation  
Anti-Money Laundering  
Arbitration  
Asset Recovery  
Aviation Finance & Leasing  
Banking Regulation  
Cartel Regulation  
Class Actions  
Commercial Contracts  
Construction  
Copyright  
Corporate Governance  
Corporate Immigration  
Cybersecurity  
Data Protection & Privacy  
Debt Capital Markets  
Dispute Resolution  
Distribution & Agency  
Domains & Domain Names  
Dominance  
e-Commerce  
Electricity Regulation  
Energy Disputes  
Enforcement of Foreign Judgments  
Environment & Climate Regulation  
Equity Derivatives  
Executive Compensation & Employee Benefits  
Financial Services Litigation  
Fintech  
Foreign Investment Review  
Franchise  
Fund Management  
Gas Regulation  
Government Investigations  
Healthcare Enforcement & Litigation  
High-Yield Debt  
Initial Public Offerings  
Insurance & Reinsurance  
Insurance Litigation  
Intellectual Property & Antitrust  
Investment Treaty Arbitration  
Islamic Finance & Markets  
Labour & Employment  
Legal Privilege & Professional Secrecy  
Licensing  
Life Sciences  
Loans & Secured Financing  
Mediation  
Merger Control  
Mergers & Acquisitions  
Mining  
Oil Regulation  
Outsourcing  
Patents  
Pensions & Retirement Plans  
Pharmaceutical Antitrust  
Ports & Terminals  
Private Antitrust Litigation  
Private Banking & Wealth Management  
Private Client  
Private Equity  
Product Liability  
Product Recall  
Project Finance  
Public-Private Partnerships  
Public Procurement  
Real Estate  
Restructuring & Insolvency  
Right of Publicity  
Securities Finance  
Securities Litigation  
Shareholder Activism & Engagement  
Ship Finance  
Shipbuilding  
Shipping  
State Aid  
Structured Finance & Securitisation  
Tax Controversy  
Tax on Inbound Investment  
Telecoms & Media  
Trade & Customs  
Trademarks  
Transfer Pricing  
Vertical Agreements

Also available digitally



# Online

[www.gettingthedealthrough.com](http://www.gettingthedealthrough.com)



Patents  
ISSN 1742-9862



THE QUEEN'S AWARDS  
FOR ENTERPRISE:  
2012



Official Partner of the Latin American  
Corporate Counsel Association



Strategic Research Sponsor of the  
ABA Section of International Law