

CHAPTER

VII

SAFEGUARDING YOUR INTELLECTUAL PROPERTY RIGHTS IN MALAYSIA

REGISTER

LAW

PROPERTY

COPYRIGHT

IDEA

LICENSE

PATENT



1. PATENTS
2. TRADEMARKS
3. INDUSTRIAL DESIGNS
4. COPYRIGHTS
5. LAYOUT DESIGNS OF INTEGRATED CIRCUITS
6. GEOGRAPHICAL INDICATIONS
7. IP VALUATION
8. IP FINANCING
9. IP RIGHTS MARKETPLACE



SAFEGUARDING YOUR INTELLECTUAL PROPERTY RIGHTS IN MALAYSIA

Malaysia takes the protection of proprietary knowledge and intellectual property (IP) very seriously. IP oversight in Malaysia is administered by the Intellectual Property Corporation of Malaysia (MyIPO), an agency under the Ministry of Domestic Trade and Costs of Living. IP protection in Malaysia comprises of patents, trademarks, industrial designs, copyrights, geographical indications, and layout designs of integrated circuits. Malaysia is a member of the World Intellectual Property Organisation (WIPO), and a signatory to the Paris Convention and Berne Convention, which govern these intellectual property rights.

In addition, Malaysia is also a signatory to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), under the auspices of the World Trade Organisation (WTO). Malaysia provides adequate protection to both local and foreign investors. Malaysia's IP laws are in conformance with international standards, and have been reviewed by the TRIPs Council periodically.

1. PATENTS

The Patents Act 1983 and the Patents Regulations 1986 govern patent protection in Malaysia. An applicant may directly file a patent application if he is domiciled or a resident in Malaysia. A foreign application can only be filed through a registered patent agent in Malaysia acting on behalf of the applicant.

Similar to legislations in other countries, an invention is patentable if it is new, involves an inventive step, and is industrially applicable. In accordance with TRIPS, the Patents Act stipulates a protection period of 20 years from the date of filing of an application. Under the Act, the utility innovation certificate provides an initial duration of 10 years of protection from the date of filing of the application, which is renewable for further two (2) consecutive terms of five (5) years each; subject to use. The owner of a patent has the right to exploit the patented invention, to assign or transmit the patent, and to conclude a licensed contract. However, exceptions to patents, such as compulsory licences and parallel imports, are also included.

2. TRADEMARKS

Trademarks protection is governed by the Trademarks Act 2019 and the Trademarks Regulations 2019.

The Act provides protection for registered trademarks and service marks in Malaysia. Once registered, no person or enterprise other than its proprietor or authorised users may use them. Infringement action can be initiated against abusers. The period of protection is 10 years, renewable for a period of every 10 years thereafter. The proprietor of the trademark or service mark has the right to deal or assign, as well as to license its use.

As with patents, while local applicants may file applications on their own, foreign applicants will have to do so through registered trademark agents.

3. INDUSTRIAL DESIGNS

Industrial designs protection in Malaysia is governed by the Industrial Designs Act 1996 and Industrial Designs Regulations 1999. The Act provides for the rights of registered industrial designs as a personal property capable of assignment and transmission by operation of the law.

To be eligible for registration, industrial designs must be new and not include a method of construction or design that is dictated solely by function. In addition, the design of the article must not depend upon the appearance of another article of which it forms an integral part.

Local applicants can file registrations individually or through a registered industrial designs agent via online at <https://iponline2u.myipo.gov.my>. However, foreign applicants will need to seek the services of a registered industrial designs agent. Registered industrial designs are protected for an initial period of five (5) years, which may be extended for four (4) further consecutive terms of five (5) years, providing a total protection period of 25 years.

Malaysia has amended the Industrial Designs Act 1996, which entered into force on 1st July 2013. The amendments include worldwide novelty, an increased term of protection, the introduction of IP Journal System, and provisions regarding monetisation and securitisation of industrial designs.

4. COPYRIGHT

The Copyright Act 1987 provides comprehensive protection for copyrighted works. The Act outlines the nature of works eligible for copyright (which includes computer programmes), the scope of protection, and the manner in which the protection is accorded. Copyright subsists in every work eligible for copyright protection of which the author is a qualified person.

Copyright protection for literary, musical, or artistic works lasts for the duration of the life of the author and 50 years after his/her death. In sound recordings, broadcasts, and films, copyright protection lasts for 50 years after the works are first published or made.

The Act also provides protection for the performer's rights, which shall subsist from the first performances performed or fixed in a sound recording. The right of performance will subsist for 50 years from the beginning of the calendar year following the year in which the performance was given or was fixed in a sound recording.

A unique feature of the Act is the inclusion of provisions for its enforcement. The latest amendment of Copyright Act (Amendment) 2022 which came into force on 18th March 2022, confers powers upon enforcement officers of the Ministry of Domestic Trade and Costs of Living to enforce the Copyright Act 1987 including investigate, arrest, entry, seize, forfeit, prosecute, intercept communications and disclosure of information, arrest to protect the exclusive rights of right holders in both physical and digital environment.

Another notable feature provided under the Act includes the introduction of a copyright voluntary notification system aims to provide avenues for copyright holders in registering and securing their ownership of works with MyIPO.

Other unique features include the regulation of the Collective Management Organisation (CMO), and the Copyright Tribunal's system. The Act also provides greater remedies against copyright infringement for right holders in criminalising the creation, and manufacturing of illicit streaming devices and providing hyperlinks directing to illegal copyrighted content.

5. LAYOUT DESIGN OF INTEGRATED CIRCUITS

The Layout Design of Integrated Circuits Act 2000 provides for the protection of layout designs of integrated circuits based on originality, the creator's own invention, and the fact that the creation is freely created. There is no registration for the layout design of an integrated circuit.

The duration of protection is 10 years from the date of its commercial exploitation, or 15 years from the date of creation if not commercially exploited. The Act also allows for action to be taken by the owner if such rights recognised under the Act have been infringed. The right can also be transferred either partly or wholly by way of assignment, licence, wills, or through the enforcement of law.

The Act is implemented in compliance with the TRIPS Agreement to provide a guarantee to investors in Malaysia's electronic industry, and to ensure the growth of technology in the country.

6. GEOGRAPHICAL INDICATIONS

The Geographical Indications Act 2022 provides protection to goods following the name of the place where goods are produced, where a given quality, reputation, or other characteristic of the goods is essentially attributable to their geographical origin. This protection is applicable to goods such as wine and spirits; prepared foodstuffs and beverages; agricultural, aquacultural and horticultural products; and handicrafts and textiles (other than handicraft).

Local applicants can file registrations individually or through a registered geographical indication agent. However, foreign applicants will need to seek the services of a registered geographical indication agent. The period of protection is 10 years, and is renewable for a period of every 10 years thereafter.

MyIPO also provides online search and filing services for patents, trademarks, industrial designs and geographical indications; as well as online search for notification of copyright works. For further information on intellectual property protection, please visit www.myipo.gov.my.

7. IP VALUATION

Investors may elect to conduct valuations of their IP using local IP valuers, who have been trained and certified under the Intellectual Property Valuation Training programme in cooperation with the World Trade Institute, and the University of Berne, Switzerland.

Doing so will assist in reducing the cost and complexity of appointing foreign IP valuers to provide valuations for financing and collateralisation of IP, thus making it more accessible to SMEs and IP owners in getting their IP valued. This, in turn, will contribute to the overall vibrancy of the ecosystem.

8. IP FINANCING

As part of the Government's overall strategy to improve and boost the competitiveness of local SMEs, a new legal framework (Movable Property Security Interest Bill) will be introduced by the Companies Commission of Malaysia (SSM) to provide provisions for the registration of security interest on movable property used as collateral for financing.

Currently, the most common type of collateral accepted for financing is immovable or fixed assets such as land or buildings. However, along with other added benefits, the proposed Bill would serve to provide more opportunities for businesses, especially the SMEs, in obtaining financing by using their movable property as collateral.

This framework will also play a facilitative role in widening the types of movable properties which would be accepted as collateral, especially for intangible properties such as intellectual property rights.

The Bill is currently in its draft stage and is expected to be tabled in Parliament in 2024.

9. IP RIGHTS MARKETPLACE

As part of the overall thrust to strengthen the IP Ecosystem, ensuring a healthy demand and supply of IP is critical to encourage continued investments in the creation of IP and other forms of know-how and intangible assets.

MyIPO has developed and launched a pilot platform called the IP Rights Marketplace to improve access and visibility for IP owners who wish to license and sell their rights.

This portal is created to counter the difficulties that the IP owners face in terms of making their IP known and gaining access to potential licensees and buyers.

This portal will be further improved with the addition of marketplaces both locally and globally.