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The Patents (Amendment) Act 2022

Introduction

The Patents (Amendment) Bill 2021 was passed by the House of Representatives (*Dewan Rakyat*) and the Senate (*Dewan Negara*) in December 2021 to introduce substantial amendments to the Patents Act 1983 ("**Act**"). To effect these amendments, the **Patents (Amendment) Act 2022** ("**Amendment Act**") was gazetted on 16 March 2022 and has recently come into operation on 18 March 2022.

The Amendment Act was introduced to ensure that the country's patent laws are in line with the current developments on patent protection in accordance with international standards. The amendments are necessary to afford better protection and satisfy the needs of the patent community, trade and interested parties.

The Amendment Act has come into force save for several sections, including section 26(c) and subsection 78O(1A) on the requirement to deposit a microorganism with any International Depositary Authority in compliance with the Budapest Treaty; new sections 34(1)(f), (g) and (h) for public inspection of documents; and new sections 55A, 56A, 57(1) and 79A(3) on opposition proceedings against a granted patent before the Registrar. Simultaneously, subsidiary legislation such as the <u>Patents</u> (Amendment) Regulations 2022 ("Amended Regulations") and <u>Directive of Patents Act 1983 and</u> Patents Regulations 1986 have also taken effect on 18 March 2022.

Key Changes Introduced by the Amendment Act

The key amendments introduced by the Amendment Act are set out below.

Redefining "Resident"

Pursuant to section 3(e) of the Amendment Act, the definition of "*resident*" is extended to include the following:

- (a) A citizen of Malaysia who is residing in Malaysia;
- (b) A non-citizen of Malaysia, who has obtained permanent resident status in Malaysia and is ordinarily residing in Malaysia, or is residing in Malaysia by virtue of a valid pass lawfully issued to him under the Immigration Act to enter and remain in Malaysia;

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(c) A body corporate, incorporated or unincorporated, established or registered under any written law in Malaysia.

Revising the timeframes for judicial assignment, reinstatement of lapsed patent and commencement of patent infringement proceedings

Section 8 of the Amendment Act amended the time limit for commencing a judicial assignment application previously found under section 19 of the Act from five years to six years.

Similarly, the time limit for commencing court proceedings for patent infringement as stipulated under section 59(3) of the Act has been amended from five years to six under Section 49 of the Amendment Act.

Further, the time frame of two years for reinstatement of a lapsed patent under section 35A(1) of the Act has been reduced substantially to 12 months from the date of notice of the patent lapsing pursuant to section 29 of the Amendment Act.

Compliance with Budapest Treaty

Sections 14 and 55 of the Amendment Act introduced new sections 26C and 78O(1A) to the Act for the purpose of complying with the provisions of the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure ("**Budapest Treaty**"), of which Malaysia is intending to become a member. The Budapest Treaty is an international treaty signed in Budapest on 28 April 1977 to facilitate the deposit of microorganisms for the purpose of patent protection at any International Depositary Authority by removing the requirement to deposit the microorganism in every contracting state where protection is being sought.

These new sections have yet to come into operation.

Prescribed fees for patent application

Section 16 of the Amendment Act seek to amend section 28 of the Act to impose an additional prescribed fee for patent applications that comprise more than 10 claims. According to the Amended Regulations, claims for every additional claim exceeding the first 10 claims for patent applications are as follows:

- (a) for the 11th to 20th claims: RM20 per claim;
- (b) for the 21st to 30th claims: RM30 per claim;
- (c) for the 31 $^{\rm st}$ to 40 $^{\rm th}$ claims: RM40 per claim; and
- (d) for the 41 st claims onwards: RM50 per claim.

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Publication of application, public inspection and third party observation

Sections 25-27 of the Amendment Act inserted new sections 33D and 34A and amended section 34 of the Act. These amendments pertain to the publication of a patent application to allow for public inspection of information or document relating to the patent application, and third-party observation relating to patentability of the patent application.

New sections 34(1)(f), (g) and (h) of the Act relating to public inspection of documents have yet to come into operation.

Patents as security interest, personal or movable property

Section 30(a)(ii) of the Amendment Act inserted a new paragraph (1)(d) to section 36 of the Act to enable patents to be recognised as security interest. At the same time, section 33 of the Amendment Act amends section 39 of the Act to ensure that a patent is regarded as a personal or movable property that can be the subject of security interest and to allow for the recordal of such transactions in the Register.

Compliance with TRIPS Agreement on compulsory licensing

Sections 35-39, 41 and 62 of the Amendment Act are included to amend sections 48-53 and 84 of the Act in order to comply with the obligations under Article 31bis of the Agreement on Trade-Related Aspects of Intellectual Property Rights ("**TRIPS Agreement**") by allowing the granting of a compulsory licence for the production, importation and exportation of pharmaceutical products.

Compulsory Licence by Registrar

It is also interesting to note that a new section 52A of the Act is inserted by section 40 of the Amendment Act to give the Registrar of Patents the power to grant a compulsory licence even though an exclusive licence contract has been entered into between a licensor and a licensee. The new section further provides that the licensor is protected from any action for breach of contract by the licensee arising from the grant of the compulsory licence by the Registrar.

Opposition and invalidation proceedings

A new section 55A is inserted into the Act pursuant to section 45 of the Amendment Act to allow any interested person to commence opposition proceedings by filing a notice of opposition to the Registrar of Patent after the grant of a patent.

On the other hand, section 47 of the Amendment Act introduced a new section 56A to the Act to specify the procedures for patent invalidation proceedings after filing a notice of opposition under section 55A of the Act. In this situation, the interested person is precluded from commencing any invalidation



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proceedings before the court against the patent owner under section 56 of the Act, unless both parties to the pending opposition proceedings agree to the commencement of such invalidation proceedings, or if the interested person is a defendant in an infringement proceeding. Prior to instituting the invalidation proceedings, the interested person must notify the Registrar of his intention to do so and withdraw the notice of opposition filed.

These provisions have yet to come into operation.

Compounding of offences

A new section 76A is inserted into the Act pursuant to section 51 of the Amendment Act to confer powers on the Ministry of Domestic Trade and Consumer Affairs ("**Ministry**") to make regulations for compounding offences under the Act.

Intellectual Property Official Journal

Section 64 of the Amendment Act inserted a new section 86A into the Act to provide for the publication of an Intellectual Property Official Journal, which shall contain all matters relating to patent applications and patents which are required to be published under the Act or any regulations made under the Act, and such other information or matters as the Registrar deems necessary. Any person can have access to the Official Journal upon payment of the prescribed fee. It is interesting to note that the Official Journal shall be *prima facie* evidence of the facts stated therein.

Provisions relating to court proceedings, court judgments or orders and role of the Registrar

Several new sections (sections 88A-E) have been inserted into the Act as a result of section 68 of the Amendment Act. These new provisions govern matters concerning the costs of proceedings before the court, protection for Registrar of Patent and Patent Examiner against suit and legal proceedings, procedures in relation to service of application, order or judgment on Registrar, instances where the Registrar shall not be made a party to certain type of proceedings, as well as the Ministry's power to amend the Schedule of the Act.

Practice Note 1/2022

Pursuant to the coming into force of the Amendment Act, Amended Regulations and Directive of Patents Act 1983 and Patents Regulations 1986, changes have also been made to the manner of the filing of any application or request with the Patent Registration Office. In this regard, a <u>Practice Note</u> was published by the Patent Registration Office on 17 March 2022, which took effect from 18 March 2022 onwards. It sets out the following:

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- (a) All applications or requests shall now be filed <u>manually</u> at the counter or sent by post to the Patent Registration Office except for the filing of:
 - (i) A declaration to withdraw a patent application;
 - (ii) A request for Patent Prosecution Highway (PPH);
 - (iii) A request for ASEAN Patent Examination Co-Operation (ASPEC);

where filing can be done via the IP Online system.

- (b) Patent Registration Office accepts the softcopy of the application or request filed manually. However, the softcopy of the application or request must be stored in a virus-free physical computer storage device (such as compact disc read-only memory, digital versatile disc readonly memory, USB flash drive and external hard drive). Such physical computer storage device shall be placed in an envelope. The computer storage device is not returnable.
- (c) The Patent counter will close at 3:30 pm every working day and any application or request submitted after the stipulated time shall be deemed to be submitted on the next working day.

Conclusion

The amendments to the Act were made in an effort to take into consideration the nation's commitment and obligations under various international agreements and treaties such as the TRIPS Agreement, Regional Comprehensive Economic Partnership (RCEP), Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Budapest Treaty. Moreover, new provisions that were previously not found in the Act are being introduced to give added value to a patent in ensuring that the patent landscape in Malaysia remains competitive and developed.

Should you have any questions in relation to the above changes, please do not hesitate to contact our team below.

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Contacts



Sri Sarguna Raj Partner

T +60 3 2273 1919 D +60 3 2267 2737 <u>sri.sarguna.raj</u> @christopherleeong.com



Steven Cheok Hou Cher Partner

T +60 3 2273 1919 D +60 3 2267 2648 <u>steven.cheok</u> @christopherleeong.com



Ng Kim Poh Partner

T +60 3 2273 1919 D +60 3 2267 2721 <u>kim.poh.Ng</u> @christopherleeong.com

Contribution Notes

This Client Update is contributed by the Contact Partners listed above with the assistance of **Soo An Qi** (Associate, Christopher & Lee Ong).

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LAWYERS WHO KNOW ASIA

Our Regional Contacts

RAJAH & TANN | Singapore

Rajah & Tann Singapore LLP T +65 6535 3600 sg.rajahtannasia.com

R&T SOK & HENG | Cambodia

R&T Sok & Heng Law Office T +855 23 963 112 / 113 F +855 23 963 116 kh.rajahtannasia.com

RAJAH & TANN 立杰上海 SHANGHAI REPRESENTATIVE OFFICE | *China*

Rajah & Tann Singapore LLP Shanghai Representative Office T +86 21 6120 8818 F +86 21 6120 8820 cn.rajahtannasia.com

ASSEGAF HAMZAH & PARTNERS | Indonesia Assegaf Hamzah & Partners

Jakarta Office

T +62 21 2555 7800 F +62 21 2555 7899

Surabaya Office

T +62 31 5116 4550 F +62 31 5116 4560 www.ahp.co.id

RAJAH & TANN | *Lao PDR* **Rajah & Tann (Laos) Co., Ltd.** T +856 21 454 239 F +856 21 285 261 la.rajahtannasia.com

CHRISTOPHER & LEE ONG | *Malaysia* Christopher & Lee Ong

T +60 3 2273 1919 F +60 3 2273 8310 www.christopherleeong.com

RAJAH & TANN | Myanmar

Rajah & Tann Myanmar Company Limited T +95 1 9345 343 / +95 1 9345 346 F +95 1 9345 348 mm.rajahtannasia.com

GATMAYTAN YAP PATACSIL

GUTIERREZ & PROTACIO (C&G LAW) | *Philippines* Gatmaytan Yap Patacsil Gutierrez & Protacio (C&G Law) T +632 8894 0377 to 79 / +632 8894 4931 to 32 F +632 8552 1977 to 78 www.cagatlaw.com

RAJAH & TANN | *Thailand*

R&T Asia (Thailand) Limited T +66 2 656 1991 F +66 2 656 0833 th.rajahtannasia.com

RAJAH & TANN LCT LAWYERS | *Vietnam* Rajah & Tann LCT Lawyers

Ho Chi Minh City Office T +84 28 3821 2382 / +84 28 3821 2673 F +84 28 3520 8206

Hanoi Office

T +84 24 3267 6127 F +84 24 3267 6128 www.rajahtannlct.com

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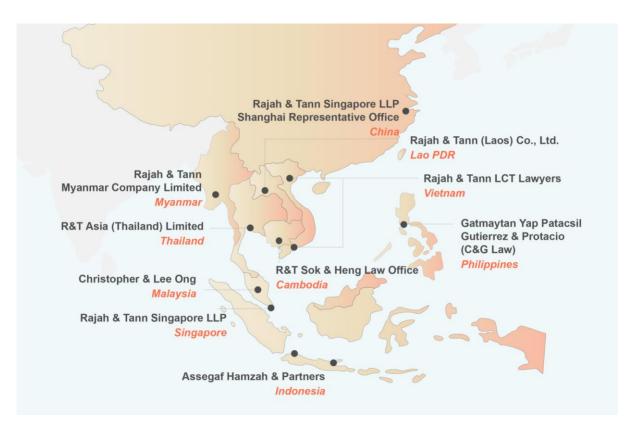
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