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## **CHAPTER 3 : PROTECTING INTELLECTUAL PROPERTY**

### **Defining assets**

Asset is generally any item of property that has monetary value. It may be divided into current assets (e.g account receivable), fixed assets (e.g. equipment), and intangibles (e.g. business goodwill).

### **Defining of property**

Property is anything that is owned by a person or entity. It includes money, other intangible things of value, and also any intangible right and interest, which a man has in lands and chattels to the exclusion of others.

### **Defining intellectual property**

Intellectual property is the unique and un-obvious product of human intellect that has at least some marketplace value.

#### **Intellectual property rights (IPR)**

There are four types of IPR's and their corresponding legislation discussed:

- Patents – Patents Act 1983 (Act 291)
- Trademarks – Trademarks Act 1976 (Act 175)
- Geographical Indication – Geographical Indications Act 2000 (Act 602)
- Copyright – copyright Act 1987 (Act 332)

### **Patents**

Patents Act 1983 (Act 291)

Patent is an idea of an inventor which gives a practical solution to a specific problem in the field of technology and which relates to a product or process [S12(10)].

Patents are new inventions. An inventor (called patentee) acquires the exclusive right to make, use and sell the invention within the country if he lodges a specification at the patent office.

A patent gives the right to an inventor to have a short-term monopoly over his invention. During the term anyone who wants to make, use or sell the invention is required to obtain the permission of the inventor.

Patent also benefit to other people. They discourage the others from reinventing the same thing. They therefore encourage competitors to develop the invention further.

**Conditions for patents**

There are three conditions an applicant must fulfil to obtain a patent

- New invention – The invention must not have been available to the public before the date of applying for the patent, e.g. published in a newspaper, disclosed on television, described to a potential manufacturer. (S14)
- Inventive step – The invention must not be obvious from the viewpoint of an individual skilled in the related area of technology of the invention. The invention may be new, but not inventive, therefore does not fulfil the requirement. (S15)
- Industrially applicable – The invention can be created and applied in any kind of industry. The term “industry” is broad, which includes manufacturing, processing agriculture and services. (S16)

**Nonpatentable invention**

Section 13(1) excludes the following from the scope of patents:

- Discoveries, scientific theories and mathematical methods
- Plant or animal varieties, biological processes (other than man-made micro organism)
- Schemes, rules or methods for doing business, performing purely mental acts or playing games.
- Methods for the treatment of the human or animal body by surgery or therapy

**Remedies for infringement**

Copying is considered interference with the patentee’s monopoly. The Act awards damages, grant injunctions and any other legal remedy to prevent further infringement of the patentee’s right [S60(1)]. However, the owner of patents is allowed to institute Court proceedings within five years of “imminent infringement” (S59).

***Patent protection in other countries***

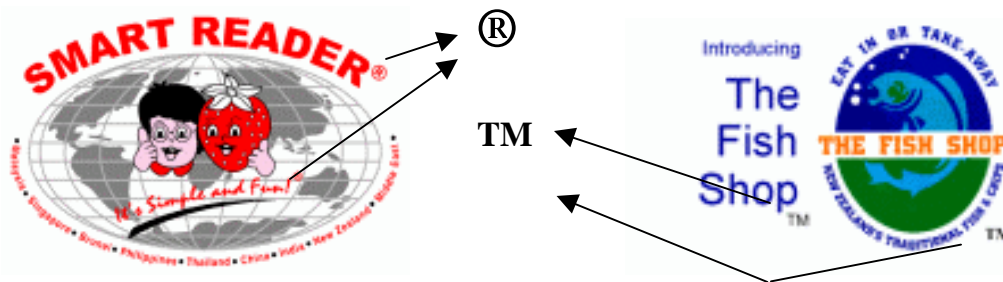
A Malaysian patent or certificate gives protection only in Malaysia. One has to file applications in each country he wishes to seek protection. To obtain protection in a member country of the Paris Convention, a foreign application should be filed within 12 months of the Malaysian filing date. S23A requires a Malaysian resident who wishes to file a foreign application to obtain written permission from the Registrar, unless he has already filed his application in Malaysia or two months have elapsed since filing.

## Trademarks

*Trademarks Act 1976 (Act 175)*

A trademark is like a badge of trade origin, a useful marketing tool. It is any sign that distinguishes the goods and services of one trader from those of another. Examples include words, logos, colours, slogans, three-dimensional shapes, sounds and gestures.

The <sup>TM</sup> symbol means the word or logo referred to serves as a trademark, but is not necessarily registered. The ® means the word or logo is a registered trademark. The distinction between <sup>TM</sup> and ® is very important in UK because one could face litigation for misrepresentation between registered and unregistered trademark.



### **Benefits of trademark registration**

The registered trademark owner obtains the exclusive right to use it for the relevant goods and services. The owner can earn revenues out of the trademark by selling, licensing, renting it out. He is entitled to take infringement action against any infringer.

### **Definition**

Trademark is 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 and 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 that person.

### Trademark registration

The Registrar of Trademarks examines the applications for their validity against existing registrations and their level of distinctiveness.

The applicant needs to fill in the particulars accurately in the form (FORM CD 5):

1. Type of trademark: (a) trademark (S30), (b) certification of trademark (S56), or (c) defensive trademark (S57).
2. Representation of mark must be clear and durable and comply with regulation 34.
3. List of goods and services. Example: "Books, booklet, bulletin, magazines, and pamphlets; all included in class 16".
4. Class: Each application form allows application for only one class. The applicant needs to fill in multiple forms for respective classes.
5. Limitations, etc.: If the mark contains a word or words in non-Roman characters or in a language other than the English language or the national language (i.e.

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- Bahasa Melayu), the applicant must provide a certified transliteration and translation.
6. Full name and address of applicant: The name must be in full. Post box address is not accepted.
  7. Full name and address of agent (if any): The applicant who is resident or carries out his business in Malaysia is required to file in Form CD1 (Malaysia forwarding address) and name a registered trademarks agent in Malaysia.
  8. Agent's registration no (if known).
  9. Agent's own reference.
  10. International convention priority claim: The applicant needs to file certified documents which contains the following information: the country of the International Convention, the priority date, type of trademark, the specifications of the goods or services.

***Marks prohibited from registration***

An applicant will not be approved if the mark applied for:

- Would likely deceive or cause confusion, contrary to law or morality, or any scandalous design (S14)
- Contain certain words (like "Patent" or "Royal") or representations (e.g flags) (S15)

***Copyright***

*Copyright Act 1987 (Act 332)*

Copyright exists in original artistic, dramatic and musical works, and in films, recordings and broadcasts. The owner of the copyright is the person who produced the work. Copyright gives the owner exclusive right to his property; no one may use it without his consent.

***Works eligible for copyright(S7)***

(1) Subject to this section, the following works shall be eligible for copyright:

- (a) literary works;
- (b) musical works;
- (c) artistic works;
- (d) films;
- (e) sound recordings; and
- (f) broadcasts.

(2) Works shall be protected irrespective of their quality and the purpose for which they were created.

(2A) Copyright protection shall not extend to any idea, procedure, method of operation or mathematical concept as such.

(3) A literary, musical or artistic work shall not be eligible for copyright unless -

(a) sufficient effort has been expended to make the work original in character; and

(b) the work has been written down, recorded or otherwise reduced to material form.

(4) A work shall not be ineligible for copyright by reason only that the making of the work, or the doing of any act in relation to the work involves an infringement of copyright in some other work.

(5) Copyright shall not subsist under this Act in any design which is registered under any written law relating to industrial design.

(6) Copyright in any design which is capable of being registered under any written law relating to industrial design, but which has not been so registered, shall cease as soon as any article to which the design has been applied has been reproduced more than fifty times by an industrial process by the owner of the copyright or, with his license, by any other person.

(7) For the purpose of this section, "any written law relating to industrial design" includes:

(a) the United Kingdom Designs (Protection) Act 1949[Act 214];

(b) the United Kingdom Designs (Protection) Ordinance of Sabah [*Sabah Cap. 152*]; and

(c) the Designs (United Kingdom) Ordinance of Sarawak [*Swk. Cap 59*].

***Derivative works (S8)***

(1) The following derivative works are protected as original works:

(a) translations, adaptations, arrangements and other transformations of works eligible for copyright; and

(b) collections of works or collections of mere data, whether in machine readable or other form, works eligible for copyright which, by reason of the selection and arrangement of their contents, constitute intellectual creation.

(2) Protection of works referred to in subsection (1) shall be without prejudice to any protection of the existing works used.

***Qualification for protection(S10)***

(1) Copyright shall subsist in every work eligible for copyright of which the author or in the case of a work of joint authorship, any of the authors is, at the time when the work is made, a qualified person.

(2) Copyright shall also subsist in every work which is eligible for copyright and which -

(a) being a literary, musical or artistic work or film or sound recording is first published in Malaysia;

(b) being a work of architecture is erected in Malaysia or being any other artistic work is incorporated in a building located in Malaysia;

(c) being a broadcast is transmitted from Malaysia.

(3) Notwithstanding subsections (1) and (2), copyright shall subsist, subject to this Act, in every work eligible for copyright if the work is made in Malaysia.

***Nature of copyright in literary, musical or artistic works, films and sound recordings(S13)***

(1) Copyright in a literary, musical or artistic work, a film, a sound recording or a derivative work shall be the exclusive right to control in Malaysia -

(a) the reproduction in any material form;

(aa) the communication to the public;

(b) the performance, showing or playing to the public;

(c) the distribution of copies to the public by sale or other transfer of ownership;  
and

(d) the commercial rental to the public,

of the whole work or a substantial part thereof, either in its original or derivative form provided that, without prejudice to paragraph (e) , the exclusive right to control the distribution of copies refer only to the act of putting into circulation copies not previously put into circulation in Malaysia and not to any subsequent distribution of those copies or any subsequent importation of those copies into Malaysia.

***Duration of copyright in literary, musical or artistic works (S17)***

(1) Except as otherwise provided in this Act, copyright in any literary, musical or artistic work which subsists in such work under this Act shall subsist during the life of the author and shall continue to subsist until the expiry of a period of fifty years after his death.

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(2) Where a literary, musical or artistic work had not been published before the death of the author, copyright which subsists in such work under this Act shall continue to subsist until the expiry of a period of fifty years computed from the beginning of the calendar year next following the year in which the work was first published.

(3) Where a literary, musical or artistic work is published anonymously or under a pseudonym, copyright which subsists in such work under this Act shall continue to subsist until the expiry of a period of fifty years computed from the beginning of the calendar year next following the year in which the work was first published or first made available to the public or made, whichever is the latest:

Provided that in the event of the identity of the author becoming known, the duration of copyright shall be calculated in accordance with subsection (1)

(4) In this section, a reference to "author" shall, in the case of a work of joint authorship, be construed as a reference to the author who dies last.

***Duration of copyright in published editions (S18)***

Copyright which subsists in a published edition under this Act shall continue to subsist until the expiry of a period of fifty years computed from the beginning of the calendar year next following the year in which the edition was first published.

***Duration of copyright in sound recordings(S19)***

Copyright which subsists in a sound recording under this Act shall continue to subsist until the expiry of a period of fifty years computed from the beginning of the calendar year next following the year in which the recording was first published or, if the sound recording has not been published, from the beginning of the calendar year following the year of fixation.

***Duration of copyright in broadcasts(S20)***

Copyright which subsists in a broadcast under this Act shall continue to subsist until the expiry of a period of fifty years computed from the beginning of the calendar year next following the year in which the broadcast was first made.

***Duration of copyright in films(S22)***

Copyright which subsists in a film under this Act shall continue to subsist until the expiry of a period of fifty years computed from the beginning of the calendar year next following the year in which the film was first published.

***Infringements (S36)***

(1) Copyright is infringed by any person who does, or causes any other person to do, without the licence of the owner of the copyright, an act the doing of which is controlled by copyright under this Act.

(2) Copyright is infringed by any person who, without the consent or licence of the owner of the copyright, imports an article into Malaysia for the purpose of -

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- (a) selling, letting for hire, or by way of trade, offering or exposing for sale or hire, the article;
  - (b) distributing the article -
    - (i) for the purpose of trade; or
    - (ii) for any other purpose to an extent that it will affect prejudicially the owner of the copyright; or
  - (c) by way of trade, exhibiting the article in public, where he knows or ought reasonably to know that the making of the article was carried out without the consent or licence of the owner of the copyright.

(3) Copyright is infringed by any person who circumvents or causes any other person to circumvent any effective technological measures that are used by authors in connection with the exercise of their rights under this Act and that restrict acts, in respect of their works, which are not authorized by the authors concerned or permitted by law.

(4) Copyright is infringed by any person who knowingly performs any of the following acts knowing or having reasonable grounds to know that it will induce, enable, facilitate or conceal an infringement of any right under this Act:

- (a) the removal or alteration of any electronic rights management information without authority;
- (b) the distribution, importation for distribution or communication to the public, without authority, of works or copies of works knowing that electronic rights management information has been removed or altered without authority.

(5) For the purpose of subsection (4) and section 41, "rights management information" means information which identifies the works, the author of the work, the owner of any right in the work, or information about the terms and conditions of use of the work, any numbers or codes that represent such information, when any of these items of information is attached to a copy of a work or appears in connection with the communication of a work to the public.

### ***Geographical Indication***

*Geographical Indication Act 2000 (Act 602)*

Geographical Indication identifies any 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 (S2)

### ***Institution of proceedings for injunction and damages (S5)***

(1) Any interested person may institute proceedings in the Court to prevent, in respect of geographical indications-

- (a) the use in the course of trade of any means in the designation or presentation of any goods that indicates or suggests, in a manner which misleads the public as

to the geographical origin of the goods, that the goods in question originate in a geographical area other than the true place of origin;

(b) any use in the course of trade which constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention as set out in the Schedule;

(c) any use in the course of trade of a geographical indication which, although literally true as to the country, territory, region or locality in which the goods originate, falsely represents to the public that the goods originate in another country, territory, region or locality; or

(d) any use in the course of trade of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or a geographical indication identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the wines or spirits is indicated or the geographical indication is used in translation or accompanied by expressions such as "kind", "type", "style" or "imitation".

### **Learning Outcomes**

- Students should be able to define copyright, trademarks, patents, and geographical indications
- Students should be able to be aware of the rights and remedies available for infringement

### **Basic Reading**

1. Britannica Student Encyclopedia Online, "World Intellectual Property Organisation," 2004.
2. Copyright Act 1987 (Act 332)
3. Geographical Indications Act 2000 (Act602)
4. Patent Act 1983 (Act291)
5. Trademarks Act 1976 (Act 175)

### **Revision Questions**

1. Differentiate between intranet and extranet.
2. Can an organisation avoid dealing with physical documents in its operation? Discuss.
3. Which is more disastrous to an organisation electronic database, virus or worm? Why?

