

Patents, Industrial Designs and Layout-Designs (Topographies) of Integrated Circuits*

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Implications of TRIPS Agreement on the laws of patents, industrial designs and layout-designs of integrated circuits are presented in the Malaysian perspective.

An insight into the Malaysian perspective on the implications of the TRIPS Agreement will be presented on the laws of patents, industrial designs and layout-designs of integrated circuits.

The paper will begin with the area of patents and an examination of the current law of patents which was amended in 1994. This will be followed by an account of the TRIPS requirements and the extent to which the Malaysian patent law is in conformity with those requirements.

The law of industrial designs went through a major change in Malaysia recently and the new Industrial Designs Act 1996 (which is awaiting the announcement of its enforcement date) is of vital importance being the

first comprehensive statute that governs this discipline. The standards established in the TRIPS Agreement will be compared with the provisions of the new legislation to ascertain whether further steps need be taken to ensure full compliance of the TRIPS Agreement.

Finally, the area of layout-designs or topographies of integrated circuits follows suit in the discussion. This is a fresh and uncharted territory for Malaysia and proposals are at hand to draft the legislation governing this area. Undoubtedly, any proposed statute on layout-designs will directly incorporate the standards envisaged in the TRIPS Agreement.

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Patents

The Malaysian Patents Act 1983 as Amended

The Malaysian Patents Act 1983 (MPA) was amended by the Patents (Amendment) Act 1994 and the latter came into force on 1st August 1995. The overall tenet of the change advocates a simplification of procedures for the examination of patent applications and the streamlining of the post-grant stages.

The changes effected on the substantive aspects of the MPA include, *inter alia*, the requirement of novelty. Previously, an invention would lose its "novelty" if there is written publication, whether abroad or locally. As for oral disclosure, use or any other way, they must take place within the country. This has been amended so that all such acts of disclosure will cause the invention to be anticipated irrespective of the place in which they occur. The removal of such territorial concerns is in line with the increasingly international approach towards patents.

It need be stressed that the category of non-patentable inventions remains the same as regard the methods of treatment of human or animal bodies by surgery or therapy or diagnostic methods. The scope of patenting in this area is confined to the products used in those methods of treatment.

Additionally, the amendment clarified the point on the novelty aspect of any substance or composition comprised in the prior art, as use in the method of treatment or diagnosis. Use of such substance or composition will be treated as "new" so long as its use in any such method is not comprised in any prior art. This is also known as a "use patent".

Another crucial amendment to the substantive law lies in the definition of a "utility innovation". It now carries the meaning of

"any innovation which creates a new product or process, or any new improvement of a known product or process, which can be made or used in any kind of industry, and includes an invention". Previously, the requirement of novelty for a utility innovation recognized merely publication locally and this was abused in practice. The amendment to recognize novelty wherever the publication occurs will curb any similar abuse.

Apart from these main substantive changes to the law, most of the amendments lie in the procedural aspects of patent law. For example, the examination procedure has been simplified. In the stage of preliminary examination, the need for a formal request by the applicant is dispensed with.

As for the substantive examination level, there is now a choice of either requesting a full examination, or a modified examination. The latter option is afforded to those applicants who already possess corresponding patents in Australia, the United Kingdom, the United States or granted by the European Patent Offices. As these patent offices maintain very rigorous examination standards, the modified examination merely involves the necessary amendments to the claims to conform to the patent granted in the Patent Office in those countries.

Other procedural changes include the conversion of a patent application to a utility innovation application, or *vice versa*, during the course of the application. Such an application must be made within six months after the issuance of the examiner's report.

The period of reinstatement of expired patents has been extended from six months to two years. The MPA also provides the specific grounds for reinstatement which consist of "accident, mistake or unforeseeable circumstances". Another change, albeit a

minor one, lies in the possibility of amending the specification of the patent after its grant to correct clerical errors, obvious mistakes or "any other reason acceptable to the Registrar" so long as such amendments do not cause the expansion of the scope of the original patent.

The TRIPS Agreement and the Amended MPA

Article 27 of TRIPS stipulating the patentable subject-matter is generally complied with by the MPA. The subject-matter permitted to be excluded, such as methods of treatment of humans or animals, plants and animals other than microorganisms and essentially biological processes other than microbiological processes are similarly excluded from patentable inventions under the MPA.

The amended MPA however retains the exclusion of plant varieties from patentability. Article 27 of TRIPS makes it obligatory for Member States to protect plant varieties either by patents or through some effective *sui generis* system. Malaysia has yet to reach a decision on the method of protecting such plant varieties. A Working Committee under the auspices of the Ministry of Agriculture is looking into the feasibility of a *sui generis* system of protection as present in the United Kingdom and its European counterparts which established the Plant Variety Rights system.

The Article conferring exclusive rights on patentees and those imposing conditions on patent applicants are substantially consistent with the MPA. What is notably different rests in the term of protection of Malaysian patents. The current provision in the MPA stipulates a period of 15 years from the date of grant of the patent. Article 33 of the TRIPS Agreement on the other hand provides a

term of 20 years from the date of filing of the patent.

Industrial Designs

At present, industrial designs are protected through registration in the United Kingdom. No re-registration is required in Malaysia of those designs which had been registered in the United Kingdom. The United Kingdom's Registered Designs Act (RDA) as amended by the Copyright, Designs and Patents Act 1988 is the applicable law.

A new Industrial Designs Act 1996 (IDA) was passed by the Parliament last year (1996) but it has yet to come into force. The IDA institutes Malaysia's own Industrial Design Office and the Registrar appointed under the Act shall be responsible for the administration of the IDA. The IDA is generally in compliance with the recommendations of the terms in the TRIPS Agreement and thus will not face the problem of non-conformity with the TRIPS obligations in this field.

The TRIPS Agreement provides very broad guidelines on the registrability of designs, leaving the definition of protected designs to the Member States. The definition of an industrial design in the IDA is identical to that in the RDA. The main criterion for the registrability of industrial designs is that they must be new and this conforms with Article 25(2) of the Agreement. No definition of "new" is given in the IDA but Article 25 does state that designs which do not differ from known designs or combinations of known design features may be excluded from protection on this ground. This imports a less precise concept as compared to the requirement of novelty in patents.

The exclusion of designs dictated essentially by technical or functional considerations

from protection is also reflected in the IDA. The section in the IDA provides that features of shape or configuration of an article dictated solely by function is to be excluded from registration. This is in similar vein with the RDA and the English case-law will continue to be relevant in the interpretation of the provisions.

The rights of the registered owner to exploit the design and the scope of the infringing acts set out in Article 26 are embodied in the IDA. The period of protection prescribed in the Agreement is a minimum of 10 years. The IDA allows an initial registration period of five years, with two possible extensions of five years each and this cumulatively amounts to a maximum duration of 15 years of protection.

Layout-Designs (Topographies) of Integrated Circuits

Malaysia at the moment has no legislation governing the layout-designs of integrated circuits. The TRIPS Agreement requires Member States to protect such layout-designs in accordance with the provisions of the Treaty on Intellectual Property in Respect of Integrated Circuits (the Washington Treaty) as well as several additional provisions in the Agreement itself.

A Committee has been established by the Ministry of Domestic Trade and Consumer Affairs to study the proposal of formulating a separate piece of legislation to govern this. As the semi-conductor industry is a rapidly expanding field in Malaysia, it is in the country's best interest to enact adequate protection of the topographies of integrated circuits.

The drafting of this future legislation will need to take into account the existing copyright and industrial design laws. More im-

portantly, the TRIPS obligations and the Washington Treaty will need to be incorporated.

The definition of "integrated circuits" and "layout-design (topography)" are provided in the Washington Treaty. The Treaty also imposes qualifying criteria for protection. The layout-designs must be original in the sense that they are the result of the creator's own intellectual effort (and this may mirror the test as applied to copyright works) and are not commonplace among creators.

The Treaty sets out the range of infringing acts: unauthorized reproduction of the design in its entirety or in part, and the unauthorized importation, selling or distribution for commercial purposes of the layout-design. Member States remain free to prescribe a broader scope of protection. These are echoed in the TRIPS Agreement.

Limited exceptions are prescribed in the Washington Treaty to enable uses of the topographies "for the sole purposes of evaluation, analysis, research or teaching". The TRIPS Agreement modified the provisions contained in the Washington Treaty governing the practice of compulsory licensing and the pre-conditions for such licensing for members of the World Trade Organization.

According to Article 38 of the TRIPS Agreement, a minimum period of 10 years is stipulated from the date of filing or from the first commercial exploitation wherever in the world it occurs.

Conclusion

The advances in technology feature significantly in the fields of patents, industrial designs, and layout-designs of integrated circuits, and these exact a contemporary approach to the protection of such technologies.

In so far as the TRIPS Agreement aspires to confer comprehensive coverage on them, this spirit needs to be adopted by all the Member States.

Although Malaysia is not yet fully equipped in its legislative measures to tackle such technologies, efforts are under way to produce a set of laws which not only conform to the minimum standards set out in the TRIPS Agreement but also which strike an optimum balance of protection for the various parties involved.

The much anticipated IDA signifies a new era of industrial property laws in Malaysia. The country will strive to maintain a more vocal and participative stance in the development of its industrial property laws, albeit within the set international framework. The progress of the semi-conductor industry has culminated in this new legislation and hopes are high on the continuous positive evolution of intellectual property rights in the country.