

Pursuing IP Protection in a Pandemic – Malaysian Utility Innovation Certificate

By Alvin Boey

As the world continues to grapple with the Covid-19 pandemic, it is business as usual for innovators to develop new inventions, technologies and solutions since innovation does not stop. Intellectual Property continues to play an indispensable role in providing a solid platform for development, research, analysis and commercialization of new innovations meeting the challenges in the current pandemic. Without a shadow of doubt that it will be very difficult and challenging to innovate and invent if these new ideas and assets are not protected.

Many intellectual property owners often overlook the pursuance of utility model protection, as compared to a full-fledged patent protection due to various reasons. Many new inventions are cumulative and incremental in nature and the patent system may not be able to accommodate them with its more stringent requirements, namely novelty and inventive step.

In this article, we explore the pursuance of utility model protection as an effective tool of protection and enforcement which can be particularly useful especially for Small and Medium-sized Enterprises [SMEs] business owners. Pursuing utility model protection is more often than not cost-effective as it has a shorter prosecution time towards grant compared to patent protection. Long gone are the days where UIC was perceived as the “inferior patent” or “petty patent”.

What is a Utility Model Protection?

Whilst protection for a Utility Model is not available in all countries around the globe, it is notably popular in China, Japan, Germany, Italy and of course Malaysia. In Malaysia, Utility Model protection is known as Utility Innovation Certificate (UIC). Much like patent protection, a granted UIC provides exclusive rights to the UIC owner which can be enforced to prevent competitors from copying or exploiting the registered product. Malaysian UIC protection can be obtained for any innovation which creates a new product or process, or any new improvement of a known product or process, which is capable of industrial application, and includes an invention.

Cost

The relevant costs of filing, prosecuting and maintaining a UIC are lower than the costs for patent protection. The official fees for filing a new UIC application are lower and they extend to fees in connection with post-grant maintenance of the registered UIC.

Requirements and Time Frame

The requirements that need to be fulfilled to obtain UIC protection are also less stringent. While the invention is required to be new (i.e. worldwide novelty), the requirement of inventiveness (i.e. not obvious to a person skilled in the art) does not apply. This contributes to an overall shorter prosecution time as the invention is only assessed based on the novelty requirement. Pursuing a granted UIC may take approximately 2-3 years, which is quicker than pursuing a granted patent, which may take approximately 4-5 years or more.

It is advantageous to pursue UIC protection especially for inventions that may not meet the full patentability requirements for patent protection (i.e. arguably obvious), but nonetheless warrants protection. This is certainly useful for inventions that are improvements of a known product. Any technical improvement however small can qualify for UIC protection so long as it meets the novelty requirement.

Term of Protection

The initial term of protection for a granted UIC is 10 years from the filing date. This term is extendible by a further two periods of five years each. As such, the UIC protection has a possible maximum protection term of 20 years, similar to a granted patent. Renewal beyond 10 and 15 years from the filing date is dependent on completing an extension procedure that includes presenting evidence of commercial or industrial use in Malaysia, or a satisfactory explanation of non-use.

Is UIC weaker than patent?

The rights granted to a UIC are obtained in a relatively shorter period of time compared to a patent but unlike other regimes where Utility Model applications are not examined, the Malaysian UIC goes through a similar substantive examination process as a Malaysian patent. The substantive examination of a UIC provides some assurance to UIC owners in terms of validity. This is crucial when it comes to enforceability of the UIC rights after grant. A granted UIC stands a much lower risk of having its validity challenged and being revoked in comparison to a patent.

The scope of protection of a patent is defined by the granted patent claims. The key to having strong patent protection lies in having a mixture of narrow and broad claims to sufficiently cover the subject matter of the invention. Unlike a patent, only one claim can be pursued in a Malaysian UIC. Having one claim in a UIC should not be equated to having inferior protection relative to a patent. It all boils down to the nature of the invention and whether it can be sufficiently covered by one claim in a UIC. With that in mind, the strength of protection conferred by a UIC depends on how well this one claim is drafted. If this single UIC claim is well drafted, less can be more.

We take a closer look at a recently decided local case, ***Emerico Sdn Bhd v Maxvigo Solution Sdn Bhd [2020] 1 LNS 206*** revolving around infringement of a granted UIC. Emerico initiated an infringement action against Maxvigo, the defendant, for the subject of its UIC, "a protective sleeve". The defendant initiated a counterclaim of invalidation arguing that the UIC lacks novelty and procedural non-compliance. In the learned judge's grounds of decision, he made several key conclusions. The main argument put forth in the defendant's invalidation report was that the essential integer of the UIC claim was common general knowledge. The learned judge found that the reasoning of common general knowledge was irrelevant as common general knowledge is only required to determine obviousness and obviousness is a test for inventive step. The requirement of registration of UIC is novelty and the court found that the defendant's reliance on common general knowledge was erroneous. Furthermore, the court found that, in principle, for novelty of a UIC to be destroyed, each and every element of the claim must be present in a single item of prior art.

The key takeaway from the above case law is that a Malaysian UIC is not easily invalidated. A Malaysian UIC can offer reasonably strong protection and having only one claim should not be automatically equated to having inferior protection relative to a patent. A well drafted

UIC claim is likely to withstand the acid test of invalidation, which relies on the assessment of novelty only, based on a single item of prior art.

It is worth noting that it is not possible to obtain both a granted patent and a granted UIC for the same invention. It is possible to convert a patent application into a UIC application and vice-versa. This flexibility may be utilized in support of business strategies, for example, when quicker enforceable rights are needed.

Non-Patentable Subject Matter

Similar to patents, the following subject matters are excluded from UIC protection:

- a. Discoveries, scientific theories and mathematical methods;
- b. Plant and animal varieties and essentially biological processes for the production of plants or animals;
- c. Schemes, rules and methods of doing business, and purely mental acts and games; and
- d. Methods of treatment of humans or animals by surgery or therapy, and diagnostic methods practised on humans or animals.

In conclusion, the Malaysian UIC is a useful tool to protect your inventions in a cost-effective and time-efficient manner. With the increasing uncertainties in the current pandemic season, which surely brings expected challenges on the financial front for many businesses, it would be certainly worthwhile to consider pursuing UIC as part of your business strategy to remain competitive. The healthy increase in new filings of UIC applications by individuals and local applicants certainly signals a paradigm shift in IP protection strategy for the Malaysian market.