

Understanding Post-Grant Patent Opposition: Key Insights and Strategies

By Oon Yen Yen & Hawa Diyana Saim

The Patents (Amendment) Act 2022 together with the Patents (Amendment) Regulations 2022 brought a wave of changes to patent practice in Malaysia as it introduced various new provisions such as restoration of right of priority, publication of (direct) patent applications, formal third-party observations and changes to substantive examination requests.

In addition to these changes, the amended Act also introduced new Sections 55A and 56A, that provides for opposition of Malaysian patents before the Patent Registrar.

Post-grant opposition proceeding is a procedure that enables any third party, for example a competitor or interested entity, to contest the Malaysian patent before the Registrar, after it has been granted by the Malaysian IP Office (MyIPO).

While the amended Act came into force on 18 March 2022, enforcement of Sections 55A and 56A remains pending.

When enforced, post-grant opposition proceedings will be available for patents with a date of grant on or after the provision comes into force.

It is expected that post-grant opposition will provide a more expeditious and less costly option for a third party to challenge a granted patent compared to seeking invalidation of the patent before the High Court.

It is also interesting to note that post-grant opposition can be filed by any interested person, whether or not they are adversely affected by the patent. This is in contrast to patent invalidation proceedings, where a higher threshold of an aggrieved person must be met.

The grounds for post-grant opposition align closely with those for patent invalidation. Opposition can be raised on the following grounds.

1. Does not qualify as a patent [Section 12]: The claimed invention does not meet the definition of an invention. For example, it does not solve a technical problem or have technical character.

2. Excluded from protection [Section 13 or Section 31(1)]: The invention pertains to subject matter excluded from patent protection such as:

- a. discoveries, scientific theories and mathematical methods;
- b. plant or animal varieties or essentially biological processes for the production of plants or animals, other than man-made living micro-organisms, micro-biological processes and the products of such micro-biological processes;
- c. schemes, rules or methods for doing business, performing purely mental acts or playing games;

d. methods for the treatment of human or animal body by surgery or therapy, and diagnostic methods practised on the human or animal body.

3. Non-compliance with patentability requirements [Sections 11, 14, 15 and 16]:

The invention lacks novelty, inventive step and/or industrial applicability.

4. Deficient descriptions or claims: The descriptions or claims do not comply with the Patent Regulations, making it unclear or incomplete. For example, opposition on the grounds of lack of sufficiency or lack of support.

5. Missing drawings: Essential drawings that are required for the understanding of the invention were not provided.

Importantly, unlike patent invalidation, ownership or entitlement disputes are not recognized as grounds for patent opposition before the Registrar.

Procedures and Timeline

1. Filing the Opposition

Opposition proceedings begin with the filing of a Notice of Opposition (NOO) with the Malaysian IP Office (MyIPO) within six months from publication of patent grant in the Intellectual Property Official Journal (IPOJ).

The NOO must detail the grounds for opposition and be accompanied by supporting evidence. Additional grounds of opposition (AGO) can also be submitted within the six-month opposition period.

An extension of time to the opposition period is not permitted.

Opposition proceedings can only be initiated if the patent to be opposed, is not the subject of pending invalidation proceedings or any other Court proceedings where its validity is called into question.

Alongside the filing of the NOO, security for costs must be provided by any individual who is a non-resident of Malaysia.

2. Notification to the Patent Owner

If the NOO meets formal requirements, MyIPO will issue a copy of the NOO/AGO to the patent owner or agent on record and the proceedings will commence.

3. Filing the Counterstatement

The patent owner has up to three months from the date of issuance of the NOO/AGO to file a Counterstatement. The Counterstatement must contain statements to support the grant of patent and include objections to the grounds of opposition with evidence to support the above-mentioned statements and objections.

At the same time or after the filing of Counterstatement the patent owner may submit an amendment to the granted specification.

Importantly, failure to file a Counterstatement will exclude the patent owner from participating further in the opposition proceedings.

4. Evidence in Reply and Written Submissions

The opponent may submit Evidence in Reply following the patent owner's submission of a Counterstatement.

Both the opponent and the patent owner must provide written submissions, if requested by the Registrar.

The Registrar may request for submission of additional evidence from either or both the opponent and the patent owner.

5. Review and Decision

MyIPO will appoint an Opposition Committee consisting of senior patent examiners (not previously involved during the prosecution of the patent) to review the documents submitted by all parties and carry out an examination.

In their first sitting, the Committee will deliberate on a provisional decision based on the Evidence in Reply and Written Submissions. If the Committee is leaning towards invalidating the patent, the Committee will issue an interim decision and request for submission of amendments from the patent owner. Upon receiving said amendments, the Committee will then have a second sitting to review the amendments.

Based on their findings in the second sitting, the Committee will submit a recommendation to the Registrar, who will then make the final decision. Upon receiving the recommendation from the Opposition Committee, a final decision will be issued by MyIPO accompanied by the Grounds of Decision, to both parties.

MyIPO may either maintain the patent, maintain the patent in an amended form or invalidate the patent.

If any party is dissatisfied with the decision, an appeal may be filed to the High Court within one month from the date of Final Decision issued by the Registrar.

Effective Strategies for Patent Owners

Great care should be taken by patent owners during the drafting, filing and prosecution stages of the patent application, bearing in mind the above-mentioned possible grounds of opposition.

For example, thorough prior art searches should be conducted before filing.

Another important consideration during the prosecution of the application is the type of substantive examination elected.

In Malaysia, there are two types of substantive examination: normal and modified.

Normal examination is a regular, full examination process under which an application is checked for compliance with all formal and substantive patentability requirements. Modified examination is a simplified examination process under which a Malaysian patent will be granted with a specification essentially identical to that of a single corresponding patent of Australia, Japan, Korea, the United Kingdom, the United States or the European Patent Office.

If a patent that has undergone modified examination during prosecution is opposed, would MyIPO allow the patent to be maintained in amended form since it would then differ from the foreign corresponding patent upon which modified examination was based? Generally, any post-grant amendments made for the purpose of curing invalidity should be permissible, although, the extent of such amendments that would be considered permissible, are presently unknown.

For normal examination, MyIPO considers all relevant prior art, regardless of its origin, when assessing patentability. It is therefore important to consider prior art cited in other jurisdictions during prosecution of corresponding foreign applications, as cited prior art from another jurisdiction can form the crux of post-grant opposition proceedings. Such prior art can include journal publications, patents, or any other relevant public disclosure.

Section 14(2) of the Patents Act defines valid prior art as everything disclosed to the public, anywhere in the world, by written publication, by oral disclosure, by use or in any other way, before the priority date of the patent application.

In recent years, many patent applicants elect to rely on the Patent Prosecution Highway (PPH) program to expedite prosecution of their applications. As a request for processing under the PPH can only be made as part of normal substantive examination, selection of an appropriate foreign jurisdiction for reliance on the PPH program also becomes a crucial aspect of prosecution strategy, in light of the possibility of post-grant opposition. Currently, it is possible to request for PPH processing on the basis of an allowed/granted EP, JP, KR, US or CN patent.

Filing a voluntary divisional patent application as a strategic backup plan can assist the applicant to prepare for opposition by allowing the applicant to focus on specific aspects of the invention and potentially strengthen their position against possible challenges. Thus, vigilance to observe the strictly non-extendible deadline for valid filing of a voluntary divisional application becomes critical. The deadline for filing a voluntary divisional application falls due three months from the mailing date of the first Examination Report and is not extendible under any circumstances.

With the advent of patent opposition, the importance of the option to convert a patent application to a utility innovation (UI) application cannot be understated. A granted Malaysian UI can be notoriously difficult to challenge, whether in opposition proceedings before the Registrar or invalidation proceedings before the High Court. This is because a Malaysian UI has a lower registrability bar i.e. only novelty (inventive step is not a requirement) and is limited to only one claim. Locating relevant novelty defeating prior art can oftentimes be more difficult than finding a needle in a haystack.

Patent owners should also take note that submission of a recordal of change (for example, recordal of assignment) or re-delegation of renewal responsibility, may result in a change to the patent agent on record with MyIPO. Any Notice of Opposition (or additional grounds of opposition) filed will only be conveyed by MyIPO to the current agent on record, which may turn out to be the agent retained only for the purpose of recordals and/or renewals. This can potentially result in critical time lost in the event of opposition proceedings.

Effective Strategies for Interested Third Parties

Given the short six-month filing period for opposition, proactive measures can streamline the process for interested parties.

One of the most effective strategies is monitoring the prosecution progress of patent applications of interest i.e. a watch service. By closely observing the claims of a specific patent application during prosecution, third parties can prepare evidence and materials in advance for use in a potential opposition.

MyIPO provides public access to direct national applications, 18 months after the priority date, allowing third parties to obtain copies of the specification (including any amendments filed), to review the content and prosecution status of such applications. This enables the third party to identify weaknesses and gather resources for opposition proceedings, when the patent proceeds to grant.

PCT-derived national phase applications are not subject to publication in the Intellectual Property Official Journal (IPOJ). Nevertheless, it remains possible for any interested third party to purchase the originally filed and/or amended specifications as well as to review the content and prosecution status of Malaysian national phase entries.

Interested third parties should also take careful note that the patent applicant/patent owner can be prematurely alerted of any action taken to purchase a copy of the specification of a patent application or granted patent. Although MyIPO does not formally notify the patent applicant/patent owner of such third-party activities, the idiosyncrasies of MyIPO's electronic filing platform, IP Online, inadvertently results in the patent applicant/patent owner being alerted. If stealth is preferred, it would certainly be advisable to conduct such purchases, anonymously.

Anticipation

The availability of post-grant opposition in Malaysia will be an immensely positive step for the local patent industry and signals a growing maturity in the Malaysian IP landscape. At Henry Goh, we are looking forward to enforcement of this landmark provision in Malaysia's Patents Act with great anticipation.

Of course, some questions remain with regards to implementation of this potentially complex procedure by MyIPO. For example, the handling of multiple opponents (possible consolidation of opposition proceedings), the timeline for formation of the Opposition Committee and issuance of decisions by the Committee and the extent of application of the principle of estoppel.

Additionally, there remains the question of amended Section 34 of the Patents Act, which has yet to come into force. Potentially, enforcement of amended Section 34 could allow for public inspection of all prosecution documents issued/exchanged throughout the life of a Malaysian patent i.e. a file wrapper system.

The timing of enforcement of amended Section 34, before, together with, or after, enforcement of post-grant opposition, will certainly have an impact on implementation of the opposition system.

Exciting times lie ahead. Well grounded and sound prosecution strategies are the order of the day for patent applicants and interested third parties alike.

Please feel free to contact our patent professionals for further information and/or advice at patent@henrygoh.com.