

ASEAN

IP NEWS



New Laws



1. Ministry of Law and Human Rights ("MOLHR") Issues Regulation on Procedure for Grant of Patent Compulsory License

Enacted and effective since December last year, this regulation states that a compulsory license may be granted to a third party in three situations where:

- A patent holder does not implement an obligation to manufacture products or use processes in Indonesia within 36 months from when a patent was granted,
- A patent has been implemented by a patent holder or its licensee in a form and manner that harms the public interest, or
- A patent that resulted from the development of a previous granted patent cannot be implemented without using the other party's patent that is still valid and under protection.

Patent holders whose patent products have not been manufactured or whose patent processes have not been used within 36 months from the date they were granted should pay special attention to this regulation. If the patent holders still wish to have protection for those patents and do not want any third party to file compulsory license requests against those patents, the patent holders should immediately submit a request for postponement of implementation of the patents to the Minister.

2. Extension of Time for Patent Holders to Pay Outstanding Patent Annual Fee

The Directorate General of Intellectual Property ("DGIP") issued a circular letter in February to allow patent holders more time to pay outstanding patent annual fees.

According to Article 20 of Patent Law, it requires patent holders to either manufacture their patented products or use their patented processes in Indonesia. Under the new implementing regulation, if a patent holder is not

yet able to implement its patent in Indonesia, the patent holder may request the Minister to postpone the implementation of the patent for a maximum of within five years.

3. The Directorate General of Intellectual Property has started issuing IP license recordal notifications

It is now mandatory to record IP license agreements with the DGIP. This is in accordance with MOLHR Regulation No. 8 of 2016 on Requirements and Procedures for Recordal of Intellectual Property ("IP") License Agreements and Government Regulation No. 36 of 2018 on IP License Recordal. It is now in effect and the DGIP has started issuing license recordal notification for trademark license agreements recorded by various trademark owners.

This is useful for any legal compliance purposes, particularly if IP owners need to show proof of use of their IP in Indonesia to third parties, or to support any enforcement against third parties in Indonesia.



1. Exemptions to Copyright Infringement for Disabled Persons

The previous Thai Copyright Act presented hurdles to making copyrighted works accessible to disabled persons. For example, producing an audio version of a novel for use by the blind without the copyright owner's consent would have been deemed copyright infringement. Although section 32(9) of the existing Thai Copyright Act includes an exemption for disabled persons to reproduce or adapt copyrighted work, Thailand must bring the Act in line with the Marrakesh Treaty. The Proposed Amendment to the Copyright Act will replace section 32(9) with section 32/4. This Amendment includes making available copyrighted work to disabled persons in accessible-format copies to be provided by an "authorised entity", as defined in the Marrakesh Treaty. The amendment to the Act is now in effect.

2. Amendment to Drug Act to Become Effective on 13 October 2019

The Drug Act contains key amendments that allow experts who meet the required qualifications to enroll with the Food and Drug Administration Thailand ("FDA"). This is to allow them to evaluate academic documents, conduct product analyses and audit business premises on behalf of the FDA. There is also a proposed requirement for an applicant for drug registration to provide documents containing information about the relevant patent/petty patents and the validation period of a drug registration license. Drug registration licenses issued before the Act comes into force will remain valid for five to nine years, however, the validation period of the licenses granted after enforcement has now been extended to seven years instead of five years from the date of issue as specified in the bill.

3. Thailand Releases Draft Biodiversity Act

This is in line with the country's 20-year National Strategy, to move forward with Thailand's development while balancing concerns about the sustainability of its natural resources. Although the Draft Act has yet to be published, the main objectives are to set standardised regulations for state agencies regarding biodiversity utilization, to set a common standard to promote biodiversity to protect living things not covered by such laws, and to stipulate liabilities and penalties for those who adversely impact biodiversity. This Draft Act will apply to animals, plants and microorganisms.

4. New Threshold Value of Goods for Department of Special Investigation ("DSI") in IP cases

The Announcement No. 7, to replace and repeal Announcement No. 4 establishes a threshold value of THB 10,000,000 (approx. USD 312,500) for infringement cases to be handled by the Trademark Act, Copyright Act and Patent Act. This means that the DSI is empowered to accept and act on complaints for IP infringement

only if the market value of the case is or is reasonably believed to be more than the amount stated above.

5. Proposed Addition to Drug Act - Move Towards Patent Linkage Concept

The amendment is intended to bring the law up to date, increase the efficiency of the drug approval process in Thailand and support Thailand's strategic position as Asia's medical hub as part of the broader Thailand 4.0 initiative. There has been speculation as to whether the Drug Act will ultimately adopt patent linkage. In general, one of the primary purposes of a patent linkage system is to promote effective and adequate protection of intellectual property rights. This is where generic drug approval is linked to the expiration and validity of the pioneer drug patent. This system could be used to avoid or resolve patent infringement disputes at early stages.



1. New Trademark Bill to amend the Trademarks Act 1976 to accede to Madrid Protocol

As part of Malaysia's initiative to accede to the Madrid Protocol, the new Trademark Bill introduces many changes which include protection for non-traditional trademarks such as sound, smell, colour and holograms and also provides for multi-class trademark application.

Additionally, under the amended Trademark Bill, the Assistant Controller is given the power to carry out investigations on any person, if there are reasonable grounds to suspect that an offence under the Trademarks Act is or will be committed.

The new Bill also makes clear of the scope of offences and its penalties. For example, it is an offence to make or possess an article specifically designed to make copies of the registered trademark. The penalty is a fine not exceeding RM 1 million or imprisonment not exceeding 5 years or both. It is also an offence to make a false entry on the Register, whereby the penalty is a fine not exceeding RM 10,000.



1. Draft Law on amendments of Law on Intellectual Property to meet the Comprehensive and Progressive Agreement for Trans-Pacific Partnership ("CPTPP") Standards

Some notable amendments on Law on IP being proposed by the Draft include patent novelty, trademark licensing recordation requirement, and attorney's fees and abuse of IP rights.

In respect of patent novelty, the Draft proposes a generalised exception where an invention will be treated as one that does not lose novelty due to public disclosure if (i) the disclosure is made by the patent applicant or a person who obtains the information directly or indirectly from the patent applicant, and (ii) the patent application is filed within a period of 12 months from the date of disclosure.

In respect of trademark licensing recordation requirement, the current law states that for a trademark license to be effective against a third party, both parties must record the licence with the Vietnam IP Office. The current Draft is now proposing that recordation requirement will no longer be applied to trademark license. This means that trademark license agreements are effective against third parties, regardless of the recordal status at the Vietnam IP Office.

In respect of attorney's fees and abuse of IP rights, under the current law, only a plaintiff may claim for reasonable attorney's fees in an IP lawsuit. If the plaintiff does not succeed in its IP infringement claim, the defendant cannot claim any attorney's fees that have been incurred by the lawsuit. The Draft now proposes that if the Court finds that the defendant does not commit an IP infringement, the defendant can request the Court to force the plaintiff to attorney's fees.



1. New IP Laws Passed; New IP Department Expected

Myanmar's long anticipated IP Laws - the Trademark, Industrial Design, Patent and Copyright Laws - have now all been passed. Despite all four laws now being passed, they will not take effect until the issuance of a Presidential notification officially confirming their implementation. It remains unclear when this notification will be issued.

Trademarks: this changes the country's current first-to-use trademark regime to a first-to-file registration system. Additionally, an official trademark registry will be established and all trademarks currently registered in Myanmar will have to be reregistered. Applications will be subject to a formal examination process where the registrations will take a 10-year term. The licensing of exclusive trademarks may require recordal with the IP office.

Industrial Design: it will follow a first-to-file system. Design registrations will have a 5-year term and is renewable up to 15 years. The licensing of design rights may require recordal with the IP office.

Patents: patent applications will be subject to examination, and if granted, will be registrable up to 20 years. It is worth noting that Myanmar is not a party to the Patent Cooperation Treaty, however, it is anticipated to change.

Copyright: The Copyright Law updates Myanmar's existing centuries-old Copyright Act which only protects creative work published in Myanmar or by Myanmar citizens. Under the new law foreign works will be protected, giving way for foreign rights holders to enforce copyrights and other related rights in Myanmar. Key concepts will also be updated - For example, Computer software will be expressly protected as creative work. Enforcement powers will be enhanced by the establishment of dedicated IP courts and enhanced border control provisions. Civil and criminal copyright infringement actions will also be available.

IP Department: The enactment of all four IP laws paves the way for the establishment of Myanmar's Intellectual Property Department (IP Department), the chief agency to administer IP matters in the country. Among other functions, the IP Department will be charged with issuing the rules and regulations for implementing the IP laws, as well as managing the trademark, industrial design, patent and copyright registries.

With the legal framework now in place, it is expected that preparations and planning for the formation of the Intellectual Property Department will follow, and discussions on the implementation of the rules and regulations of each of the laws are underway.



1. Singapore's latest border enforcement legislation enhances anti-counterfeiting capabilities

The Intellectual Property (Border Enforcement) Act 2018 was passed last July and assented last August. The Act implements a phased approach to fulfilling Singapore's obligations under the European Union-Singapore Free Trade Agreement (EUSFTA) and Singapore's commitment to enhancing its border enforcement measures. This means Singapore Customs and intellectual property rights ("IPR") holders now have new and enhanced anti-counterfeiting powers. The Act will include amendments to the Copyright Act, Trade Marks Act, Registered Designs Act and Geographical Indications Act.

The commencement of the Act will be implemented in three phases. The first phase includes empowering Customs to acquire information from persons whom they reasonably believe to have any information for IPR holders to institute intellectual property infringement proceedings against persons connected with the seized imports.

2. Public Consultation on Draft Intellectual Property (Dispute Resolution) Bill

The Ministry of Law has launched a public consultation to seek feedback on the draft Intellectual Property (IP) Dispute Resolution Bill. The Bill makes amendments to the IP dispute resolution system in Singapore focusing on the following three key issues. These are (1) consolidation of most civil IP disputes in the High Court, (2) enhancement of Singapore's patent regime by increasing the quality of patents and to make it more user-friendly and (3) clarification that IP disputes can be arbitrated in Singapore.

3. Proposed Reforms to Singapore's Intellectual Property Dispute Resolution Regime

The Ministry of Law has proposed certain changes to the Intellectual Property Dispute Resolution regime. These include (1) a consolidation of civil IP proceedings and (2) two litigation tracks ('default' and 'fast' track). In respect of the first proposal, currently IP disputes are heard in the High Court, State Courts and Intellectual Property Office of Singapore with the chosen forum based on the nature of the IP rights, type of proceedings and value of claims. With the proposed changes, the High Court will have exclusive jurisdiction over infringement of all forms of IP, passing off and declarations of non-infringement of patents and registered designs. In respect of the second proposal, under the 'default' track, cases will proceed in the same manner. Parties will now have the option for 'fast track' IP litigation, intended for lower value claims or where parties prefer their case to be further expedited. Parties can also apply to transfer their case from one 'track' to another.



1. High Court of Kuala Lumpur sets out three tests to decide on patent infringement

Kingtime International v Petrofac E&C Sdn Bhd [2018] AMEJ 1369

The disputed patent relates to a mobile offshore platform unit, owned by Kingtime and allegedly infringed by Petrofac through making, offering for sale and selling the unit. The court set out three tests to decide patent infringement, which are (i) the Essential Integers Test, (ii) Improver's Test and (iii) the Actavis Test.

In the Essential Integers Test, the court stated that "to constitute infringement, the article must take each and every one of the essential integers of the claim."

In the Improver's Test, the court ruled that the variant will not infringe if any of the following are true: (a) the variant has a material effect on the way the invention works, (b) the fact that the variant has no material effect on the way the invention works is not obvious to a skilled expert at the date of the publication of the patent and (c) that skilled expert would have taken from the language used in the patent that strict compliance with the literal meaning was an essential requirement of the invention.

The final test is the Actavis Test, which is a reformulation of the Improver's Test and are guidelines, not strict rules. The court took into consideration three questions, (a) even though it is not within the literal meaning of the claim, does the variant achieve substantially the same result as the invention?, (b) would it be obvious to a skilled expert reading the patent at the priority date but knowing that the variant achieve substantially the same result as the invention, and (c) would the skilled expert have concluded that the patentee nonetheless intended that strict compliance with the literal meaning was an essential requirement of the invention? In order to establish infringement, the answer to the questions above would be (a) yes, (b) yes and (c) no. The case is still pending appeal.

2. Federal Court of Malaysia is not competent to hear appeals with respect to opposition under Section 28 of the Trade Mark Act 1976

Merck KgaA v. Leno Marketing (M) Sdn Bhd [2018] MYFC 14

The Federal Court recently revisited its own jurisdiction to hear an appeal which lies in an opposition against the registration of a trade mark under Section 28 of the Trade Marks Act 1976 (TMA). In the case, the Federal Court confirmed that matters decided by the High Court in its appellate jurisdiction ends at the Court of Appeal and no further appeal lies to the Federal Court. This decision will not impact the right of the Opponent to appeal up to the Court of Appeal provided under s. 67(1) of the CJA. Nonetheless, since the matter will end at the Court of Appeal, rather than the Federal Court, trade mark owners should not be complacent, and should always thoroughly prepare for their case in the opposition proceedings before the Registrar.



1. Central Intellectual Property and International Trade Court assesses patent validity and infringement in respect to Valsartan in "solid oral dosage form"

Novartis v Silom

In relation to right of priority, the Supreme Court deemed that an assignment of right by 2 out of 5 inventors is enough and constitutes a legitimate right to the assignee to file patent application. The reasoning is that if all inventors have to agree and authorise the assignment, it will be very cumbersome as some inventors might not be reachable and can prevent the assignment.

The court also laid down the assessment of novelty. If there is any technical feature that is different between the patent in suit and the prior art, the invention shall be deemed as novel.

Additionally, the court underlined the assessment of obviousness for inventive step that it is a technical question which shall be considered based on testimonials of knowledgeable witnesses that are independent from the parties.

The court also laid down the definition of skilled person in the art and referred to *Windsurfing International Inc. v Tabur Marine (GB) Ltd* [1985] RPC 59, which states that these people are skilled person in the art until they can create or invent non-obvious invention in their field.



1. Philippines Supreme Court reiterates ruling that an entity is guilty of unfair competition when the general appearance of its products is similar to that of another entity

San Miguel Pure Foods Company, Inc. vs. Foodsphere, Inc. (G.R. No. 217781, 20 June 2018)

The Supreme Court upheld the rulings of both the Intellectual Property Office and the Court of Appeals and held that Foodsphere is guilty of unfair competition for it gave its "PISTA" ham the general appearance that would likely influence purchasers to believe that it is similar with San Miguel's "FIESTA" ham.

The packages of the "PISTA" ham and the "FIESTA" ham use similar **paper ham bags** as containers for the hams, both paper ham bags use the **red color** as the main colors, and both have similar layout designs appearing on the bags consisting of a **partly sliced ham and fruits on the front and other ham varieties offered at the back**. Thus, Foodsphere's packaging in its entirety, and not merely its "PISTA" mark thereon, renders the general appearance thereof confusingly similar with the packaging of San Miguel.

The Supreme Court further held that the intent to deceive and defraud may be inferred from the similarity of the appearance of the goods as packed and offered for sale to the public. Actual fraudulent intent need not be shown.



1. Singapore High Court grants "dynamic" site blocking injunction in largest ever site-blocking action

Disney Enterprises Inc & Others v M1 Ltd & Others [2018] SGHC 206

The claimants are owners of various copyrights subsisting in movies and TV shows. The claimants applied for a site-blocking order under Section 193DDA(1) of the Singapore *Copyright Act* (Cap. 63), for the Defendant network service providers to take reasonable steps to disable access to Flagrantly Infringing Online Locations (FIOLs) consisting of 52 piracy websites. The claimants sought two types of orders, which were the Main Injunction and the Dynamic Injunction. The Main Injunction was sought for the Defendants to take reasonable steps to disable access of IP addresses and domain names (Fully Qualified Domain Names) which were used to enable or facilitate access to FIOLs. The Dynamic Injunction was sought requiring the Defendants to block new Fully Qualified Domain Names discovered subsequent to the granting of the Main Injunction, which provided access to the same FIOLs.

The Court granted both the blocking orders and highlighted that the Dynamic Injunction would merely require the Defendants to block new means of accessing the same infringing websites, rather than blocking new infringing websites that had not been included in the Main Injunction.

The Court endorsed the position of the UK Courts (where Dynamic Injunctions have likewise been permitted) and declined to follow the approach of the Federal Court of Australia, which has required parties to apply to court to vary the original site-blocking order.

2. Singapore High Court grants first ever site-blocking order against servers in respect of illicit streaming device

The Singapore High Court granted a site-blocking order comprising of 8 servers. The claimants were SingNet Pte Ltd, The Football Association Premier League Limited and Fox entities who engage in the production, distribution, broadcasting, licensing and/or marketing of content including various channels and live football matches. The application concerned Illicit Streaming Devices that operate on the Android operating system and run various applications that allow users to stream programmes without the authorisation of the Plaintiffs. Similar blocking orders were granted by the High Court as seen above in respect of piracy websites.



1. Update on Implementation of the Madrid Protocol in Thailand

Since Thailand's adoption of the Madrid system over 6 months, in terms of number of applications, there has been a six-fold increase in international registrations. This suggests that more brands will consider seeking trademark protection in Thailand now that they may do so through the Madrid system.

Currently, there is a "Madrid Application Receiving Office" working group that has been formed to handle both inbound and outbound international registrations ("IR"). The working group has adopted the Thai Trademark Office's Classification Index of Goods and Services as a reference when examining the description of goods/services for IRs. In the future, it is possible that the Department of Intellectual Property may collaborate with WIPO to provide the Classification Index database for the public to check acceptability under Thai practice.

Before deciding to obtain trademark protection in Thailand, the applicant may consider whether their marks are better-suited for IR or national applications. For example, the Madrid System is most suitable for clearly distinctive marks as these applications should proceed easily. On the other hand, applications for weaker marks may run into issues, delays and refusals, which may result in a greater cost than filing individual national applications.

2. Destruction of Counterfeits

Last September, a Destruction Ceremony was held by the Department of Intellectual Property at the Army Air Defense Command at Don Mueang, Bangkok. A total of 2,101,347 counterfeit products, with the total value of such items approximately THB 1.3 billion (USD 40 million), were destroyed in this ceremony. By permanently destroying counterfeit goods, the government can ensure such goods cannot re-enter the market. Doing so in such a public manner should inspire current and would-be infringers to rethink their activities. Moreover, IP right owners and their agents should feel encouraged to cooperate with government and police officials in their effort to continue seizing and destroying counterfeit goods and otherwise cracking down on infringement in Thailand.



1. Counterfeit goods seized in Philippines in 2018

In celebration of the National Intellectual Property Rights Month this April 2019, the Philippine Intellectual Property Office (**IPO**) reported that various agencies under the National Committee on Intellectual Property Rights (NCIPR) were able to seize counterfeit goods amounting to a total of about PHP23.6 Billion (approximately USD456.9 Million) in 2018, compared to only about PHP8.2 Billion (approximately USD158.75 Million) the previous year. According to the IPO, the top counterfeit products seized were cigarettes / alcohol, pharmaceutical and personal care products, handbags / wallets, optical media, and footwear.

The NCIPR is an inter-agency body tasked to formulate and implement plans and policies, as well as strengthen the protection and enforcement of intellectual property rights in the country. The Department of Trade and Industry (DTI) acts as Chair and the Intellectual Property Office (IPO) as Vice-Chair. The other members are the Department of Justice (DOJ), Department of the Interior and Local Government (DILG), Bureau of Customs (BOC), National Telecommunications Commission (NTC), National Bureau of Investigation (NBI), Philippine National Police (PNP), Optical Media Board (OMB), National Book Development Board (NBDB), Food and Drug Administration (FDA), and Office of the Special Envoy on Transnational Crime (OSETC).

2. National Privacy Commission extends Phase 2 registration and suspends the requirement to submit the Annual Security Incident Report

On 22 January 2019, the National Privacy Commission (**NPC**) announced that personal information controllers and processors that completed at least the registration of their Data Protection Officers (*Phase 1*) are not required to renew their registrations for 2019. The validity of their registrations is extended until **8 March 2020**. They are also entitled to official digital certificates of registration, available upon request with the NPC.

Personal information controllers and processors covered by mandatory registration under NPC Circular 17-01 that have not completed Phase 1 are still required to register their Data Protection Officers with the NPC, either manually or by email, in order to avoid possible liabilities.

On 21 March 2019, the NPC also published an announcement that the submission of the Annual Security Incident Report (ASIR) covering the calendar year 2018 has been postponed indefinitely, pending the revision of some of its key processes with a view to enhancing reportorial efficiency and harmonizing documents submissions with the Department of Information and Communications Technology. Personal information controllers and processors are advised to continue documenting security incidents as usual and stay updated on related NPC issuances.

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