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The Return of the Dependent Claims and Patents Act: A New Hope

“You must unlearn what you have learned” – Yoda, The Empire Strikes Back (Episode V)

Whilst we wait, in anticipation, for the release of the final episode of Star Wars in December this year, let us tell you about recent developments in patent laws in Malaysia which have gotten practitioners and the industry in Malaysia all excited.

The Return of Dependent Claims

The Federal Court of Malaysia’s decision in [Merck Sharp & Dohme Group & Anor v Hovid Berhad \(“Merck”\)](#) was worth the wait as it addresses the “aftershock” from the decision in [SKB Shutters Manufacturing Sdn Bhd v Seng Kong Shutters Industries Sdn Bhd & Anor \[2015\] 6 MLJ 293 \(“SKB Shutters”\)](#).

The majority departed from the principle established in SKB Shutters wherein dependent claims would automatically be invalidated upon the independent claim being held invalid and the only way the dependent claims can survive is if the dependent claims are re-drafted to incorporate the features of the independent claim.

The majority in the Federal Court noted that the position taken by SKB Shutters is inconsistent with patent practice in other jurisdictions globally and was based on “incomplete consideration of the law relating to the invalidation of claims”. In the final conclusion, the majority in the Federal Court held that each dependent claim must be assessed separately and dependent claims will not automatically fall merely on the finding that the independent claim is invalid.

Brief background

The plaintiffs (also the appellants in the present appeal) brought a suit against the defendant (the respondent therein) for patent infringement of Malaysian Patent No. MY-118194-A (the “194 Patent”). The invention relates to the use of alendronate in oral form as a medicament for inhibiting bone resorption in humans. The claims comprise of one independent claim (“Claim 1”) and twenty-one dependent claims that were dependent on Claim 1. The defendant denied the alleged infringement and launched a counterclaim for declaration that the 194 Patent was invalid.

The High Court dismissed the infringement claim against the defendant and declared that the 194 Patent was invalid on the ground of obviousness. The learned judge went on to hold that all dependent claims related to the 194 Patent fell as the independent claim was invalid. The plaintiffs appealed to the Court of Appeal but it was dismissed unanimously.

The dismissal led to the present appeal before the Federal Court and the sole question posed before the Federal Court was whether the dependent claims would automatically be invalidated following the invalidation of the independent claim as held in SKB Shutters.

In arriving at its decision, the majority in the Federal Court distinguished two forms of claims which entail different consideration when determining the interdependency and validity of the claims, namely –

1. Type 1 claim which refers to independent claims that are broad and general and the dependent claims would be subsets of the independent claims; and

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2. Type 2 claim which refers to independent claims that do not include all features listed in the specification and the dependent claim would include additional features causing it to be more specific and having a narrower scope.

If the claims are of Type 1 and the basis of challenge relates to the lack of inventive step or novelty, their Lordships held that, when the independent claim is invalidated, the dependent claims may be declared invalid only after the trial court has heard and considered evidence to this effect.

As for type 2 claims and when the basis of opposition relates to prior art, upon the invalidation of an independent claim, the dependent claims must be treated separately in order to determine their validity as the dependent claim may have additional features that are not anticipated by the prior art.

The majority followed the position taken by Laddie J in [Raychem Corp's Patents \[1998\] 2 RPC 31](#) where in a patent invalidity suit, the party seeking declaration of invalidation has to adduce evidence to proving the invalidity of all claims, independent and dependent claims alike.

On other bases of challenges in an invalidation action, i.e. insufficiency of disclosure and ambiguity, the court is required to undertake the evidential process to consider the language and structure of all claims in order to determine the scope and validity of each claim.

Another point to note is that the majority in the Federal Court construed section 56(3) of the Patents Act 1983 (the "Act") as allowing for partial validity and that the court is implicitly empowered to order amendment of surviving claims. It was also held that Section 79A(3) of the Act only prohibits the Registrar from recording or registering amendments during the invalidation proceedings but does not out-rightly prevent amendments to be applied for during proceedings, and made after proceedings.

As the matter was remitted to the High Court to determine the validity of each dependent claims on the ground of obviousness, the fate of the 21 dependent claims are yet to be unfolded. Nevertheless, the above changes are crucial to restore certainty to the patent practice.

Patents Act: A New Hope

Following closely is another long awaited development i.e. amendments to the Malaysian Patents Act. MyIPO (Intellectual Property Corporation of Malaysia) has recently held a consultation session with members of industry and invited comments and feedback on proposed amendments to the Act, which include, amongst others, provisions to allow for accession to the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure (Budapest Treaty), provisions to incorporate Article 31bis of the TRIPS Agreement in respect of compulsory licensing, introduction of third party observation and post-grant opposition, monetisation and securitisation of patents and amendments of patents during court proceedings. It is anticipated that the amendments will be implemented as early as 2020 if all goes to plan.

If you have any queries on the above developments, please feel free to contact [Ong Boo Seng](#), [Demi Liew](#) or the [ZICO IP](#) partner you usually deal with.