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The Other Patent: The Eza Carpet Distributor Case & The Future Of Utility Innovation In Malaysia

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When most people hear the term "invention," they immediately think of patents. Yet, nestled alongside patents is a lesser known but equally important form of protection: utility innovation (UI). Also known in other jurisdictions as utility models, petty patents, design patents or innovation patents, UI provides a viable alternative for protecting technical advancements that may not meet the stringent standards of patentability.

What Exactly Is An UI?

Under the Section 17 of the Patents Act 1983 (PA 1983), an "utility innovation" is defined as "*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 as invention*".

Section 17A(1) of the PA 1983 clarifies that the provisions of the PA 1983 apply to UI with necessary modifications as set out in the Second Schedule. As such, UI shares many legal characteristics with patents. For instance, the scope of protection is defined by the claims and expert evidence may be relied upon for claim construction.

The key distinction lies in the inventive step. Unlike patents, UI does not require an inventive step. This means that UI serves as a more accessible and practical option for innovators whose creations may not reach the threshold of inventiveness but still offer technical improvements with industrial application. UI is particularly suitable for minor innovations that deliver functional and commercial value.

The UI regime also features simplified registration procedures, lower costs, and shorter processing times, making it especially attractive to small and medium-sized enterprises (SMEs) and individual inventors.

Despite these advantages, UI remains an underexplored area in Malaysia, with relatively few judicial decisions dealing with its infringement or invalidation. The recent High Court decision in *Eza Carpet Distributor Sdn Bhd v Trocellen SEA Sdn Bhd* [2025] MLJU 1366 stands as the leading authority on UI protection. This case will almost certainly serve as a leading precedent on the infringement and invalidation of UI and will likely be cited in future disputes involving UI rights.

Brief Facts

Eza Carpet Distributor Sdn Bhd (Plaintiff) held Utility Innovation No. MY 152248 A (UI 248) titled "Foam Backed Carpet Cushion" with the claim:

> "*A foam backed carpet cushion roll installation extending over a total length of an installation area, comprised of a layer of foam material and a layer of textile surface, characterized in that the layer of foam material is foam based crosslinked polyethylene, being secured directly beneath the layer of textile surface.*"

The Plaintiff alleged that the Defendant's Trocellen carpet underlay products infringed UI 248 by using foam based crosslinked polyethylene without the requisite textile layer. The Defendant counterclaimed, seeking invalidation of UI 248 on grounds of lack of novelty and non-compliance with statutory requirements and a declaration that the infringement claim was time barred.

High Court's Decision

Invalidation

Firstly, regarding novelty, the High Court reviewed four prior arts cited by the Defendant with the aid of experts pursuant to Section 45 of the EA 1950, playing as the role of "Persons Ordinary Skilled In the Art'. The court found that UI 248 was not anticipated by the four cited prior arts, thus, UI 248 was held to be novel.

Secondly, on statutory compliance, the court held that "installation" in the claim was a noun, not a verb, confirming that the UI was a product UI, not a method UI. The Defendant's argument that the phrase "extending over a total length of an installation area" was vague was rejected. The court interpreted the phrase as referring to "the area where the carpet, which the underlay supports, is installed", consistent with the specification and illustrations. Accordingly, the description was concise, enabling and sufficient for a product UI, allowing a skilled person to reproduce the invention without undue experimentation, thus, satisfying the statutory requirements.

Thirdly, regarding the scope of amendments, the Defendant argued that converting a multi-claim patent application into a single-claim UI contravened Section 30(3A) of the PA 1983. The court disagreed, holding that the UI application, governed by the modifications under the Second Schedule constituted a separate application. The reduction to a single claim did not extend beyond the original disclosure but merely ensured compliance with the formal requirements of an UI application.

Infringement

Having dismissed all grounds of invalidation, the court proceeded to consider the infringement claim. It first addressed the issue of timeliness, holding that the Defendant's ongoing manufacture and sale of the accused underlay products meant the action was not time-barred under the two-year limitation period as each new act of sale constituted a fresh instance of infringement, thereby keeping the claim alive.

The court applied the three established patent infringement tests (equally applicable to UI infringement) in the following sequence to the Defendant's product:

(a) Essential Integers Test, which requires that every essential "feature" (for patents) or "integer" (for UIs) of the claim be present in the accused product.

In this case, "a layer of textile surface" was identified as one of the essential integers. However, the Defendant's product substituted reinforced aluminium foil in place of a textile layer. As this essential integer was absent, the Court found that the Defendant's products did not infringe UI 248 under the Essential Integers Test.

(b) Improver Test, which allows for non-material variations to be considered where certain features in the claim are absent in the alleged infringing product or method.

In this case, the Defendant's products did not contain any textile surface nor was there any variant in the Defendant's products that could be regarded as a functional equivalent to the textile surface claimed in UI 248. Accordingly, the court found that the Defendant's products did not infringe UI 248 under the Improver Test.

(c) Actavis Test, the UK Supreme Court's reformulation of the Improver Test, where to establish infringement, a patentee must demonstrate that the answers to the following first two questions are "yes", and the answer to the third question is "no":

(i) Notwithstanding that it was not within the literal meaning of the relevant claim(s) of the patent, did the variant achieve substantially the same result in substantially the same way as the invention, i.e. the inventive concept revealed by the patent?

(ii) Would it be obvious to the person skilled in the art, reading the patent at the priority date, but knowing that the variant achieved substantially the same result as the invention, that it did so in substantially the same way as the invention?

(iii) Would such a reader of the patent have concluded that the patentee nonetheless intended that strict compliance with the literal meaning of the relevant claim(s) of the patent was an essential requirement of the invention?

The court found that the aluminium foil used in the Defendant's underlay did not replicate the foam-textile interaction central to UI 248. Nor would a skilled person consider the foil an equivalent to a textile surface. Thus, the Defendant's products were held not to infringe UI 248 under the Actavis Test.

As the Defendant's product failed all three infringement tests, together with the fact that Plaintiff's claim was not time-barred, the court dismissed both the Plaintiff's infringement action and the Defendant's counterclaim for invalidation.

Commentary

In an innovation ecosystem driven by continuous, incremental improvements, awareness of the UI regime is essential. Innovators should consider utility innovations alongside patents when formulating their IP strategies, ensuring that even modest but commercially valuable advancements are afforded legal protection. With the ruling in *Eza Carpet Distributor Sdn Bhd v Trocellen SEA Sdn Bhd*, there is a clear and comprehensive judicial blueprint for the enforcement and validity of UIs, empowering innovators to protect their creations and assert their rights with confidence.

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