



ICLG

The International Comparative Legal Guide to:

Trade Marks 2013

2nd Edition

A practical cross-border insight into trade mark work

Published by Global Legal Group, with contributions from:

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London SE1 3PL, UK
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Email: info@glgroup.co.uk
URL: www.glgroup.co.uk

GLG Cover Design

F&F Studio Design

GLG Cover Image Source

Global Legal Group

Printed by

Ashford Colour Press Ltd
May 2013

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ISBN 978-1-908070-59-3

ISSN 2049-3118

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Malaysia



Su Siew Ling



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1 Relevant Authorities and Legislation

1.1 What is the relevant Malaysian trade mark authority?

The Intellectual Property Corporation of Malaysia (MyIPO) administers and oversees all IP related legislation in Malaysia including trade marks. The Registry of Trade Marks is a division within MyIPO that is responsible for the registration of trade marks.

1.2 What is the relevant Malaysian trade mark legislation?

The governing legislation is the Trade Marks Act 1976 (“TMA”) and the Trade Marks Regulations 1997. The Trade Descriptions Act 2011 (“TDA”) is relevant as it provides registered trade mark owners with administrative remedies in the enforcement against infringing or counterfeit goods.

2 Application for a Trade Mark

2.1 What can be registered as a trade mark?

Generally, for a trade mark to be registrable, it must consist of at least one of the following particulars:

- (i) name of a person, firm, or company, represented in a special manner;
- (ii) signature of the applicant or of some predecessor in his business;
- (iii) an invented word or words;
- (iv) words with no direct reference to the character or quality of the goods or services not being, according to its ordinary meaning, a geographical significance or a surname; and
- (v) any other distinctive mark.

2.2 What cannot be registered as a trade mark?

The following are non-registrable trade marks:

- (i) Marks which are identical or similar to a registered trade mark and likely to confuse or deceive the public.
- (ii) Marks which contain scandalous or offensive matters.
- (iii) Marks which are contrary to law.
- (iv) Marks which contain elements which are prejudicial to the interest or security of the nation.
- (v) Marks which are confusingly similar to well-known trade marks.

- (vi) Marks containing misleading geographical indications as to its origin.
- (vii) Representations of any international organisation, state, city, society, body corporate, institution, person, etc. without consent.
- (viii) Marks which have a direct reference to the character or quality of the goods or services.
- (ix) A name of a single chemical element or compound.
- (x) Marks which contain or consist of the word or words, “Patent”, “Patented”, “By Royal Letters Patent”, “Registered”, “Registered Design” and “Copyright”, “Registered Trade Mark” or “Registered Service Mark” or words with like effect in any language.
- (xi) The word “BUNGA RAYA”, which is the national flower and representations of the hibiscus.
- (xii) Representations or references to the King or State Ruler.
- (xiii) Representations of any of the royal palaces or of any building owned by any government.
- (xiv) The word “ASEAN” and representations of their logo.
- (xv) The words “RED CRESCENT” or “GENEVA CROSS” and representations of these and other crosses in red, or of the Swiss Federal Cross in white or silver on a red background.

2.3 What information is needed to register a trade mark?

To register a trade mark, the following particulars or documents are required:

- (i) representation of the mark;
- (ii) specification of goods or services;
- (iii) class;
- (iv) full name and address of the applicant;
- (v) a copy of the priority document if priority is claimed (may be furnished later);
- (vi) if the mark contains words in non-Roman characters or in a language other than English or Malay, a certified transliteration and translation of the foreign language (may be furnished later); and
- (vii) a Statutory Declaration (needs to be notarised but not legalised) signed by the applicant or its representative that the applicant is the *bona fide* proprietor of the mark and that the application is filed in good faith (may be furnished later).

Multiclass applications are not available in Malaysia.

2.4 What is the general procedure for trade mark registration?

Once the application is lodged with the Registry of Trade Marks, it will undergo first the formalities examination to ensure that all

supporting documents such as the Statutory Declaration, priority document or certified translation and transliteration, where applicable, have been duly filed. Once the formalities are fully complied with, the application will undergo substantive examination for compliance with the requirements of registration under the TMA.

If there are no objections by the Examiner, the mark will proceed to publication upon payment of registration fees. The application will be open to opposition for a period of 2 months from publication in the Government Gazette. If there is no opposition, the Certificate of Registration will be issued within 3 to 6 months after the expiration of the opposition period.

If the application is met with objections, then the applicant will be given 2 months to respond by way of filing a written submission. If the objections are maintained, the applicant is given an opportunity to request a hearing before the Examiner or to file further written arguments. The request for a hearing or to file further written arguments must be made within 2 months from the date of notification by the Registry of the maintained objections. The hearing date will subsequently be notified to the applicant. Further arguments or evidence of use may be submitted during the hearing. If the application is refused after the hearing, the applicant is given the right of appeal to the High Court.

All deadlines set by the Registrar are extendible by payment of the prescribed fees.

2.5 How can a trade mark be adequately graphically represented?

A representation of the mark which is clear and durable must be affixed to the application form. If the mark is to be applied in colour, sufficient indication has to be provided. Where a trade mark is registered without any limitations as to colour (i.e. black and white), it is deemed to be registered in all colours.

2.6 How are goods and services described?

The classification of goods and services is in accordance with the International Classification of Goods and Services under the Nice Agreement which Malaysia acceded to in 2007. Class headings are only permitted in certain classes such as classes 18, 25, 28 and 29.

2.7 What territories (including dependents, colonies, etc.) are or can be covered by a Malaysian trade mark?

Only Malaysia can be covered by a Malaysian trade mark.

2.8 Who can own a Malaysian trade mark?

Any person, whether a Malaysian citizen or not, who is the owner of a used trade mark, who uses the trade mark or proposes to use the trade mark, may apply for registration. The owner may be any individual, company or organisation.

2.9 Can a trade mark acquire distinctive character through use?

It is possible to acquire distinctiveness through use by adducing evidence of use of at least 3 years prior to the application.

2.10 How long on average does registration take?

The entire registration process could take between 2 to 3 years, but

longer in the event of objections or complications.

There are currently provisions for expedited examination under the TMA. A request must be filed within 4 months with supporting grounds in the form of a Statutory Declaration. The grant of an expedited examination may be based on the following grounds:

- (i) national or public interest;
- (ii) evidence of potential infringement or ongoing infringement proceedings;
- (iii) registration is a condition to obtaining monetary benefits from the Government or institutions recognised by the Registrar; or
- (iv) other reasonable grounds.

Once approved, the applicant will pay the prescribed fee and the application will undergo examination.

2.11 What is the average cost of obtaining a Malaysian trade mark?

The official fees for the smooth registration of a trade mark are RM1,020. If the application proceeds by way of expedited process, the official fees for the smooth registration are RM2,470.

2.12 Is there more than one route to obtaining a registration in Malaysia?

There are two routes: one is the conventional route; and the other is the expedited route as explained in question 2.10 above.

2.13 Is a Power of Attorney needed?

No Power of Attorney is needed.

2.14 How is priority claimed?

The applicant must state in the application form details of the foreign application upon which priority is claimed, namely, the relevant country, application number and filing date. A copy of the certified priority document together with its English translation (if the application is in another language) must be filed as soon as is reasonably practicable or otherwise, the formalities would not be completed.

2.15 Does Malaysia recognise Collective or Certification marks?

Malaysia recognises Certification marks, but currently has no express provisions for the registration of a Collective mark.

3 Absolute Grounds for Refusal

3.1 What are the absolute grounds for refusal of registration?

The grounds for refusal of registration are not expressly divided into absolute or relative grounds. There are grounds expressly provided in the TMA which prohibit the registration of trade marks. These are the following grounds which are akin to absolute grounds of refusal:

- (i) The mark is not distinctive (s 10).
- (ii) The grounds which are provided in s 14 of the TMA are as follows:

- a. use of the mark is likely to deceive or cause confusion to the public or would be contrary to law;
- b. the mark contains or comprises any scandalous or offensive matter or would otherwise not be entitled to protection by any court of law;
- c. the mark contains a matter which might be prejudicial to the interest or security of the nation;
- d. the mark contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication is of such a nature as to mislead the public as to the true place of origin of the goods; and
- e. if it is a mark for wine which contains or consists of a geographical indication identifying the wine, or is a mark for spirits which contains or consists of a geographical indication identifying the spirits, not originating in the place indicated by the geographical indication in question.

3.2 What are the ways to overcome an absolute grounds objection?

To overcome an absolute grounds objection, any evidence contrary to the grounds of refusal can be submitted to the Registrar. If the mark is considered to be non-distinctive, the applicant may adduce evidence that the mark has become distinctive through use. Also, evidence of registration in Commonwealth jurisdictions would be useful in showing capability of registration. However, such evidence is of a persuasive nature and not legally binding.

3.3 What is the right of appeal from a decision of refusal of registration from the Intellectual Property Office?

There is a right of appeal to the High Court against the refusal of registration by the Registrar.

3.4 What is the route of appeal?

The applicant must request the grounds of the decision by the Registrar within two (2) months from the date of notification of refusal by the Registrar. From the issuance of the grounds, the applicant must lodge an appeal within one (1) month to the High Court by way of an Originating Summons supported by an affidavit.

4 Relative Grounds for Refusal

4.1 What are the relative grounds for refusal of registration?

The relative grounds for refusal of registration include the following:

- (i) If the mark is identical with a prior trade mark belonging to a different proprietor in respect of the same goods or description of goods or in similar services (s 19).
- (ii) If the mark so nearly resembles such a trade mark that is likely to deceive or cause confusion (s 19).
- (iii) If the mark is identical with or so nearly resembles a mark which is well-known in Malaysia for the same goods or services of another proprietor (s 14(1)(d)).
- (iv) If the mark contains a well-known and registered mark in Malaysia for goods or services not the same to those under application, provided that the use of the mark in relation to those goods or services would indicate a connection between the goods and services of the proprietor of the well-known

trade mark and the interests of the proprietor of the well-known mark are likely to be damaged by such use (s 14(1)(e)).

4.2 Are there ways to overcome a relative grounds objection?

To overcome a relative grounds objection, other than arguing that the marks are dissimilar or applied for in relation to different types of goods or services, the Registrar may accept letters of consent issued by the proprietor of the cited mark. Arguments, based on honest concurrent use, may also be accepted. Evidence of the co-existence of the registration in other jurisdictions, coupled with continuous uninterrupted use, may also persuade the Registrar to accept the later mark.

4.3 What is the right of appeal from a decision of refusal of registration from the Intellectual Property Office?

There is a right of appeal to the High Court against the refusal of registration by the Registrar.

4.4 What is the route of appeal?

It is the same as described in question 3.4 above.

5 Opposition

5.1 On what grounds can a trade mark be opposed?

A trade mark may be opposed on numerous grounds, i.e. that the trade mark is not a registrable trade mark according to the criteria which have been set out in questions 2.2, 3.1 and 4.1 above.

5.2 Who can oppose the registration of a Malaysian trade mark?

Any person may file an opposition to a Malaysian trade mark.

5.3 What is the procedure for opposition?

An opposition may be made within 2 months of publication of the applicant's mark in the Government Gazette by filing and serving a Notice of Opposition together with the grounds in support of the opposition.

The applicant will then have to file and serve a Counter Statement within 2 months from the receipt of the said Notice of Opposition.

Thereafter, within 2 months from the service of the Counter Statement, the opponent must file and serve a Statutory Declaration together with evidence in support of the opposition. The applicant shall then file its Statutory Declaration within 2 months from the date of service of the opponent's Statutory Declaration. Finally, the opponent is given the right to reply to the applicant's Statutory Declaration within 2 months thereof.

Once the Statutory Declarations are filed and served, the Registrar will then direct for written submission to be filed by both parties, followed by a hearing of the matter. The Registrar will render a decision thereafter. The decision of the Registrar is subject to an appeal to the High Court.

6 Registration

6.1 What happens when a trade mark is granted registration?

The Registrar shall issue the certificate of registration and cause the entry to be recorded on the Register of Trade Marks.

6.2 From which date following application do an applicant's trade mark rights commence?

The date of registration of a trade mark shall be the application date.

6.3 What is the term of a trade mark?

The term of a trade mark is 10 years from the date of registration, which shall be its application date. In the case where priority is claimed, the term will commence from the date of the priority.

6.4 How is a trade mark renewed?

A trade mark may be timely renewed at any time not less than 3 months before the expiration date of the registration. Renewal is affected by the completion of the requisite renewal form accompanied by the prescribed fee. Renewal after the expiration date will be subject to late payment fees. If the mark has been gazetted as having been removed for non-renewal, the registered proprietor may, within 1 year from the expiration date, apply to restore the mark to the Register subject to payment of restoration fees.

7 Registrable Transactions

7.1 Can an individual register the assignment of a trade mark?

If there has been an assignment of a trade mark, the individual who is an assignee shall apply to register the assignment with the Registry by filing the prescribed form and paying the prescribed fees. A copy of the deed of assignment must be furnished. If a deed is not available, then the assignee must affirm a statutory declaration and provide a statement of case to establish proof of his/her entitlement to the trade mark.

7.2 Are there different types of assignment?

Partial assignment is possible and each resultant division and separation of goods or services in the name of different proprietors shall be treated as separate registrations. It is also possible to assign a trade mark with or without goodwill of the business.

7.3 Can an individual register the licensing of a trade mark?

The registered proprietor shall register the licensee as a registered user by filing the prescribed form, which must be signed by both parties (or the appointed trade mark agent on their behalf) and providing basic particulars of the licence, such as the duration, commencement, if it covers exclusive, sole or non-exclusive rights, and whether all or only part of the goods or services are licensed.

7.4 Are there different types of licence?

Sole, exclusive and non-exclusive licences are recognised under the law. The TMA expressly provides for exclusive licences with special rights granted to an exclusive licensee.

7.5 Can a trade mark licensee sue for infringement?

Subject to any agreement between the licensee and the registered proprietor of the trade mark, an exclusive licensee may institute infringement proceedings in his own name as if he were the registered proprietor and shall make the registered proprietor a defendant if the proprietor refuses or neglects to bring infringement proceedings within 2 months from the request by the exclusive licensee to do so. The right to sue for infringement is therefore only reserved to an exclusive licensee under stipulated conditions.

7.6 Are quality control clauses necessary in a licence?

The registered proprietor of the trade mark must exercise control over use of the trade mark and the quality of the goods or services.

7.7 Can an individual register a security interest under a trade mark?

There is currently no provision for the registration of a security interest under a trade mark.

7.8 Are there different types of security interest?

This is not applicable – please see above.

8 Revocation

8.1 What are the grounds for revocation of a trade mark?

Generally, there is no differentiation in the language of the TMA between “revocation” and “invalidation”. A registered trade mark may be removed from the Register on various grounds.

One of the common grounds of removal is based on non-use of the registered mark as follows:

- (i) Where the trade mark was registered without intention to use in good faith and there has, in fact, been no use up to 1 month from the date of application to remove the mark.
- (ii) Where there has been no *bona fide* use of the mark for a continuous period of not less than 3 years up to 1 month before the application for its removal.

8.2 What is the procedure for revocation of a trade mark?

Revocation proceedings must be initiated in the High Court supported by an affidavit.

8.3 Who can commence revocation proceedings?

Only an “aggrieved person” may commence revocation proceedings. An aggrieved person has been judicially construed to include one whose registration is blocked by the one in suit, or who is alleged to have infringed the registered mark, or whose legitimate business is adversely affected by the registration.

8.4 What grounds of defence can be raised to a revocation action?

Grounds of defence that can be raised are that the mark has been used, or that the non-use was due to legitimate grounds.

8.5 What is the route of appeal from a decision of revocation?

The decision of the High Court is appealable to the Court of Appeal and all the way to the apex court, the Federal Court, with leave.

9 Invalidity

9.1 What are the grounds for invalidity of a trade mark?

A trade mark may be invalidated on the grounds that it was an entry made in the Register without sufficient cause or an entry that is wrongfully remaining in the Register.

The grounds of invalidity could comprise any ground which prohibits the registration of a trade mark, including the grounds as stated in questions 2.2, 3.1 and 4.1 above.

However, for a trade mark that has been registered for more than 7 years, there is a presumption of its validity and the trade mark may only be invalidated on the following grounds:

- (i) That the original registration was obtained by fraud.
- (ii) That the trade mark offends against section 14 of the TMA.
- (iii) That the trade mark was not, at the commencement of the invalidation proceedings, distinctive of the goods or services of the registered proprietor.

9.2 What is the procedure for invalidation of a trade mark?

Invalidation proceedings are generally commenced at the High Court by way of an Originating Summons supported by an affidavit.

9.3 Who can commence invalidation proceedings?

Only an “aggrieved person” has *locus standi* to commence invalidation proceedings.

9.4 What grounds of defence can be raised to an invalidation action?

Essentially, the grounds of defence would go towards countering the allegations or grounds for their invalidation, e.g. that the trade mark is distinctive and has not become generic as a result of the blameworthy conduct of the proprietor.

9.5 What is the route of appeal from a decision of invalidity?

It is the same as that expressed in question 8.5 above.

10 Trade Mark Enforcement

10.1 How and before what tribunals can a trade mark be enforced against an infringer?

Generally, there are 2 available remedies to a registered proprietor of a trade mark, which are not mutually exclusive:

- (i) By way of civil action in the form of a trade mark infringement commenced at the High Court. There is a specialised Intellectual Property High Court in Kuala Lumpur which hears all IP matters, including trade mark infringement, revocation, invalidation and appeals from the decision of the Registrar of Trade Marks.
- (ii) By way of administrative action pursuant to the TDA. In the case of a counterfeit product, the trade mark owner may lodge a complaint with the Ministry of Domestic Trade, Cooperatives and Consumerism (“MDTCC”). The Enforcement Division of MDTCC will take raid and seizure action, followed by compound/prosecution against the offender pursuant to the TDA.

If the mark is one that is not an exact imitation but merely a similar mark, the registered proprietor shall apply to the High Court for a Trade Descriptions Order (“TDO”) in order to move the MDTCC to pursue against the infringer. The TDO lasts for 1 year and is *prima facie* proof that a particular trade mark is a false trade description.

10.2 What are the pre-trial procedural stages and how long does it generally take for proceedings to reach trial from commencement?

The procedure could be summarised as follows:

- (i) After the Writ is served, the defendant has to enter his appearance within the prescribed 8 or 12 days as applicable.
- (ii) The defendant shall file his defence within 14 days from entering his appearance.
- (iii) The plaintiff may file a reply to the defence within 14 days from service of the defence.
- (iv) Pleadings are deemed closed 14 days after the filing of the reply by the plaintiff.
- (v) The plaintiff shall thereafter file a case management notice.

In practice, the IP High Court manages its cases very closely. Thus, it is common for case management to commence from the moment the plaintiff files its Writ and parties appear before the Registrar of the IP High Court for directions.

Generally, the following case management directions are issued, which the parties have to comply with prior to trial:

- (i) A statement of the issues to be tried must be filed.
- (ii) A statement of agreed facts must be filed.
- (iii) Common documents for trial, which are separated into 3 bundles (admitted, agreed and non-agreed bundles), must be filed.
- (iv) List of witnesses must be filed.
- (v) Witness statements must be filed and served before the trial.

A case is usually set down for trial within 6 months to a year from the commencement of proceedings, depending on the availability of the free dates of the Court. The current average disposal of a trade mark infringement suit is within 1.5 to 2 years from the commencement of proceedings. In cases of revocation or invalidation, where evidence is based purely on affidavits, the average disposal of such cases by the IP High Court is about 1 year.

10.3 Are (i) preliminary and (ii) final injunctions available and if so on what basis in each case?

Both preliminary and final injunctions are available, as Malaysia adopts a common law system. Other interlocutory relief available include *Anton Piller* orders and *Mareva* injunctions.

Preliminary or interlocutory injunctions are granted at the discretion of the Court. An interlocutory injunction may be obtained on an *ex parte* or *inter partes* basis.

When exercising its discretion in granting an interlocutory injunction, the Court will have regard to the following established principles:

- (i) whether there is a serious issue to be tried;
- (ii) whether damages will adequately compensate the plaintiff; and
- (iii) where the balance of convenience lies.

A final or permanent injunction will usually be granted as a matter of course to a successful plaintiff to restrain the defendant from committing acts of trade mark infringement.

10.4 Can a party be compelled to provide disclosure of relevant documents or materials to its adversary and if so how?

A party may be compelled to disclose documents by way of a discovery process. In a Writ action, discovery is done by serving notice to the other party to produce documents. If the other party refuses to disclose as such, an application may be made to the Court to compel discovery. Documents to which legal privilege is attached are not discoverable. Confidential documents may be disclosed subject to confidentiality orders of the Court.

10.5 Are submissions or evidence presented in writing or orally and is there any potential for cross-examination of witnesses?

In an action for trade mark infringement, proceedings are commenced by way of Writ and, therefore, witnesses will have to attend Court. The examination in chief is now done by way of witness statements which are taken to be read in Court. Thus, witnesses shall take the stand and be offered for cross-examination by the opposing party.

In an action for revocation or invalidation of a registered trade mark, proceedings are usually commenced by way of an Originating Summons, unless there are substantial disputes as to facts, in which the more appropriate mode of commencement would be by way of Writ. Evidence is adduced by way of affidavits in actions commenced by way of an Originating Summons. However, there are provisions for a party to apply to the Court to cross-examine a deponent of an affidavit.

At present, all arguments and submissions before the IP High Court are to be made in writing, with counsels given an opportunity to make oral arguments or clarification as the Court may direct.

10.6 Can infringement proceedings be stayed pending resolution of validity in another court or the Intellectual Property Office?

Infringement proceedings may be stayed pending resolution of the validity of a trade mark. However, as invalidation proceedings are also before the High Court, it is common for both invalidation and infringement actions to be consolidated (if they were commenced separately) and heard together, or for the party seeking invalidation to be heard first.

10.7 After what period is a claim for trade mark infringement time-barred?

An action for trade mark infringement is time-barred after 6 years from the act of infringement. However, in the case of continuing infringement, the limitation period may not actually set in, although

there could be other defences such as laches, delay or acquiescence that are available to a defendant.

10.8 Are there criminal liabilities for trade mark infringement?

Criminal liabilities for trade mark infringement are provided for under the TDA via the administrative action route as explained in question 10.1 (ii) above. Upon a successful raid and seizure action by the Ministry, the prosecution may prosecute the offender or offer a compound of the offence.

Upon conviction for false trade description, if it is a body corporate, it may be liable to a fine not exceeding RM250,000, or RM500,000 if it is the second or subsequent offence, and if it is not a body corporate, to a fine not exceeding RM100,000 or to imprisonment not exceeding 3 years or to both, and for a second or subsequent offence, to a fine not exceeding RM250,000 or to imprisonment not exceeding 5 years or to both.

10.9 If so, who can pursue a criminal prosecution?

Criminal prosecution is brought by the Public Prosecutor.

10.10 What, if any, are the provisions for unauthorised threats of trade mark infringement?

There are currently no provisions for groundless threats under the TMA.

11 Defences to Infringement

11.1 What grounds of defence can be raised by way of non-infringement to a claim of trade mark infringement?

The statutory defences to a trade mark infringement claim are as set out in s 40 of the TMA, summarised below:

- (i) use in good faith by a person of his own name or the name of his place of business;
- (ii) use in good faith by a person of a description of the character or quality of his goods or services, not being a description that is likely to be taken as importing any reference to the registered proprietor;
- (iii) continuous use in good faith from a date before the use of the registered trade mark by its proprietor, predecessors or registered user, or the registration date of the trade mark, whichever is earlier;
- (iv) use by a person in relation to goods which form part of the bulk of goods connected in the course of trade with the registered proprietor or registered user, where the registered proprietor or registered user has applied the trade mark and has not removed or obliterated it;
- (v) where use is expressly or impliedly consented to by a registered proprietor or registered user;
- (vi) use in relation to goods or services adapted to form part of, or to be accessory to, other goods or services in relation to which the trade mark has been used without infringement, if the use is reasonably necessary to indicate that the goods or services are so adapted and such use does not have the purpose or effect of indicating otherwise than in accordance with the facts in connection in the course of trade between any person and the goods or services; and
- (vii) use of one of two or more registered trade marks which are substantially identical, in exercise of the right to the use of that trade mark given by registration.

Apart from the statutory defences, the defendant may also argue that there is non-infringement, in that the marks are distinguishable, will not likely deceive or cause confusion or that the defendant has not used the mark as a trade mark.

11.2 What grounds of defence can be raised in addition to non-infringement?

The defendant will usually seek to revoke or invalidate a registered trade mark as a defence to an infringement action and this is typically done by way of a counterclaim to the infringement action.

12 Relief

12.1 What remedies are available for trade mark infringement?

The reliefs available for a trade mark infringement action include damages for losses, a permanent injunction to prevent future infringement, delivery up and/or destruction of the infringing items, discovery of all relevant information and documents in connection with the infringement and legal costs. In the case of counterfeits or blatant infringement, the Court has also granted relief in the form of a public apology by the infringer, but this is not a remedy that is granted as of right.

12.2 Are costs recoverable from the losing party and if so what proportion of the actual expense can be recovered?

Costs are usually awarded to the winning party and will be taxed by the Court. The successful party is typically expected to recover only between 40% to 60% of actual incurred legal costs and expense.

13 Appeal

13.1 What is the right of appeal from a first instance judgment and is it only on a point of law?

The right of appeal from a first instance judgment is to the Court of Appeal in respect of the whole or any part of judgment, and can be based on a point of fact or law, or both.

However, an appeal from the Court of Appeal to the Federal Court can only be based on a point of law, and leave to appeal must be sought.

13.2 In what circumstances can new evidence be added at the appeal stage?

New evidence is generally not admissible at the appeal stage and Malaysia adopts the English principles laid down in the case of *Ladd v Marshall* where it can be shown that the evidence could not have been obtained with reasonable diligence for use at trial, the evidence would probably have an important influence on the result of the case, and that the evidence must be apparently credible, although it need not be incontrovertible.

14 Border Control Measures

14.1 What is the mechanism for seizing or preventing the importation of infringing goods or services and if so how quickly are such measures resolved?

The TMA provides for an application by a registered proprietor to apply to the Registrar to restrict the importation of counterfeit trade mark goods. Upon approval, the said importation is prohibited for 60 days and the Registrar shall take all necessary measures to prevent such importation by notifying the Customs. Due to the requirement to disclose particulars such as the time and place in which counterfeit trade mark goods are to be imported, as well as undertakings given by the registered proprietor, the border control provision under the TMA is hardly, if ever, invoked.

In practice, a trade mark owner may request Customs authorities, who are empowered to do so on an *ex officio* basis, to detain the suspected infringing goods or services.

15 Other Related Rights

15.1 To what extent are unregistered trade mark rights enforceable in Malaysia?

Unregistered trade marks are protected in common law through the tort of passing off. The common law owner must establish the requisite goodwill in Malaysia with respect to the business conducted under or by reference to the common law mark. Passing off is actionable against a third party who has misappropriated the goodwill of the proprietor, has misrepresented to the trade and public, leading to deception and confusion or the likelihood thereof, and caused damage to the goodwill and trade of the common law owner.

15.2 To what extent does a company name offer protection from use by a third party?

Mere registration of a company name does not offer protection from use by a third party. If the company name is not a registered mark, then the owner must rely on common law rights, which would arise by virtue of use of the company name in relation to the business in Malaysia.

15.3 Are there any other rights that confer IP protection, for instance book title and film title rights?

No, there are not.

16 Domain Names

16.1 Who can own a domain name?

Organisations are allowed to apply for “.com.my”, “.net.my” and “.org.my” domains. Malaysian individuals aged 18 and above can own personal domains (“.name.my”). Second level domains (“.my”) can be registered by all Malaysian entities whether organisations or individuals as they are free from categorisation. Only certified agencies under the education, military and government sectors may apply for “.edu.my”, “.mil.my” and “.gov.my” domains respectively.

16.2 How is a domain name registered?

A domain name is registered through the Malaysian Network Information Centre Berhad (MYNIC), which is the sole administrator and registrar for “.my” domains. Applications for “.edu.my”, “.gov.my” and “.mil.my” have to be submitted online via the MYNIC domain Registry’s online system. Applications for “.com.my”, “.net.my”, “.org.my” and “.name.my” domain names are done through MYNIC’s officially appointed resellers. Supporting documents must be submitted within 14 days from registration. Successful registrants will then be notified and invoiced.

16.3 What protection does a domain name afford *per se*?

Once a domain name has been registered, there can be no identical domain name with a “.my” prefix. The domain name will remain unique to the registered user so long as the subscription is paid.

If a domain name is identical or similar to a trade mark or service mark in which the proprietor has rights to, or if the domain is being used in bad faith, the dispute can be brought to the Kuala Lumpur Regional Centre of Arbitration (KLRCA) by submitting a complaint and paying the prescribed fees. In cases where disputes are not resolved at the KLRCA, the complainant may institute proceedings at the Court, resort to arbitration, or any other dispute resolution process as agreed by both parties.

Available remedies through proceedings at the KLRCA are the transfer of registration of the domain name to the complainant or deletion of the registration. Damages and compensation are only available through court action or arbitration proceedings.

17 Current Developments

17.1 What have been the significant developments in relation to trade marks in the last year?

The Federal Court, in a landmark decision last year in the case of *LB Confectionery v. QAF*, held that the right of a permitted user/licensee to use a registered trade mark is effective on the date of authorisation/licence; and not when it applies to be recorded as a registered user. Use by a permitted user/licensee is therefore deemed as use by the registered owner from the date of authorisation/licence. The Court also held that an infringer could not be an “aggrieved party” within the meaning of the TMA for cancellation purposes. This decision has cast uncertainties in the *locus standi* of a party being sued for trade mark infringement in counterclaiming for invalidation of a mark. Being a decision of the highest court in the country, it will be binding on all proceedings in the lower courts.

In the case of *Yong Teng Hing B/S Hong Kong Trading Co v. Walton International Limited*, the Federal Court affirmed that priority to a trade mark is not necessarily accorded to the first user to file the trade mark. Further, the Court held that a well-known mark used in relation to goods in a different class, can be the basis of opposition against registration of a similar mark in a different class.

17.2 Are there any significant developments expected in the next year?

There are plans for Malaysia to join the Madrid Protocol as the Ministry has previously given informal indications that this might take place sometime this year.

There is also likely to be a new Act replacing the current TMA, to bring the provisions of the trade mark law up to date with the current international trade mark regime such as the introduction of non-traditional marks, security interests and accession to the Madrid Protocol.

17.3 Are there any general practice or enforcement trends that have become apparent in Malaysia over the last year or so?

Over the past year, the MDTCC has made significant efforts in implementing and enforcing the “Basket of Brands” programme introduced in early 2012. As of October last year, 95 trade mark owners have registered their brands under the programme. The “Basket of Brands” programme is aimed at ridding the market of counterfeit goods.

The MDTCC also has plans to further intensify its counterfeiting awareness campaign among the public and schoolchildren in a bid to combat the distribution of counterfeit items. The objective of the MDTCC is to ensure that, at an early age, the public is aware of the roles and powers of a consumer in preventing such distribution.

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