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The International Comparative Legal Guide to:

Trade Marks 2015

4th Edition

A practical cross-border insight into trade mark work

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EDITORIAL

Welcome to the fourth edition of *The International Comparative Legal Guide to: Trade Marks*.

This guide provides corporate counsel and international practitioners with a comprehensive worldwide legal analysis of trade mark laws and regulations.

It is divided into two main sections:

One general chapter entitled “BRIC Economies: Another BRIC in the Wall of Global IP Standards?”.

Country question and answer chapters. These provide a broad overview of common issues in trade mark laws and regulations in 42 jurisdictions.

All chapters are written by leading trade mark lawyers and industry specialists and we are extremely grateful for their excellent contributions.

Special thanks are reserved for the contributing editor John Olsen of Locke Lord (UK) LLP for his invaluable assistance.

Global Legal Group hopes that you find this guide practical and interesting.

The International Comparative Legal Guide series is also available online at www.iclg.co.uk.

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Malaysia



Tay & Partners

Bee Yi Lim

1 Relevant Authorities and Legislation

1.1 What is the relevant Malaysian trade mark authority?

The Intellectual Property Corporation of Malaysia (MyIPO) is empowered to exercise oversight and supervision over the Office of the Registrar of Trade Marks with regard to all matters relating to intellectual property in Malaysia, including trade marks.

1.2 What is the relevant Malaysian trade mark legislation?

Trade mark protection is governed by the Trade Marks Act (TMA) 1976 and the Trade Marks Regulations 1997. The Trade Description Act 2011 was enacted to promote good trade practices by providing additional protection and remedies for registered trade mark owners against trade mark infringement and counterfeiting.

2 Application for a Trade Mark

2.1 What can be registered as a trade mark?

A mark which constitutes a device, brand, heading, label, ticket, name, signature, word, letter, numeral or any combination thereof is registrable as a trade mark provided that it contains or consists of at least one of the following particulars:

- (a) the name of an individual, company or firm represented in a special or particular manner;
- (b) the signature of the applicant for registration or of some predecessor in his business;
- (c) an invented word or words;
- (d) a word having no direct reference to the character or quality of the goods or services not being, according to its ordinary meaning, a geographical name or surname; or
- (e) any other distinctive mark.

2.2 What cannot be registered as a trade mark?

A mark is non-registrable if it contains any of the following traits:

- (a) prohibited mark which will likely deceive or cause confusion to the public;
- (b) contrary to law;
- (c) scandalous or offensive matter;
- (d) prejudicial to the interest or security of the nation;

- (e) identical with or so nearly resembles a mark which is well-known in Malaysia for the same goods or services of another proprietor;
- (f) if it is well-known and registered in Malaysia for goods or services not the same as to those in respect of which registration is applied for:
 - provided that the use of the mark in relation to those goods or services would indicate a connection between those goods or services and the proprietor of the well known mark are likely to be damaged by such use;
- (g) misleading geographical indication with respect to goods as to its origin;
- (h) misleading geographical indication with respect to wines and/or spirits as to the origin;
- (i) the word or words “Patent”, “Patented”, “By Royal Letters Patent”, “Registered”, “Registered Design”, “Registered Trade Mark”, “To counterfeit this is a forgery”, “Registered Service Mark” and “Copyright” or a word or words to the like effect in any language whatsoever;
- (j) specifically declared by the Minister in any regulations made under the 1976 Act to be a prohibited mark;
- (k) the words “Bunga Raya” and the representations of or any colourable imitation of the hibiscus flower;
- (l) representations of or references to the King or State Ruler;
- (m) representations of, colourable imitation of or references to any of the royal palaces or any building owned by the Federal Government, State Government or any other government;
- (n) the word “ASEAN” and the representation or colourable imitation of its logo;
- (o) 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 ground, or such similar representations;
- (p) representations of, or mottoes of or words referring to the royal/imperial arms, crest, armorial bearings/insignia/devices resembling any of them;
- (q) representations of, or mottoes of or words referring to the imperial/royal crowns, royal/imperial/national flags;
- (r) representations of, or mottoes of or words referring to the crests, armorial bearings or insignia of the Malaysian Army, Royal Malaysian Navy, Royal Malaysian Air Force and of the Royal Malaysia Police, or devices so nearby resembling them;
- (s) representations of the name, initials, armorial bearings, insignia, orders of chivalry, decorations or flags of any international organisation, state, city, borough, town, place, society, body corporate, institution or person appears on a mark;

- (t) a name of a single chemical element or compound;
- (u) non-distinctive; and
- (v) direct reference to the character or quality of the goods or services.

2.3 What information is needed to register a trade mark?

Registration of a trade mark requires the following information to be provided:

- (a) a representation of the mark;
- (b) the class of goods or services;
- (c) a list of goods or services;
- (d) the full name and address of the applicant;
- (e) the full name and address of the trade mark agent and his registration number and reference (if applicable);
- (f) the priority date, Convention country registration number for an International Convention priority claim (if applicable);
- (g) the date of the first use of the mark in Malaysia (if applicable);
- (h) a statutory declaration 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; and
- (i) endorsement of the application with a certified transliteration and/or translation of the mark which contains non-Roman characters.

2.4 What is the general procedure for trade mark registration?

Once the application for trade mark registration is filed with the Registrar, it will be subjected to two stages of examination. The first stage of examination, which is procedural in nature, is concerned with the formalities of the application in order to ascertain if the application is complete and duly supported by necessary documents with proper indication of the class of goods. Once there is full compliance with the formalities, the application will proceed to the second stage, which is substantive examination to ensure that the mark applied for complies with the requirements under the TMA 1976 by conducting a search amongst registered marks and pending applications.

The Registrar has the discretion to decide whether to accept or refuse the registration, or accept it with conditions or subject to amendments. If the registration is accepted without any objections, a notification form will be sent to the applicant and the applicant is required to sign it and return to the Registrar accompanied with a prescribed fee. Upon receipt of the payment, the mark will proceed to publication in the Government Gazette for a period of two months and it is open for opposition within this period of time. After a lapse of two months without any opposition, a sealed copy of the Certificate of Registration will be issued to the applicant.

Where the application is objected by the Registrar, the applicant will be required, within two months of the objections, to file a written submission containing arguments in support of the application, proposals, conditions, amendments, modifications or limitations. Non-compliance with the said requirement will render the application being struck out. Nevertheless, if the Registrar maintains his objections, the applicant may, within two months of the maintained objections, request a hearing. Once the hearing date is fixed, the applicant will be notified.

If the applicant is aggrieved by the Registrar's decision in the hearing, the Registrar may be required to state the grounds of his decision and any material used before reaching the decision.

If the application is accepted with conditions, the applicant is required to make certain modifications. However, if the applicant objects to the conditions imposed, the applicant is required to, within two months of the conditional acceptance, file written objections with the Registrar. Non-compliance with the said requirement will result in the application being struck out. Nevertheless, if the Registrar maintains his objections, the applicant may, within two months of the maintained objections, request a hearing. Once the hearing date is fixed, the applicant will be notified.

2.5 How can a trade mark be adequately graphically represented?

The mark must be clear and durable when it is appended to the application with a preference to the original representation of the mark instead of a photocopy one. A mark registered with colour must be endorsed with sufficient and clear indication as to the limitation of the colour. On the other hand, if a mark is registered without any colour limitation, it is deemed to be registered with any colour. The mark which is advertised must comply with the form and manner prescribed by the Registrar, including the dimensions.

2.6 How are goods and services described?

The Third Schedule to the TMR 1997 stipulates the classification of the 45 classes of goods and services which is in accordance with the International Classification of Goods and Services pursuant to the Nice Agreement, which Malaysia acceded to in 2007.

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 who is the owner of the trade mark, uses or proposes to use the trade mark is eligible to apply for registration of the mark as a proprietor. It applies to individuals, companies or organisations, and includes non-citizens of Malaysia.

2.9 Can a trade mark acquire distinctive character through use?

A trade mark can acquire distinctive character through use provided that such use is capable of distinguishing the mark from other traders by taking into consideration the period of time when the mark has been in prior existence in the market or that a secondary meaning has been acquired in law such that the public associates the mark with the goods or services.

2.10 How long on average does registration take?

The registration will take approximately two years to complete if it is a smooth application in the sense that there is no opposition, objection, and/or amendment. If the application needs to proceed by way of expedited procedure, the applicant may, within four months from the date of filing of the application, make an application for expedited examination of the registration. The application must be accompanied with a prescribed fee and supported by a

statutory declaration stating the reasons for requesting the expedited examination. Further, the applicant is required to show any of the following to the satisfaction of the Registrar:

- (a) the request is in the national or public interest;
- (b) there are infringement proceedings taking place or evidence showing potential infringement;
- (c) registration of the trade mark is a condition to obtaining monetary benefits from the Government or institutions recognised by the Registrar; or
- (d) any other reasonable grounds.

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

The average cost for a smooth registration is RM970.00. However, if the application proceeds by way of expedited procedure, the entire cost will be RM2,470.

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

The conventional route is explained in question 2.4 above whilst the other route, which is the expedited route, is explained in question 2.10 above.

2.13 Is a Power of Attorney needed?

Power of Attorney is not needed.

2.14 How is priority claimed?

The applicant is entitled to claim priority by stating in the application form the details of the foreign application which consist of the Convention country or relevant foreign country in which the application for protection was first made, the reference number and the filing date of the said application. The application for registration in Malaysia must be made within six months from the date of application of the Convention country or relevant foreign country.

2.15 Does Malaysia recognise Collective or Certification marks?

Malaysia recognises Certification marks but not Collective marks.

3 Absolute Grounds for Refusal

3.1 What are the absolute grounds for refusal of registration?

There is no express provision under the TMA 1976 to divide grounds for refusal into absolute or relative grounds although such distinction has been widely accepted. The TMA 1976 provides a list of grounds for refusal of registration as follows:

- (a) the mark is likely to deceive or cause confusion to the public or would be contrary to law;
- (b) the mark is scandalous or offensive or would 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 is identical with or so nearly resembles a mark which is well-known in Malaysia for the same goods or services of another proprietor;
- (e) the mark is identical with or so nearly resembles a mark which is well-known in Malaysia for the goods or services of another proprietor that are not the same as those in respect of which the registration is applied for;
- (f) the mark has geographical indication with respect to goods not originating in the territory indicated and if the use of the indication for such goods in Malaysia is of such a nature as to mislead the public as to the true place of origin of the goods;
- (g) the mark is for wine which has a geographical indication identifying wines, or is a mark for spirits which has a geographical indication identifying spirits, not originating in the place indicated by the geographical indication in question;
- (h) separate applications are made by different applications to be registered as proprietors respectively of trade marks which are identical or so nearly resembling each other as are likely to deceive or cause confusion;
- (i) 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; and
- (j) the mark is not distinctive.

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

To overcome the grounds of objection, the applicant is required to adduce evidence to prove the contrary. If the mark applied for is identical to or so nearly resembling another trade mark, it will be sufficient for the applicant to adduce evidence of honest, concurrent, prior and/or continuous use. Besides, there are some other evidence which can be tendered in this context, such as proof of the distinctiveness through use, registration in foreign jurisdictions and co-existence of the mark and other identical or similar marks in foreign registries.

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

An applicant has no general right of appeal against any decision of the Registrar unless it is expressly stated in the TMA 1976. Accordingly, the applicant has the right to appeal to the High Court against the decision of the Registrar with regards to rectification issues.

3.4 What is the route of appeal?

- (1) Prior to the filing of an appeal, the applicant must, within two months from the notification of refusal by the Registrar, obtain the Registrar's written statement of grounds of his decision and any material used in reaching the said decision, accompanied with a prescribed fee.
- (2) Where appeal is allowed, the applicant must, within one month from the notification of the decision appealed against, file the appeal to the High Court by way of Originating Summons.
- (3) The applicant must serve the notice of appeal to the Registrar.
- (4) The applicant must then, within the stated one-month period, apply for appeal to the High Court. Non-compliance with the requirement will cause the appeal or application to be struck out.

- (5) If the applicant subsequently intends to withdraw his appeal, he must give written notice of intention to the Registrar and all interested parties.

4 Relative Grounds for Refusal

4.1 What are the relative grounds for refusal of registration?

Please refer to question 3.1.

4.2 Are there ways to overcome a relative grounds objection?

Please refer to question 3.2.

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

Please refer to question 3.3.

4.4 What is the route of appeal?

Please refer to question 3.4.

5 Opposition

5.1 On what grounds can a trade mark be opposed?

A trade mark can be opposed on the following grounds:

- (a) the trade mark that is applied for is identical or confusingly similar to a trade mark belonging to the opponent. The opponent who is a registered proprietor of a trade mark may rely on the provisions in section 19 of the TMA 1976 whereas the opponent who is a common law proprietor of a trade mark may rely on section 14 of the TMA 1976 as the basis of opposition. Please refer to question 3.1 for the grounds of opposition; and
- (b) the trade mark cannot be registered. Please refer to question 2.1 for the requirements for a mark to meet the registrability threshold.

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

Anyone can oppose the registration of a Malaysian trade mark.

5.3 What is the procedure for opposition?

The opponent may, within two months from the publication in the Government Gazette, file an opposition, endorsed with grounds of opposition, by way of written notice to the Registrar.

A counter-statement may be filed and served by the applicant, within two months from the receipt of the notice of opposition entailing the grounds in support of his application against the opposition.

Within two months from the receipt of the counter-statement, a statutory declaration will be filed and served by the opponent to adduce evidence in support of his opposition. The applicant is given two months to file and serve his evidence by way of a statutory

declaration as a supportive document in response to the opponent's statutory declaration. In turn, the opponent may, within two months from the notification of the applicant's statutory declaration, file and serve evidence in reply in the form of a statutory declaration.

When statutory declarations of both parties are exchanged, the applicant and the opponent are required to send to the Registrar any written submissions on the date fixed by the Registrar. The Registrar will then, within two months from the notification of the written submissions, consider the evidence and any written submissions, and subsequently deliver a written decision.

6 Registration

6.1 What happens when a trade mark is granted registration?

When a trade mark is granted registration, the Registrar will issue a sealed copy of a Certificate of Registration of the Trade Mark, and enter the applicant's trade mark in the Register of Trade Marks.

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

The applicant's trade mark is deemed to be registered on the date of application for registration of the trade mark. It means that the applicant's trade mark rights commence on the date of application. If it is a priority application, the date of registration is the priority date.

6.3 What is the term of a trade mark?

The registration of a trade mark will last for a period of 10 years from the date of registration. If it is an application for priority claim by virtue of the Paris Convention for the Protection of Industrial Property, the trade mark shall be granted protection for a term of 10 years from the date of the application in the Convention country or relevant foreign country.

6.4 How is a trade mark renewed?

Upon expiration of the last registration, a trade mark can be renewed by making an application for renewal within three months prior to the expiration, accompanied by a prescribed fee. The renewal of trade mark registration can be done every 10 years from the date of expiration of the original registration or of the last renewal of registration.

7 Registrable Transactions

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

Any individual who is assigned a registered trade mark is required to apply to the Registrar to register his title over the mark by filing the prescribed form, accompanied by a prescribed fee and causing particulars of the assignment to be entered in the Register.

The application for registering the assignment of a trade mark shall contain relevant information as to whether the mark was, at the time of the assignment, used in a business in any of the goods or services, and whether the assignment was made with or without the goodwill

of the business. With regard to an assignment without goodwill, the assignment shall be advertised in a newspaper or another publication approved by the Registrar, and a copy of the advertisement shall be filed with the Registrar. It must be stated in the advertisement that the assignment was otherwise than in connection with the goodwill of the business concerned.

7.2 Are there different types of assignment?

There are several types of assignment, namely assignment with goodwill of the business, assignment without goodwill of the business and partial assignment. The latter is concerned with the division and separation of the goods or services of a registration, or a division and separation of places or markets in the name of different persons who shall be treated as registered proprietors separately.

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

If any individual is granted a right to use the trade mark by the registered proprietor for all goods or services by way of a lawful contract, that person (licensee) is required to be registered with the Registrar as a registered user of the said trade mark.

The licensee shall file an application to enter the licence in prescribed form supported by the necessary information and accompanied by a prescribed fee. Where there is more than one proposed registered user, such application shall be made separately.

7.4 Are there different types of licence?

Licences are of different types which consist of one-off licence, sole licence, exclusive licence or a non-exclusive licence.

7.5 Can a trade mark licensee sue for infringement?

Subject to any agreement between the trade mark licensee (registered user), and the licensor (registered proprietor), the former has the right to commence a civil suit in his own name for trade mark infringement if the latter refuses or neglects to take any legal action within two months upon request of the trade mark licensee to do so. Further, the trade mark licensee may also claim relief against the registered proprietor for failure to exercise any rights conferred on him in order to safeguard the interest of the trade mark licensee.

7.6 Are quality control clauses necessary in a licence?

By virtue of the TMA 1976, quality control clauses are necessary in a licence for the purpose of registration whereby the registered proprietor has the power to retain and exercise control over the use of the trade mark and over the quality of the goods or services provided by the registered user.

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

Currently, there is no express provision in the context of Malaysian laws which provide for this.

7.8 Are there different types of security interest?

This is not applicable. Please refer to question 7.7.

8 Revocation

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

Revocation of a trade mark is concerned with the cancellation or removal from the Register of the entry of a trade mark. Generally, an order for revocation of a trade mark is made on the following grounds of non-use of the registered trade mark:

- the trade mark was registered without an intention in good faith to use it and there has been no use in good faith for at least one month from the date of application to cancel the entry of the registered trade mark; and
- no use for a continuous period of at least three years prior to the application to cancel the entry of the registered trade mark.

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

An application for revocation of a trade mark shall be filed to the High Court supported by an affidavit.

8.3 Who can commence revocation proceedings?

Generally, only an “aggrieved person” is entitled to commence revocation proceedings. An aggrieved person is one who has used his mark as a trade mark or who has a genuine and present intention to use his mark as a trade mark in the course of trade which is similar or identical to the trade mark of the registered proprietor that intended to be removed by that person. In short, a person who is in some way or another affected by the existence of the registered mark may initiate revocation proceedings.

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

The grounds of defence which can be raised are that the mark has been actively used, the associated mark that is registered has been used on goods and special circumstances justifying the non-use of the mark.

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

The decision of the High Court can be appealed to the Court of Appeal and subsequently to the Federal Court.

9 Invalidity

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

The registration of a person as a registered proprietor of a trade mark is presumably *prima facie* evidence of the validity of the original registration of the trade mark and all subsequent assignments and transmissions.

Upon expiration of seven years from the date of registration, the original registration of the trade mark shall be presumed to be valid unless:

- (a) the original registration was obtained by fraud;
- (b) the trade mark offends against section 14 of the TMA 1976 as stated in question 3.3; and
- (c) the trade mark was not distinctive when rectification proceedings began.

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

Invalidation proceedings are 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 is entitled to commence invalidation proceedings.

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

The grounds of defence would be evidence contrary to the grounds for the invalidation action, such as the proof of distinctiveness of the mark when rectification proceedings commenced, evidence that rebuts the allegation of offence under section 14 of the TMA 1876 and evidence of registration in good faith and honesty.

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

Please refer to question 8.5.

10 Trade Mark Enforcement

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

There are several ways for a registered proprietor to enforce his trade mark right against an infringer which are as follows:

- (a) initiate a civil action at the specialised Intellectual Property High Court;
- (b) apply for a trade description order; and
- (c) lodge a complaint with the Ministry of Domestic Trade, Cooperatives and Consumerism (MDTCC). Upon receipt of the complaint, the Enforcement Division of the MDTCC will conduct a raid and seizure action. If the raid and seizure action is successful, the offender will be fined or subjected to prosecution.

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

- (1) After the service of the Originating Summons, the defendant shall enter his appearance within eight or 12 days, whichever is prescribed.
- (2) Within 14 days from entering appearance, the defendant shall file his defence.

- (3) Within 14 days from service of the defence, the plaintiff may file a reply to the defence.
- (4) Pleadings are deemed closed 14 days after the filing of the reply by the plaintiff.
- (5) The plaintiff must then file a case management notice.

Case management is a stage where the parties are required to appear before the Registrar of the Intellectual Property High Court for directions. It usually commences from the time of filing of the Originating Summons. The common case management directions are as follows:

- (a) a statement of the issues to be tried must be filed;
- (b) a statement of agreed facts must be filed;
- (c) common documents for trial, which are separated into three bundles (admitted, agreed and non-agreed bundles), must be filed;
- (d) a list of witnesses must be filed; and
- (e) witness statements must be filed and served before the trial.

A case is often set down for trial within six months to one year from the commencement of proceedings subject to the availability of the free dates of the court.

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 at the discretion of the court. Other interlocutory injunctions available include *Anton Piller* orders and *Mareva* injunctions which can be obtained by way of notice of application supported by affidavit on an *ex parte* or *inter partes* basis.

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

A party can be compelled to provide disclosure of relevant documents or materials by way of the discovery process. In an action commenced by Writ, a notice has to be served on the party who is required to produce documents. Privileged documents cannot be disclosed whereas confidential documents may be discoverable 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 instituted by an Originating Summons, and witnesses are compelled to attend court. The examination in chief is now done by way of witness statements, which are taken to be read in the court. The witnesses shall take the stand and be offered for cross-examination by the opposing party.

Similarly, in an action for revocation or invalidation of a registered trade mark, proceedings are usually instituted by an Originating Summons unless there are substantial disputes as to facts in which the proceedings will be commenced by way of Writ. In the former situation, evidence is adduced by way of affidavits.

At present, all arguments and submissions before the Intellectual Property High Court must be made in written form. Counsels will be 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 can 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 are 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?

A claim for trade mark infringement is time-barred after six years from the act of infringement. 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 the defendant.

10.8 Are there criminal liabilities for trade mark infringement?

Criminal liabilities for trade mark infringement are provided via administrative action of the MDTCC. Where the raid and seizure action conducted by the Ministry is successful, the offender will be subjected to prosecution or be offered a compound of the offence.

Upon conviction for false trade description, a body corporate may be liable for a fine not exceeding RM250,000, or RM500,000 if the body corporate is a repeat offender, and if it is not a body corporate, there will be an imposition of a fine not exceeding RM100,000 or imprisonment not exceeding three years or both, and a repeat offender will be fined up to an amount not exceeding RM250,000 or imprisoned for a term not exceeding five years or both.

10.9 If so, who can pursue a criminal prosecution?

Only the Public Prosecutor can pursue a criminal prosecution.

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

Presently, there is no express provision within the context of Malaysian laws which provides for this.

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 grounds of defence include but are not limited to the following:

- the defendant's mark is not likely to deceive or cause confusion;
- the defendant's mark is distinguishable from the plaintiff's; and/or
- the defendant did not use the plaintiff's trade mark.

The statutory grounds of defence of non-infringement are as follows:

- the use in good faith by a person of his own name or the name of his place of business or the name of the place of business of any of his predecessors in business;
- the use in good faith by a person of a description of the character or quality of his goods or services, and in the case of goods not being a description that would be likely to be taken as importing any reference to the registered proprietor;
- the continuous use by a person of a trade mark in relation to goods or services in respect of which he has by himself or his predecessors in business, from a date before:
 - the use of the registered trade mark by the registered proprietor, by his predecessor in business or by a registered user of the trade mark; or
 - the registration of the trade mark, whichever is earlier;
- 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;
- where use is expressly or impliedly consented to by a registered proprietor or registered user;
- where use is expressly or impliedly consented to by a registered proprietor or registered user;
- use in relation to goods or services adapted to form part of, or to be an 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
- 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.

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

Please refer to question 9.4.

12 Relief

12.1 What remedies are available for trade mark infringement?

The remedies available for a trade mark infringement are damages for losses, injunction, 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 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?

The costs awarded to the winning party 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 expenses.

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. An appeal from the Court of Appeal to the Federal Court requires leave of court and can only be based on a point of law.

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

As the general rule, new evidence is not admissible at the appeal stage unless 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 though it may not be decisive; and
- 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 registered proprietor of a trade mark or an agent of the proprietor may file an application to the Registrar as an objection to the importation of, in relation to the registered trade mark, counterfeit trade mark goods at a time and place specified in the application. The application must be accompanied by the prescribed fee, an affidavit and five copies of the application. The affidavit must contain relevant information such as the applicant is the proprietor of the mark or the agent having the power to submit such application, the registration number of the trade mark, the representation of the mark and interest of the applicant in the mark. Alternatively, the registered proprietor may request Customs authorities who are empowered the right 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 enforceable through common law under tort of passing off. To succeed in this claim, the owner of an unregistered trade mark must prove to the satisfaction of the court that the mark has 'goodwill' in Malaysia in relation to goods or services. 'Goodwill' is the benefit and advantage of the good name, reputation and connection of a business. Before commencing a passing off action, the owner must show that there is misrepresentation by the third party which has caused damage to the goodwill of the owner's business through the unlawful association created between the third party and the owner. Goodwill of a business can be licensed and assigned.

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

The registration of a company name does not mean that the company name will be automatically protected from third party use. A company has to register its company name as a trade mark or rely on its common law right of business goodwill in order for the company to rely on trade mark protection to safeguard its interests against the third party.

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?

A domain name can be owned by Malaysian organisations, Malaysian and non-Malaysian individuals, commercial organisations or activities, network-related organisations or activities, Malaysian educational organisations, Malaysian governmental organisations and Malaysian military organisations.

16.2 How is a domain name registered?

A domain name is registered through the Malaysian Network Information Centre Berhad (MYNIC). Applications for a domain name for Malaysian educational organisations (.edu.my), Malaysian governmental organisations (.gov.my) and Malaysian military organisations (.mil.my) must be submitted online via MYNIC's online registration system instead of email. Domain name applications for commercial activities or organisations (.com.my), network-related organisations/activities (.net.my) and Malaysian individuals' personal use (.name.my) are to be made through MYNIC's officially appointed partners called Resellers. The application has to be supplemented with supporting documents within 14 days from the submission of the application. If the application is rejected, a notice of rejection stating the reasons will be given to the applicant. The unsuccessful applicant shall go through the process all over again from the beginning if he intends to apply again whereas successful applicants will have to pay the required fees to ensure the domain name remains registered.

16.3 What protection does a domain name afford per se?

Upon registration of a domain name, there can be no identical domain with a '.my' prefix. So long as the subscription is paid, the domain name will remain unique to the registered user.

If a domain name is identical or similar to a registered trade mark or service mark, or if the domain is being used in bad faith, a complaint can be lodged to the Kuala Lumpur Regional Centre of Arbitration (KLRCA), accompanied with the prescribed fees and the dispute shall be resolved at the KLRCA. If the dispute cannot be resolved at the KLRCA, the alternative way is to institute proceedings at the court, resort to arbitration or any other dispute resolution process as agreed by both parties.

The available remedy through proceedings at the KLRCA is the transfer of registration of the domain name to the complainant or deletion of the registration whereas the only available court relief is damages and compensation.

17 Current Developments

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

There have been no recent developments or changes in the Malaysian trade mark laws. However, MyIPO launched the IPR Marketplace portal on 27 June 2014, as an initiative to connect individuals, investors and businesses through the commercialisation of their intellectual property (IP) rights. The existence of the IPR Marketplace portal as a pioneer platform has provided opportunities for investors and entrepreneurs to list their IP rights for international business and to trade the IP rights. Besides giving confidence to the financiers that locally-owned IP assets are valuable, it can also be used as collateral for the owners to gain financial support to expand their businesses.

17.2 Please list three important judgments in the trade marks and brands sphere that have issued within the last 18 months.

In a landmark decision in the case of *Mesuma Sports Sdn. Bhd. v Majlis Sukan Negara, Malaysia and Anor* [2014] 1 LNS 1055, the Court of Appeal held that the Appellant had no sufficient cause to register the trade mark under section 45(1)(a) of the TMA 1976 on the grounds that the registration was made under bad faith and that the Respondent had already registered a similar trade mark prior to the filing date of the Appellant's trade mark application date. Based on the facts of the case, the Court of Appeal held that the Respondent was the owner and first user of the design and that the Respondent had enjoyed goodwill and reputation in the goods bearing the design even before the Appellant had applied for registration. Accordingly, the Court of Appeal ordered that the Appellant's trade mark be expunged from the Register given that the Appellant's registered mark was identical to that of the Respondent in which the similarity would cause confusion in the minds of members of the public.

Similarly, in another case, *Wieland Electric GMBH v Industrial Automation (M) Sdn. Bhd. & Anor* [2014] 7 CLJ 970, the High Court held that the registration of the Defendant's trade mark had infringed the legal right of the Plaintiff on the grounds that the Plaintiff was the first user of the trade mark and that the mark of the Defendant was not distinctive. The Defendant, who was merely the distributor and/or agent of the Plaintiff's products, had no sufficient cause to register the trade mark which was contrary to section 45(1)(a) of the TMA 1976. Given that the registration was made in bad faith, the failure of the Plaintiff to file an opposition to the Defendant's registration did not preclude the Plaintiff from enforcing its right under the TMA 1976.

In the case of *Chua Cheng Kuat v Chua Cheng Ho* [2014] 1 LNS 502, the Plaintiff claimed for trade mark infringement against the Defendant for the use of the Plaintiff's trade mark. The issue before the High Court was whether the Plaintiff is the sole owner of the registration of the trade mark "BAN LEE SIANG". It was the finding of the facts that the trade mark was not only sold to the Plaintiff but also to the Defendant and their mother. The High Court held that the Defendant is also an honest concurrent user under section 20 of the TMA 1976 and is entitled to be a joint proprietor or the "co-owner" of the mark as well as to the use of the mark.

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

There are ongoing plans for Malaysia to join the Madrid Protocol, as the Ministry gave informal indications that this might take place in 2015. Malaysia is already in the final stages of ratification and/or implementation of the Madrid Protocol to become a Member State, which foresees the adoption of the Madrid system concerning international filing for trade marks.

There is likely to be enactment of new legislation and/or amendment to the current legislation to replace or supplement the current legal framework, and to bring 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.

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

No such trends have become apparent recently.

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Bee Yi is a partner in the firm of Tay & Partners and practises exclusively in the fields of Intellectual Property and Technology. She advises clients on the protection of their intellectual property rights and manages both local and international clients' portfolios of trade marks, industrial designs and patents in Malaysia and other jurisdictions.

An integral part of her practice is advising on trade mark, copyright and industrial design infringement matters. She has extensive experience in opposition proceedings in various industries, and has recently worked in the areas of fashion and the food and beverage and media industries.

Bee Yi read law at the University of the West of England in the United Kingdom, and was called to the Bar of England and Wales by the Honourable Society of the Inner Temple. She was admitted as an Advocate and Solicitor of the High Court of Malaya in 2008.



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