

Malaysia

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Legal framework

National

The trademark registration system in Malaysia is governed by the Trademarks Act 1976 and the Trademarks Regulations 1997.

International

Malaysia is party to the following international agreements:

- the Paris Convention for the Protection of Intellectual Property;
- the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs);
- the Nice Agreement; and
- the Vienna Agreement.

Malaysia is expected to accede to the Madrid Protocol by 2015.

Unregistered marks

Rights in unregistered marks are protected under Section 82(2) of the Trademarks Act, which allows actions in respect of passing off. Such actions are designed to protect the goodwill generated by the use of a mark, name, get-up or other indicia in the course of business.

Registered marks

Ownership

Any person may apply to register a trademark in the Trademarks Register. The person that first uses a mark in Malaysia in conjunction with its goods or services is entitled to claim ownership over it. However, Section 14(d) of the act, which took effect on August 1 2001, expressly prohibits the registration of a trademark if it is

identical or similar to a mark that is well known in Malaysia and used by another party for the same type of goods or services.

Power of attorney

No power of attorney is required to file a trademark application in Malaysia. However, a statutory declaration from the applicant claiming to be the owner of the trademark is required. Although this is not set out in the regulations, it is provided in the application form (Form TM5). The wording of Form TM5 is vague and it is common practice to provide a statutory declaration from the applicant that it is the rightful owner of the mark under application. A statutory declaration affirmed outside Malaysia must be notarised, but not legalised, while one affirmed within Malaysia need only be signed before a commissioner for oaths. The statutory declaration can be provided at any time within 12 months of the filing date, otherwise, the application is deemed to have been abandoned.

Scope of protection

Malaysia still uses the definition of a 'mark' set out in the UK Trademarks Act 1938, as a device, brand, heading, label, ticket, name, signature, word, letter, numeral or any combination thereof (Section 3). However the IP Office of Malaysia is reviewing the act and an amendment bill is expected soon.

According to Section 10(1), a trademark must consist of at least one of the following in order to be registrable:

- the name of an individual, company or firm represented in a special or particular manner;
- the signature of the applicant or a predecessor;
- an invented word or words;
- a word with 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
- any other distinctive mark.

These requirements are disjunctive. Even if a mark does not satisfy all requirements of Sections 10(1)(a) to (d), it can still be registrable provided that it satisfies Section 10(1)(e) (ie, it qualifies as a distinctive mark).

Most Malaysian trademarks are registered for being "adapted to distinguish". Since

August 1 2001 a more relaxed standard of distinctiveness – in line with the standard for a Part B mark under the previous legislation – has been adopted. This emphasises the mark's ability to distinguish in fact rather than its inherent distinctiveness.

The registrar may impose a disclaimer condition if a mark contains elements that are common to the trade or business, or is not distinctive.

Although a mark may be registrable under Section 10, registration does not follow as a matter of course. Not only does the registrar have the discretion to refuse, but the act also contains four broad prohibitions against registration, which are based primarily on protecting the public interest:

- The use of the mark is likely to deceive or cause confusion to the public, or would be contrary to law (Section 14(1)(a));
- The mark contains or comprises scandalous or offensive matter, or would otherwise not be entitled to protection by any court of law (Section 14(1)(b));
- The mark contains matter which might be prejudicial to the interest or security of the nation (Section 14(1)(c)); and
- The mark is identical to or closely resembles a mark that is well known in Malaysia used by another party for the same type of goods or services (Section 14(1)(d) and (e)).

Procedures

Examination

Application: The first step in the application procedure is to file five copies of Form TM5, a statutory declaration that the applicant owns the mark and an index card setting out the particulars of the application, together with the prescribed fee.

Electronic filing has been available since February 15 2011. The official fees for e-filing are slightly lower than those for manual filing.

Substantive examination: After filing, it takes about one year for the application to be examined.

If the examiner objects to the mark after completing a substantive examination, he or she will issue an office action on Form TM70, setting out the grounds.

The applicant is given two months in which to respond to the office action, usually by

written submission. If the registrar receives no reply, the application is deemed abandoned. An extension is possible on payment of a fee. If the written submissions fail to convince the registrar, the applicant may request a hearing and present its arguments orally.

Expedited examination: Expedited examination is possible for applications filed after February 15 2011. The applicant must apply for expedited examination within four months of the application date, via Form TM5A. The registrar may undertake an expedited examination if he or she is satisfied that:

- it is in the national or public interest;
- infringement proceedings in relation to the mark are ongoing;
- registration of the mark is a condition to obtaining monetary benefits from the government; or
- other reasonable grounds support the request.

If the request is approved, the applicant must file Form TM5B and pay the prescribed fee within five days.

Acceptance: If no official objection is raised or the objections are overcome, the registrar will send Form TM31 to the applicant containing directions on publishing the mark in the *Government Gazette*. Once the applicant confirms that the particulars are correct, it must return the form and fees to the registrar within two months. It then takes between two and three months to prepare the mark for publication.

Opposition

Any interested person is given two months from the date of the advertisement to lodge opposition proceedings against a trademark's registration. This period can be extended on good grounds.

Opposition is initiated by the opponent filing a notice of opposition setting out the grounds. Within two months of receiving this, the applicant may file a counterstatement setting out grounds to support its application.

The parties have two months to file their respective evidence of use. This may be extended on application.

The registrar will then notify the parties of a date (usually one month from the notice) by

which they may submit any written submissions.

After this, the registrar shall consider the evidence and written submissions and shall, within two months, communicate its decision and the grounds for this to the parties in writing. The registrar's decision may be appealed before the High Court.

Registration

If there is no opposition after two months or if the opposition is ultimately dismissed, the registrar will issue the registration certificate. The trademark will be registered for 10 years from the date of application.

Renewal

An application to renew a registration may be filed two months before the expiry date. The renewal certificate will be issued within one month. The renewal period is 10 years and a mark can be renewed indefinitely.

Removal from register

A registered trademark can be removed from the register on application if:

- it was registered without the applicant having a good-faith intention to use the mark and it has in fact not been used in good faith; or
- it has not been used for three years from the registration date.

In *McLaren International Ltd v Lim Yat Meen* ([2007] 7 MLJ 581) the Court of Appeal held that before a cancellation action can be launched, the applicant must prove that it has a genuine grievance. The court took a restrictive approach, holding that an 'aggrieved person' is someone whose business or trading interests would suffer direct damage. This does not quite follow the letter and spirit of TRIPs, whereby the interests of an owner of a well-known trademark should be protected irrespective of whether it has a local business presence or the businesses are similar.

In *Industria De Diseno Textil SA v Edition Concept Sdn Bhd* ([2005] 2 CLJ 357, [2005] 3 MLJ 347) the court held that the required period of three years' non-use runs from the date of actual registration and not the date of application. However, in *Lam Soon Edible Oils Sdn Bhd v Hup Seng Perusahaan Makanan (M)*

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Sdn Bhd ([2010] 1 LNS 232, unreported) the court held that the application for cancellation for non-use was not fundamentally defective even though it was filed less than three years after the date of registration.

In addition, pursuant to Section 45, a registered trademark can be removed if:

- the entry was wrongfully made or entered in the register; or
- the entry remains in the register wrongfully.

Section 37 provides that in all legal proceedings relating to a registered trademark (including an application for expungement under Section 45) the original registration shall – after the expiration of seven years from the registration date – be considered as valid unless it is shown that:

- the original registration was obtained by fraud;
- the trademark violates Section 14; or
- the trademark was not, at the commencement of the proceedings, distinctive as to the owner’s goods.

An aggrieved person must apply to the High Court by way of an originating motion, moving

it to make an order to expunge or amend the register entry.

Merger

An application to record a merger is made using Form TM15, together with the merger document and the required fee. The process takes between six and 12 months.

Change of name

An application to record a change of name is made using Form TM16, together with the certificate of incorporation of change of name and the required fee. The process takes between two and three months.

Official trademark searches

Official trademark searches are available on request by paying RM360 (\$125) (manual) or RM330 (\$114) (e-filing). Only searches for similar marks are available and the fees are in respect of one mark in one class (applicable to both word and traditional graphic marks).

Enforcement

Civil proceedings

A trademark infringement action must be based on a registered mark and it is possible to sue for infringement and passing off.

In the case of unregistered marks, the owner’s sole redress is to sue for passing off.

Section 38 provides for two types of infringement:

- unauthorised use of an identical or confusingly similar mark in respect of goods or services within the scope of the registration; and
- unauthorised use of an identical or confusingly similar mark which implies a reference to the registered owner or its goods.

Civil remedies: A successful plaintiff in an infringement or passing-off action may obtain the following relief:

- a permanent injunction;
- an order for delivery up of offending matter or destruction of the offending mark;
- damages in respect of past infringement or an account of the profits made by the defendant from the sale of the marked goods; and
- a declaration that the defendant has infringed.

“ It is incumbent on the plaintiff in a successful action to prove its losses. Normally, separate proceedings (after the trial) are held to assess the damages incurred by the plaintiff ”

Interlocutory injunctions: Pending trial of the action, which may take some time, the plaintiff may apply for an interlocutory injunction. The Malaysian courts have followed the principles laid down in *American Cyanamid Co v Ethicon Ltd* ([1975] AC 396) when deciding whether to grant such injunctions.

Anton Piller order: If there is strong reason to believe that the defendant may destroy the infringing articles or other evidence of infringement or passing off, the plaintiff may make an *ex parte* application for an Anton Piller order, requiring the defendant to allow the plaintiff or its representatives to enter the defendant’s premises to search for and seize any infringing evidence.

Mareva injunction: A plaintiff may also apply for a Mareva injunction, which is a form of preventive relief granted *ex parte* that restrains the defendant removing its assets from the jurisdiction before a judgment.

Summary judgment: It is possible to obtain summary judgment for trademark infringement if the plaintiff can demonstrate that there is no defence to the claim.

Damages: An award of damages is the most common remedy in a trademark infringement or passing-off action. There is no fixed amount of damages for either action. It is incumbent on the plaintiff in a successful action to prove its losses. Normally, separate proceedings (after the trial) are held to assess the damages incurred by the plaintiff.

Time limit: As indicated earlier, Section 37 provides that in all legal proceedings relating

to a trademark registered in the register, the original registration of the trademark shall, after seven years have passed, be considered valid in all respects unless any of the three criteria is proven.

Jurisdiction: On July 17 2007 the Malaysian judiciary set up a dedicated IP High Court and an IP Criminal Sessions Court in Kuala Lumpur. At its inception, the IP High Court was presided over by Justice Datuk Ramly Ali and all IP cases were fast tracked. Justice Datin Hajah Azizah binti Haji Nawawi is currently the presiding judge. All cases involving intellectual property must now be registered with the IP Criminal Sessions Court.

Quasi-criminal proceedings

Besides instituting a civil action for trademark infringement or passing off, a rights holder can resort to criminal penalties to take action against counterfeiting activities involving trademarked goods.

The principal legislation that provides for these is the Trade Descriptions Act 2011, which came into force on November 1 2011 and repealed the Trade Descriptions Act 1972. Section 5 creates three distinct offences in connection with goods:

- applying a false trade description to any goods;
- supplying or offering to supply any goods to which a false trade description is applied; and
- exposing for supply or having in possession, custody or control for supply any goods to which a false trade description is applied.

A ‘trade description’, in relation to a product, is an indication of its nature, quantity, method of manufacture, composition, strength or

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performance. A trade description can also refer to the manufacturer itself – a definition that is wide enough to encompass trademarks affixed to goods.

The controller of trade descriptions, his deputy and assistant have the power to enter premises (except for dwellings) to ascertain whether any offence under the act has been committed. They also have the power to arrest, investigate, prosecute and compound any offence under the act.

Malaysia has a unique remedy created by a trade description order – an order of the High Court made under Section 9 of the Trade Descriptions Act – declaring that a specified infringing trademark or get-up is a false trade description under the act. Trade description orders often prove extremely effective in enforcing trademarks.

Such orders are also conclusive proof in proceedings under the Trade Descriptions Act that the infringing trademark or get-up specified therein is a false trade description when applied to the goods denoted in the order.

Border measures

Any registered trademark owner can apply to the registrar for an order to restrict the import of counterfeit trademarked goods. Upon approval, the registrar shall immediately take steps to notify Customs to prohibit the import of goods identified in the notice, not being in transit, and shall seize and detain the identified goods.

The seized goods will be released to the importer unless the rights holder institutes a trademark infringement action within a period specified by the customs officer. Failure to do so may result in the seized goods being returned to the importer and the rights holder being penalised with an order for compensation by the court.

Ownership changes and rights transfers

Every assignment to be recognised under the act must be recorded with the registrar pursuant to the prescribed procedures.

The original or a certified true copy of the original deed of assignment must be filed with the registrar, although no notarisation or legalisation is necessary. In the case of a licence, in order for a licensee’s use to be attributed to the rights holder, the licensee must be recorded as a registered user of the trademark and any use must fall within the limits of its registration.

Related rights

A trademark that is made up of an artistic device may also be subject to copyright protection. Where such artistic device is applied by any industrial process, which in the finished article appeals to the eye, it may also be subject to design protection.

Online issues

There are no specific laws in Malaysia protecting rights holders against unauthorised use of their trademarks in domain names, websites, hyperlinks, online advertisements or metatags. Therefore, the only recourse for rights holders is to sue for trademark infringement or passing off.

The Malaysian Network Information Centre is responsible for the allocation and registration of the Malaysian country-code top-level domain. The Regional Centre for Arbitration Kuala Lumpur (RCAKL) has been appointed as the ‘.my’ domain name dispute resolution service provider. All domain name disputes are governed and administered in accordance with the information centre’s Domain Name Dispute Resolution Policy

(MYDRP), the Rules of the MYDRP and the RAKL Supplemental Rules. The MYDRP is essentially similar to the Uniform Domain Name Dispute Resolution Policy administered by the Internet Corporation for Assigned Names and Numbers. [WTR](#)

Examination/registration		
Representative requires a power of attorney when filing? Legalised/notarised?	Examination for relative grounds for refusal based on earlier rights?	Non-traditional marks registrable?
Yes: notarisation only.	Yes	No
Unregistered rights		Opposition
Protection for unregistered rights?	Specific/increased protection for well-known marks?	Can a registration be removed for non-use? Term and start date?
Yes	Yes	Yes: two months.
Removal from register		
Can a registration be removed for non-use? Term and start date?	Are proceedings available to remove a mark that has become generic?	Are proceedings available to remove a mark that was incorrectly registered?
Yes: three years' non-use from date of registration.	Yes	Yes
Enforcement		
Specialist IP/trademark court?	Punitive damages available?	Interim injunctions available? Time limit?
Yes	No	Yes: time limit depends on reasons for delay.
Ownership changes	Online issues	
Mandatory registration for assignment/licensing documents?	National anti-cybersquatting provisions?	National alternative dispute resolution policy (DRP) for local ccTLD available?
Yes/Yes	No	Yes: MYNIC DRP.

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Shie Ying Liew is a partner in Wong Jin Nee & Teo. She graduated with an LLB from Queen Mary, University of London and a postgraduate diploma in professional legal skills from the Inns of Court School of Law, United Kingdom. She handles many aspects of protection and enforcement of IP rights as well as the commercial exploitation of these rights, including franchising. She is a registered trademark and industrial design agent.