Malaysia

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1. Legal framework

National

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

International

Malaysia acceded to the Paris Convention for the Protection of Intellectual Property on January 1 1989. In 1994 Malaysia signed the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs); since then Malaysia has reviewed its domestic IP laws and amended them in order to comply with the various requirements and obligations under the TRIPs Agreement. Malaysia became a party to the Nice Agreement and the Vienna Agreement on September 28 2007.

2. Unregistered marks

Rights in unregistered marks are protected under Section 82(2) of the Trademarks Act, which allows actions in respect of passing off.

The nature of the right protected or sought to be protected by a passing-off action is the goodwill generated by the use of a mark, name, get-up or other indicia in the course of business of a trader.

3. Registered marks

Ownership

Any person claiming to be the proprietor of a trademark used or proposed to be used by it may apply to the registrar of trademarks for the registration of that 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.

In this respect, in *Lim Yew Sing v Hummel International Sports & Leisure A/S* ([1996] MLJ 7) the Malaysian Court of Appeal held that it was permissible for a local person to apply to register a trademark that belonged to a foreigner and had never been used in Malaysia. This decision was followed by the Court of Appeal in *McLaren International Ltd v Lim Yat Meen* ([2007] 7 MLJ 581, see section 4 below) and *Meidi (M) Sdn Bhd v Meidi-Ya Co Ltd Japan* ([2008] 6 MLJ 433 (CA); [2008] 1 CLJ 46 (CA)) and by the High Court in *ELBA Spa v Fianma Sdn Bhd* ([2008] 3 MLJ 713).

However, Section 14(d) of the act, which took effect from August 1 2001, seems to lessen the effect of *Lim Yew Sing*. That provision 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

A power of attorney is not required for the purpose of filing a trademark application in Malaysia. However, an application for the registration of a trademark should be accompanied by a statutory declaration of the applicant claiming to be the proprietor of the trademark. Although this requirement is not stated in the Trademarks Regulations, the application form (Form TM5) provides that a copy of the oath, sworn statement or statutory declaration by the applicant that the application is true must be attached. The wording of Form TM5 is rather vague and it is the practice to submit a statutory declaration of the applicant or its authorised signatory confirming that the applicant is the rightful proprietor of the mark under application.

A statutory declaration affirmed by the applicant or its authorised signatory outside Malaysia must be notarised, but not legalised. If the applicant or its authorised signatory is signing the statutory declaration in Malaysia, the same need only be signed before a commissioner for oaths. The statutory declaration can be furnished at any time between filing and 12 months afterwards. Failure to submit the statutory declaration within 12 months of the filing date would amount to non-completion of the trademark application. Accordingly, the registrar may, after giving notice in writing of the non-completion to the applicant in the prescribed manner, treat the trademark application as abandoned, unless it is completed within the time specified in the notice.

Scope of protection

Malaysia still uses the definition of a 'mark' as laid down in the UK Trademarks Act 1938, as opposed to the modern definition of a 'sign' now found in legislation in the United Kingdom, Hong Kong and Singapore. However, the Intellectual Property Office of Malaysia is reviewing the existing act and at the time of writing an amendment bill was expected to be tabled in the first quarter of 2011.

A 'mark' is defined to include a device, brand, heading, label, ticket, name, signature, word, letter, numeral or any combination thereof (Section 3 of the act). This definition is wide, but not exhaustive.

According to Section 10(1) of the act, a trademark must contain or consist of at least one of the following elements 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 for registration or of some predecessor;
- an invented word or words;
- 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
- any other distinctive mark.

The requirements under Sections 10(1)(a) to (e) stated above are disjunctive: even if a mark does not satisfy all the requirements of Sections 10(1)(a) to (d), it can still be registrable if it satisfies the requirement of Section 10(1)(e) – that is, if it qualifies as a distinctive mark.

Most Malaysian trademarks are registered on the justification that they are distinctive marks. In this respect, a more relaxed standard of distinctiveness, in line with the standard for a Part B mark under the previous legislation, has been adopted since August 1 2001. The more relaxed standard lays emphasis on the capability of a trademark to distinguish in fact rather than on its inherent distinctiveness. However, trademark applications filed before August 1 2001 are still subject to the higher standard of inherent distinctiveness.

The registrar may impose a disclaimer condition if a trademark either contains matters/words that are common to the trade or business, or is not distinctive. It is the registrar's practice to disclaim any matters/ words appearing in trademarks that are descriptive in nature, unless the applicant is able to show that the matters/words to be disclaimed are distinctive of the applicant. Words such as 'top', 'red' or 'big' used in conjunction with other matters/words in a trademark are likely to be disclaimed.

Although a mark may be registrable under any essential elements of Section 10 of the act, 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. These prohibitions are based primarily on the protection of public interest and are as follows:

- 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 any 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 that 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 and is used by another party for the same type of goods or services (Sections 14(1)(d) and (e)).

4. Procedures

Examination

Application: The first step in the application procedure is the filing of the requisite application form, a statutory declaration of the applicant claiming to be the proprietor of the trademark and an index card setting out the particulars of the trademark application, together with the prescribed fee.

Substantive examination: It takes about one year for an application to be examined after filing. Once substantive examination is completed, the examiner will issue an office action setting out any relevant grounds for objection.

The applicant is given an initial period of two months to respond to the office action, usually by way of written submissions. If the registrar receives no reply, the application will be deemed abandoned. An extension of time is possible by paying the prescribed fee. If the written submissions fail to convince the registrar, the applicant may make a request for a hearing and present arguments orally before the registrar.

Acceptance: If no official objection is raised or the objections are overcome, the registrar will send a Form TM29 to the applicant containing direction for publication of the trademark in the *Government Gazette*. Once the applicant confirms that the particulars of the Form TM29 are correct, the applicant must return the form to the registrar, together with four bromide prints of the mark and the prescribed fees within two months of the date of the form for the purpose of publication of the mark in the *Government Gazette*.

Publication: The process of preparing a mark for publication in the *Government Gazette* takes three to six months.

Opposition

Any interested person has two months from the date of publication to lodge opposition proceedings against the registration of the trademark. The two-month period can be extended on good grounds.

Opposition is initiated by the opponent filing a notice of opposition setting out the grounds of opposition. Within two months of receipt of a notice of opposition, the applicant may file a counterstatement setting out the grounds on which it relies in support of its application.

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

The registrar will then give notice to the parties of a date (usually one month from the notice) by which they may submit any written submissions.

After expiration of this period, the registrar shall consider the evidence and written submissions and shall, within two months, communicate to the parties in writing the decision and the grounds of that decision. The registrar's decision is subject to appeal to the High Court.

Registration

If there is no opposition after the expiration of the two-month period or if the opposition is ultimately dismissed, the mark will be ready for registration and 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. It will normally take two to three months for the registrar to issue the renewal certificate. The renewal period is 10 years and a mark can be renewed indefinitely.

Removal from register

A trademark can be removed from the register upon application of an aggrieved person if the mark:

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

In *McLaren International Ltd v Lim Yat Meen* ([2007] 7 MLJ 581), the Court of Appeal held that before a removal or cancellation action can be launched, the applicant must prove that it is an aggrieved person. The court did not define who is an 'aggrieved person'; it merely stated that the best approach to arrive at a correct decision as to whether an applicant is an aggrieved person is "by bringing all the available evidence to bear before the judge, rather than debating whether the terminology of 'an aggrieved person' should be given a wide or restricted interpretation".

It appears that the Court of Appeal takes a very restrictive approach in deciding whether an applicant is an aggrieved person for the purpose of a removal action. An 'aggrieved person' appears to be confined to a person whose business or trading interests would suffer direct damage. This may not follow the letter and spirit of the TRIPs Agreement, whereby the interests of the owner of a well-known trademark are to be protected, irrespective of whether it has a local business presence or whether 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 of non-use runs from the date of registration and not the date of filing.

In addition, pursuant to Section 45 of the act a registered trademark can be removed on the following grounds:

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

Section 37 provides that in all legal proceedings relating to a registered trademark (including an application for expungement under Section 45), the original registration of the trademark shall, after the expiration of seven years from the registration date, be taken to be valid in all respects 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 of the goods of the registered proprietor.

An aggrieved person needs to make an application by way of an originating motion to the High Court, moving the court to make an order to expunge or vary an entry in the register.

Merger

An application for recordal of merger is made using Form TM15, together with the merger document and the required fee. It takes six to 12 months to record a merger in respect of a trademark registration.

Change of name

An application for recordal of change of name is made using Form TM16, together with the certificate of incorporation of change of name and the required fee. It takes two to three months to record a change of name in respect of a trademark registration.

5. Enforcement

Civil proceedings

A trademark infringement action must be based on a registered mark. A registered mark may also be the basis of a passing-off action. However, in a recent decision (*Papparoti (M) Sdn Bhd v Roti-Roti International Sdn Bhd* ([2009] 5 AMR 326)) the Shah Alam High Court has ruled that a trademark infringement action will not lie until the mark is actually registered. Thus, it is not possible to include a cause of action for trademark infringement before the trademark has proceeded to registration.

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

Section 38 of the Trademarks Act provides for two types of trademark 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 that imports a reference to the registered proprietor or its goods.

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

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

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

Anton Piller orders: 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.

An Anton Piller order is an order requiring the defendant to allow the plaintiff or its representatives to enter the defendant's premises to search and seize any infringing evidence.

Mareva injunctions: A plaintiff may also apply for a Mareva injunction, which is a form of preventive relief granted *ex parte* to the applicant, restraining the defendant from dissipating its assets out of the jurisdiction before any judgment is obtained.

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

In *Intel Corporation v Intelcard Systems Sdn Bhd* (Civil Suit D8-22-1381-2002) (see Teo Bong Kwang and Azrul Hamid, "Summary judgment process works for Intel", *WTR* Daily, April 1 2005), the High Court reaffirmed that it has the jurisdiction to grant a permanent injunction and an assessment of damages in a summary judgment in relation to a trademark infringement. In *Abercrombie & Fitch Co v Fashion Factory Outlet KL Sdn Bhd* ([2008] 4 MLJ 127; [2008] 7 CLJ 413)), the IP High Court of Kuala Lumpur exercised its jurisdiction to grant summary judgment.

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

Time limit: As indicated earlier, Section 37 of the act provides that in all legal proceedings relating to a registered trademark (including an application for expungement under Section 45) the original registration of the trademark shall, after the expiration of seven years from the registration date, be taken to be valid in all respects unless it is shown that:

- the original registration was obtained by fraud;
- the trademark is in breach of Section 14; or
- the trademark was not, at the commencement of the proceedings, distinctive of the goods of the registered proprietor.

As such, an owner of prior rights which wishes to take an action against a registration filed in good faith will be precluded from doing so if such registration has been registered for more than seven years because the registration is deemed to be conclusive and not open to challenge or liable to be expunged, unless any of the above three exceptions is proved. However, such registrations may still be challenged based on non-use.

An owner of prior rights will not be precluded from taking an action against a registration that was obtained in bad faith, even if the same was registered for more than seven years. The onus is on the owner of prior rights to prove that the registration was obtained by fraud.

Jurisdiction: On July 17 2007 the Malaysian judiciary set up a dedicated IP High Court and an IP Criminal Sessions Court in Kuala Lumpur. In September 2007 the chief registrar of the Federal Court issued a circular directing all civil IP cases, which were previously filed with the commercial divisions of the Kuala Lumpur High Court, to be transferred to the newly established IP High Court. At its inception, the IP High Court was presided over by Datuk Ramly Ali and all IP cases were treated as fasttrack cases. Most of the IP cases transferred to the IP High Court were given early trial dates. In April 2009 Justice Datuk was elevated to the Court of Appeal. After that elevation, there was some uncertainty as to whether the IP Court would be retained. This is because under the new fasttrack disposal system introduced by the new chief justice of Malaysia with effect from January 2009, all interlocutory applications in the Commercial Division of the Kuala Lumpur High Court were designed to be heard and disposed by four designated courts. Civil suits involving intellectual property are classified as commercial matters and therefore affected by this new system of disposal.

However, the decision to re-assign IP cases to different courts came under criticism and appeals to retain the specialised IP High Court, which is designated to hear all IP matters (both at the interlocutory and trial stages), were made to the relevant authorities. A new judge (Azahar Mohamed) was assigned to preside over the specialised IP High Court in the second half of 2009. The system reverted to its original state and all IP matters, whether interlocutory applications or trial proper, are now heard before the IP High Court.

The fasttrack system did not affect the operation of the IP Criminal Sessions Court at the subordinate court level, where the criminal prosecution of cases involving false trade descriptions is generally instituted. Since the establishment of the IP Criminal Sessions Court in 2007, all cases involving IP issues are registered with this court.

Quasi-criminal proceedings

Besides instituting a civil action for trademark infringement and/or passing off, the proprietor of a trademark can resort to some criminal sanctions to curb counterfeiting activities involving trademarked goods.

The principal legislation that provides for such criminal sanctions is the Trade Descriptions Act 1972. Section 3 of the act creates two distinct offences in connection with goods:

- the offence of applying a false trade description to any goods in the course of a trade or business; and
- the offence of supplying or offering to supply any goods to which a false trade description is applied in the course of a trade or business.

A 'trade description', in relation to a product, is an indication of its nature, quantity, method of manufacture, composition, strength or performance. A trade description can also refer to the manufacturer itself. This definition is wide enough to encompass trademarks affixed to goods.

The controller of trade descriptions, and his or her deputy and assistant have the power to enter premises (except 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.

A 'trade description order' is a unique remedy obtained from the High Court under Section 16 of the Trade Descriptions Act and declaring that a specified infringing trademark or get-up is a false trade description for the purpose of the act. Trade description orders are often highly effective means to enforce a trademark.

Such an order is 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 of trademarks for an order to restrict the import of counterfeit trademarked goods. Upon approval, the registrar shall immediately take steps to notify any customs officer to prohibit any person from importing goods identified in the notice, not being in transit, and shall seize and detain the identified goods.

The goods so seized will be released to the importer unless the trademark proprietor 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 trademark owner being penalised with an order for compensation by the court.

6. Ownership changes and rights transfers

Every assignment to be recognised under the act must be recorded with the registrar of trademarks pursuant to the procedures prescribed. The original or a certified true copy of the original deed of assignment must be filed with the registrar of trademarks. No notarisation or legalisation is necessary.

7. Related rights

A trademark that is made up of an artistic device may also be subject to copyright protection.

8. Online issues

There are no specific laws in Malaysia protecting trademark owners against unauthorised use of their trademarks online. Therefore, the only recourse is to sue for trademark infringement and/or passing off.

The Malaysian Network Information Centre (MYNIC) is the body 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 MYNIC's Domain Name Dispute Resolution Policy (MYDRP), the Rules of the MYDRP and RCAKL Supplemental Rules. The MYDRP is essentially similar to the Uniform Domain Name Dispute Resolution Policy that is administered by the Internet Corporation for Assigned Names and Numbers.

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ADVOCATES AND SOLICITORS

Unregistered rights	
Protection for unregistered rights?	✓
Specific/increased protection for well-known marks?	✓
Examination/registration	
Representative requires a power of attorney when filing? Legalised/notarised?	Notarisation only ✓/✓
Examination for relative grounds for refusal based on earlier rights?	✓
Registrable unconventional marks	✗
Opposition	
Opposition procedure available? Term from publication?	2 months ✓
Removal from register	
Can a registration be removed for non-use? Term and start date?	3 years' non-use from date mark is entered on register ✓
Are proceedings available to remove a mark that has become generic?	✓
Are proceedings available to remove a mark that was incorrectly registered?	✓
Enforcement	
Specialist IP/trademark court?	✓
Punitive damages available?	✗
Interim injunctions available? Time limit?	Time limit depends on reasons for delay ✓
Ownership changes	
Is registration mandatory for assignment/licensing documents?	✓/✗
Online issues	
National anti-cybersquatting provisions?	✗
National alternative dispute resolution policy for local ccTLD available?	MYNIC DRP ✓