

Trade Mark Litigation in Malaysia: Overview

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A Q&A guide to trade mark litigation in Malaysia.

The Q&A gives a high level overview of trade mark disputes, including how trade mark infringement is assessed; unregistered trade marks; invalidation proceedings; procedure, preliminary relief and final remedies and enforcement options.

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Sources of Law

1. What are the principal sources of law and regulation relating to trade marks and trade mark litigation?

The sources of Malaysian trademark law are found in primary and secondary legislation, guidelines and common law.

The principal trademark legislation in Malaysia is the Trademarks Act 2019 (TA) which deals with registration rights and administrative and criminal sanctions for registered trademark violations.

The TA came into force on 27 December 2019, repealing the TA 1976 along with certain provisions containing criminal offences for trademark infringement under the Trade Descriptions Act 2011 (TDA). The **[repeal]** of the TA 1976 was largely due to Malaysia's accession to the Protocol Relating to Madrid Agreement Concerning the International Registration of Marks (Madrid Protocol).

The common law is made up of judicial decisions of the courts of Malaysia as well as English cases, subject to the limitations set out in *Question 6*.

Malaysia has also acceded to a number of international agreements, conventions and treaties concerning trademarks, which include the:

- Paris Convention for the Protection of Industrial Property 1983 (Paris Convention).
- Trade Related Aspects of Intellectual Property Rights Agreement 1994 (TRIPS Agreement).
- Nice Agreement concerning the International Classification of Goods and Services for the Purpose of Registration of Marks 1957 (Nice Agreement).
- Vienna Agreement establishing an International Classification of the Figurative Elements of Marks 1973 (Vienna Agreement).
- Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to Madrid Agreement Concerning the International Registration of Marks (Madrid Protocol).

Malaysia's obligations under the above treaties and agreements have been substantially incorporated into Malaysian law by legislation.

Court System

2. Can third parties oppose/request cancellation of a national or supranational trade mark application/registration? If so, on what grounds?

Third parties can oppose an application for a national trademark or international registration as well as apply to court for the cancellation of a national trademark or international registration designating Malaysia.

Oppositions

A trademark can be opposed by any person once the trademark has been advertised in the *Intellectual Property Official Journal*. The opposition must be based on the grounds set out in section 34 of the TA which are (in summary):

- The registered proprietor of a trademark or their predecessor in business or a person who is under their control or authority has continuously used the trademark from a date before the use of the trademark by the applicant for registration or from a date before the date of filing of the application by the applicant.
- The applicant's trademark offends the absolute grounds for refusal of registration set out under section 23 of the TA.
- The applicant's trademark offends the relative grounds for refusal of registration set out under section 24 of the TA.
- The applicant is not the proprietor of the trademark .
- The applicant's trademark is identical with or similar to a well-known trademark in Malaysia and the intended registration is for goods or services which are not identical with or not similar to the said well-known trademark in Malaysia.

Opposition proceedings are commenced by filing a Notice of Opposition at the Trademark s Registry and serving it on the applicant for registration. On receipt of the Notice of Opposition, the applicant for registration can file a counter-statement in support of the application.

Evidence is then filed and exchanged by both parties by way of statutory declarations. On completion of the filing and submission of evidence, the Registrar gives directions to the parties to file their respective written submissions. The opposition is usually disposed after consideration of documents filed, without the need for an oral hearing.

The decision of the Registrar of Trademark s (TM Registrar) can be appealed to the High Court.

Cancellation/Rectification

Trademark cancellation actions are commenced at first instance at the High Court by any person aggrieved by the registration of a trademark .

The mode of action is by Originating Summons supported by affidavit evidence. The action can be converted into a writ action if the court decides that the case involves substantial disputes of fact, which can be best resolved only by way of oral witness testimony. Such cases are, however, rare.

The power of the court to cancel a trademark is set out in sections 46 and 47 of the TA.

The court has a general power to, among others, cancel an entry wrongfully entered or wrongfully remaining on the register maintained under the TA.

A trademark can be cancelled for either or both of the following reasons:

- It was registered without genuine intention on the part of the registered proprietor to use the trademark .
- There has been no bona fide use of the mark for a continuous period of at least three years up until three months before the application for cancellation.

(section 46, TA)

The court has the power to invalidate a registration of a trademark when any of the following grounds of invalidation can be established:

- The trademark was registered in breach of section 23 of the TA (absolute grounds for refusal of registration).
- There is an earlier trademark or an earlier right under section 24 of the TA (relative grounds for refusal). A registration cannot be invalidated under this ground if the proprietor of the earlier trademark or earlier right has consented to the registration (section 47(4), TA).
- The registration was carried out fraudulently or obtained by misrepresentation.

(section 47, TA)

The TM Registrar is also empowered to revoke trademark registrations in limited instances, (section 45, TA). In essence, this is where the TM Registrar has failed to take into account oppositions filed against a pending application when deciding to register the trademark .

3. Which courts/government bodies enforce registered trade mark rights?

Civil matters concerning an infringement of a registered trademark and actions to determine the validity of a registered trademark are heard at the High Court.

There is an IP Court in Kuala Lumpur to hear civil IP disputes, including disputes in relation to registered trademarks.

Criminal prosecutions under sections 99 to 102 of the TA are heard at the Sessions Court (see [Question 18](#)).

Opposition proceedings are commenced at the Trademarks Registry with appeals from decisions of the TM Registrar are filed at the High Court.

4. Who can represent parties before each court set out above?

Matters concerning trademark infringement and the validity of trademark registrations are heard before the courts, and only an advocate and solicitor of the High Courts of Malaya and the High Courts of Sabah and Sarawak, depending on where the case is heard, can represent the parties.

On the other hand, registered trademark agents can represent parties in contentious matters (for example, opposition proceedings) at the Trademarks Registry.

5. What is the language of the proceedings? Is there a choice of language?

All proceedings, other than the giving of evidence orally by a witness in court, are conducted in Bahasa Malaysia, which is the national language of Malaysia as provided under the National Language Act 1963/67. However, the court can permit the proceedings to be conducted in English where warranted in the interest of justice. In practice, the use of English is permitted and is frequently used in the courts, especially in the superior courts.

All documents filed in the High Court of Malaya have to be in Bahasa Malaysia. The document can be accompanied by an English translation. On the other hand, any documents filed in the High Court of Sabah and Sarawak must be in English and can be accompanied by a translation in Bahasa Malaysia.

Proceedings at the Trademarks Registry can be conducted either in Bahasa Malaysia or English. Similarly, any documents filed at the Registry must be either in Bahasa Malaysia or in English. Documents in any other language must be accompanied by a translation.

6. To what extent are courts willing to consider, or are bound by, the decisions or opinions of other national or foreign courts that have handed down decisions in similar cases?

By virtue of section 3(1) of the Civil Law Act 1956, only English common law as administered in England and Wales up until 7 April 1956 is binding in Malaysia (subject to different findings in the superior courts in Malaysia). Further developments or changes in English common law after that date are not binding in Malaysia but may be of persuasive value.

As Malaysia is a common law jurisdiction and part of the British Commonwealth, the shared English common law heritage has allowed for decisions of other British Commonwealth countries, in particular, the UK, Singapore and Australia to constitute persuasive authority and are frequently relied on in trademark matters, especially where the respective legislative provisions in question are similar to those being applied or where the subject matter is the same.

Limitation Periods

7. What limitation periods apply to registered trade mark infringement actions?

Limitation for civil actions is governed by the Limitation Act 1953. The limitation period for an action to recover damages for infringement of a registered trademark is six years from the last act of infringement.

Substantive Law

8. Are unregistered trade marks protected in your jurisdiction?

Unregistered trademarks are protected under the common law tort of passing off. The TA provides that none of its provisions can be deemed to affect the right of an action for passing off or the remedies in respect of such an action (*section 159(2), TA*), thereby explicitly preserving the common law action in passing-off.

The law of passing off essentially recognises and protects business goodwill (which is usually identified by a trademark, trade name or get-up) from being damaged through unlawful misappropriation.

9. How is a registered trade mark infringement assessed?

A registered trademark is infringed if all the following elements are present:

- Use of a sign identical with or similar to a registered trademark .
- Use of the sign in relation to identical or similar to goods and/or services for which the trademark is registered.
- Use of the sign in the course of trade.
- Use of the sign without the consent of the registered proprietor.

(*section 54, TA*).

"Sign" includes "any letter, word, name, signature, numeral, device, brand, heading, label, ticket, shape of goods or their packaging, colour, sound, scent, hologram, positioning, sequence of motion or any combination thereof" (*section 2, TA*).

Unless the third party's sign is identical to the registered trademark and is used in relation to goods or services that are identical to those covered by the registration, the allegedly infringing use must lead to the likelihood of confusion to the public.

Section 9 of the TA provides guidance on the determining whether the use of a trademark or sign is likely to cause confusion on part of the public. Generally, the court can take into account all factors relevant in the circumstances. Such factors include the:

- Relevant public or the average consumer.
- Degree of similarity between the trademarks and/or sign.
- Overall impression conveyed by the trademarks and/or sign.
- Distinctive character of the earlier trademark .
- "Imperfect recollection" test.
- Similarity of goods and/or services.

(Sabel v Puma [1998] RPC 199 (UK case))

Protection can extend to cover translations or to conceptually identical but graphically different trademarks if these are found to cause confusion. Similarly, the trademark can be enforced against domain names, trade names and pseudonyms as long as such use falls within the circumstances of "use of a sign" as set out in section 54(3) of the TA and results in a likelihood of confusion.

10. On what grounds may a proprietor lose rights in a registered trade mark ?

Rights to a registered trademark can be lost if it is not renewed, or if it is revoked or cancelled (*see Question 2*). A trademark can be cancelled on the application of an aggrieved person on the grounds of non-use or where the trademark entry is wrongfully entered or wrongfully remains on the register. The registered proprietor can also seek voluntary cancellation of a registered trademark .

11. What defences, if any, are available to an alleged infringer?

Defences available in a trademark infringement action include the following:

- Use in good faith by a person of their or her own name.
- Use in good faith of a description of the character and quality of goods or services or which is not deemed as trademark use.
- Prior use.
- Implied consent.

- Use of a trademark in the exercise of rights conferred by registration.
- Use of a trademark for non-commercial purposes.
- Use of a trademark for the purpose of news reporting or news commentary.

(*section 55, TA*)

12. Can a trademark holder plead registered trade mark infringement and passing off/unfair competition in the alternative in the same action?

It is common for both trademark infringement and passing-off actions (based on unfair competition) to be filed in the same proceedings based on the same or similar set of facts.

Parties to Litigation

13. Who can sue for trade mark infringement?

Trademark Holder

The general rule is that an action for trademark infringement must be commenced by the registered proprietor of the trademark .

Exclusive Licensee

Apart from the registered proprietor of a trademark , an exclusive licensee, subject to any license agreement between the exclusive licensee and the registered proprietor, can bring an action for trademark infringement in its own name against any person other than the registered proprietor (*section 71(2), TA*).

Where there is an exclusive licence, the registered proprietor or the exclusive licensee must not, without leave of the court, proceed with proceedings for infringement unless the other is either joined as a claimant or added as a defendant (*section 71(5), TA*) This provision however does not affect the right of a registered proprietor or exclusive licensee to make an application for interlocutory relief alone [*section 71(6), TA*].

The rights and remedies of an exclusive licensee are however subject to any agreement between the registered proprietor and the exclusive licensee (*section 71(10), TA*).

Non-Exclusive Licensee

A non-exclusive licensee of a registered trademark has the right to bring infringement proceedings in their own name, where the registered proprietor:

- Has been called on by the non-exclusive licensee to take proceedings for trademark infringement.
- Refuses or neglects to do so within two months of being called on.

(sections 70(2) and 70(3), TA)

In the above circumstances, the non-exclusive licensee is required to either join the registered proprietor as a claimant or to add the registered proprietor as a defendant, unless leave is granted by the court. However, the fact that the proprietor is not yet a party to the action does not affect the granting of interlocutory relief on the application by the non-exclusive licensee alone (section 70(4), TA).

14. Who can be sued for trade mark infringement?

An action for registered trademark infringement can be instigated against any person who, without the consent of the registered proprietor, uses a sign which is identical with or similar to the trademark in Malaysia in relation to goods or services which are identical or similar to the goods or services covered by the registration. A person can be sued for infringing use of a sign if they:

- Applies it to goods or their packaging.
- Offers or exposes goods for sale under the sign.
- Puts goods on the market under the sign.
- Stocks goods under the sign for the purpose of offering or exposing them for sale or of putting them on the market.
- Offers or supplies services under the sign.
- Imports or exports goods under the sign.
- Uses the sign on an invoice, catalogue, business letter, business paper, price list or other commercial document, including any such document in any medium.
- Uses the sign in advertising.
- Applies the registered trademark to any material for labelling or packaging purposes.

(sections 54(3) and 54(4), TA)

Manufacturers and importers of infringing products or any party who "uses" the offending trademark.

Company directors can be sued personally where they are held and found to be the directing minds of the company which is indulging in acts of trademark infringement (*Chanel v Melwani2 International Sdn Bhd [2017] MLJU 344*).

15. What type of acts amount to primary and secondary registered trade mark infringement?

Any of the uses listed in *Question 14* as infringing uses are considered primary acts of infringement of a registered trademark, apart from those mentioned below.

On the other hand, using the registered mark in labelling, packaging or advertising is likely to be secondary or "indirect" infringement. Secondary infringement can only be established if that person knew or had reason to believe that the application of the registered mark was done without the consent of the registered proprietor or their licensee.

16. Under what conditions, if any, can an alleged infringer bring proceedings to obtain a declaratory judgment on non-infringement?

The courts have unlimited discretionary powers to make declaratory orders of non-infringement (*section 41, Specific Relief Act 1950, read together with Order 15 rule 16, Rules of Court 2012*). For the court to grant a binding declaration of the rights, three conditions must be satisfied:

- The question under consideration is a real question.
- The party seeking the declaration has a real interest or *locus standi*.
- There has been a proper argument.

While negative declarations are generally not granted as a matter of course, declarations of non-infringement of intellectual property rights have been granted as long as it can be shown that the interests of justice are achieved by the declaration.

17. Is it possible to add or remove parties during litigation?

Parties can be joined in an action either as claimants or defendants with leave from the court where:

- Some common question of law or fact arises in all the actions, even if separate questions are bought by or against each of them.

- All rights to relief claimed in the action are in respect of or arises out of the same transaction or a series of transactions.

(Order 15 rule 4, Rules of Court 2012)

The court can order separate trials where the joinder of causes of action or the parties can hinder or delay the trial (*Order 15 rule 5, Rules of Court 2012*).

Further, the court can, at any stage of the proceedings, order any writ or pleadings to be struck off in an action against a defendant that:

- Discloses no reasonable cause of action or defence.
- Is scandalous, frivolous or vexatious.
- May prejudice, embarrass or delay the fair trial of the action.
- Is otherwise an abuse of process of the court.

(Order 18 rule 19, Rules of Court 2012)

Enforcement Options

18. What options are open to a trade mark holder when seeking to enforce its rights in your jurisdiction?

Civil Proceedings

A registered proprietor can initiate a civil action in the High Court for trademark infringement, passing-off or cancellation of a registered trademark .

Criminal Proceedings

Criminal offences relating to trademark infringement were previously provided for under the TDA. These criminal offences are now consolidated and provided for under the TA (in particular, *sections 99 to 102*). However, other false trade descriptions (other than those relating to trademark infringement) are still governed by the TDA.

In summary, sections 99 to 102 of the TA provide for the following offences: -

- Counterfeiting a registered trademark by making a sign identical with or similar to a registered trademark with the intent to deceive or falsifying a genuine registered trademark , whether by alteration, addition, effacement, partial removal or otherwise, without the consent of the registered proprietor of the trademark (*section 99*).

- Falsely applying a trademark or a sign likely to be mistaken for a registered trademark to the goods (in which the goods are not the genuine goods of the registered proprietor or licensee of the registered trademark) or services without the consent of the registered proprietor (*section 100*).
- Making, or being in possession, custody or control of an article specifically designed or adapted for making copies of a registered trademark or a sign likely to be mistaken for that trademark (*section 101*).
- Importing, selling or offering or exposing for sale, or being in possession, custody or control, for the purposes of trade or manufacture, any goods to which a registered trademark is falsely applied (*section 102*).

Where the offending trademark or sign is not identical to the registered trademark , the registered proprietor can apply to the TM Registrar for a Registrar's Verification (RV) to verify that the offending trademark or sign is confusingly similar to the registered trademark under the TA as this would be necessary in support of any further enforcement action (*section 112(3), TA*). Under the TDA, this was done by obtaining a Trade Description Order (TDO) from the High Court.

Enforcement actions are initiated by lodging a complaint with the enforcement wing of the Ministry of Domestic Trade and Consumer Affairs (MDTCA), supported by the relevant supporting documents (including the RV if necessary). The MDTCA then conducts enforcement action, including search and seizure followed by prosecution if necessary.

Penalties for offences under sections 99 to 102 of the TA include a fine and/or imprisonment .

Border Measures

Border measures are available under Part XIII of the TA and section 31 of the Customs Act.

A registered trademark owner must file an official objection to the importation of counterfeit goods with the TM Registrar (*section 82, TA*). If it is approved, the Registrar notifies an "authorised officer" at the customs who then takes the necessary action to prohibit the importation of goods identified in the notice, and conducts the necessary raids and seizures and detains the identified goods.

The Royal Malaysian Customs Department is permitted by order to prevent the import into and export from Malaysia of any prohibited goods both absolutely and conditionally (*section 31, Customs Act 1967*). While "counterfeit goods" have not been expressly included as "prohibited goods" within the definition of the Customs Act, "prohibited goods" have been defined to include goods which are prohibited by any other written law, which could in this case include the TA.

19. Is it advisable to send a letter before action (cease and desist letter) to an alleged infringer before commencing registered trade mark infringement proceedings?

It is not compulsory to send a cease and desist letter to an alleged infringer before registered trademark infringement proceedings are initiated. However, it may be advisable in certain instances, particularly where there is a wish to resolve the dispute without litigation or where the claimant wishes to show the court that attempts were made to resolve the dispute.

However, before issuing a cease and desist letter, the trademark proprietor must be mindful of the remedy of groundless threats of infringement proceedings available to an alleged infringer under section 61 of the TA. This permits an aggrieved person to bring proceedings for relief for groundless threats if they are threatened with proceedings for infringement other than for:

- The application of the trademark to goods or to material used or intended to be used for labelling or packaging goods.
- The importing of goods to which, or to the packaging of which, the trademark has been applied.
- The supply of services under the trademark .

The aggrieved person can apply for any of the following reliefs:

- A declaration that the threats are unjustifiable.
- An injunction against the continuance of the threats.
- Damages in respect of any loss sustained by the threats.

(section 61(2), TA)

A mere notification of a trademark application or registration is not considered a "threat" for the purposes of groundless threat proceedings *(section 61(5), TA)*.

20. To what extent are your national courts able to grant cross-border or extra-territorial injunctions (preliminary or permanent)?

The Malaysian courts do not grant cross-border or extra-territorial injunctions as trademark rights are territorial in nature.

21. To what extent are arbitration and alternative dispute resolution (ADR) methods (such as mediation) available to resolves trade mark disputes?

Arbitration

Arbitration in Malaysia is governed by the Arbitration Act 2005 which is based on the UNCITRAL Model Law on International Commercial Arbitrations. The said Arbitration Act applies to all arbitral proceedings with their seats in Malaysia.

Arbitration is frequently used in construction matters where arbitration clauses are present in standard forms of building contracts, and to resolve shareholder, commodities, joint venture, information technology and other large commercial disputes. Most disputes can be arbitrated in Malaysia and there is no requirement that the dispute must be of a commercial nature or

arise from a contractual dispute and can therefore apply to trademark disputes. However, arbitration is rarely chosen by parties in a trademark dispute.

ADR

Mediation is also available for parties in a dispute. Mediation in Malaysia is governed by the Mediation Act 2012. All disputes can be resolved via mediation except for matters specifically excluded in the Schedule to the Mediation Act.

The Mediation Act expressly states it does not apply to proceedings involving injunctions. As injunctions are often the principal remedy in trademark infringement or passing-off actions, mediation may not be ideal for such disputes although parties can still opt for mediation to resolve other types of dispute such as trademark cancellation actions or opposition matters.

Domain Name Dispute Resolution

If the trademark dispute involves the use of an infringing trademark in relation to a domain name, an action can be filed at the Malaysian Network Information Centre (MYNIC), the Asian International Arbitration Centre (if the domain name in dispute is a ".my" domain name) or at WIPO Arbitration and Mediation Centre.

The complainant must prove that:

- The disputed domain name is identical/similar to the complainant's trademark .
- The respondent registered and/or used the disputed domain name in "bad faith".

The remedies in such actions are limited to the cancellation of the domain name or transfer of the domain name to the complainant.

Procedure In Civil Courts

22. What is the format of trade mark infringement proceedings?

Trademark infringement proceedings are initiated at the High Court. This is done by filing a writ and statement of claim. The defendant can file a defence if it wishes to contest the claim and if necessary, file a counterclaim. The claimant then files its reply and/or defence to the counterclaim. Once this is done, the pleadings are deemed closed.

Following the close of pleadings, the court gives directions at case management stage on the conduct of proceedings up to trial. This includes discovery of documents and agreement of the parties on facts and issues so that the facts in dispute and issues for trial are narrowed. The parties are usually required to provide their list of witnesses as well as witness statements before trial.

Trial is conducted by an examination of the witnesses in open court. The witnesses are subject to examination in chief, cross-examination and re-examination (if necessary). The process is an adversarial one.

On completion of the trial, the court usually provides directions for the filing of written submissions and then fixes a date for oral submissions/clarification before a decision is given.

23. Is a fast-track procedure available?

Generally, the courts can at any time before the commencement of proceedings direct parties to attend pre-trial case management relating to the matters arising in the action. During the pre-trial case management, the court can direct the parties to comply with certain directions within a period of time in order to secure a just, expeditious and economical disposal of the action or proceeding.

Generally, there are no fast-track proceedings for trademark disputes, although any party or parties can apply to court on a Certificate of Urgency to expedite the proceedings or any particular application. The grant of expedited proceedings is at the discretion of the judge hearing the case who would require cogent reasons before proceeding on an expedited basis.

24. What are the rules and practice concerning evidence in trade mark infringement proceedings in your jurisdiction?

Documents

Documents are largely used as evidence in support of the parties' respective cases. The court will give directions on the filing and exchange of documents between the parties during pre-trial case management sessions. The documents filed are usually classified as follows:

- Part A: documents where the contents and authenticity are not disputed.
- Part B: documents where the authenticity is not disputed but the contents are disputed.
- Part C: documents where the authenticity and contents are disputed.

Witness Evidence

Witness evidence is given in cases begun by writ or where there is an application to cross examine the deponent of an affidavit. In writ actions, evidence-in-chief is usually given by way of a witness statement which is either read out by the witness in court or confirmed by the witness in court. The witness is then subject to cross-examination and can later be re-examined. Re-examination will be confined to the issues raised during cross-examination.

Expert Evidence

Expert evidence can be given and the procedure for its introduction is governed by section 45 of the Evidence Act 1950 and Order 40/Order 40A of the Rules of Court 2012.

25. To what extent is survey evidence used (for example, to support acquired distinctiveness, or likelihood of confusion)? What is its evidential value?

Survey evidence is admissible as evidence and sometimes used by parties to prove a public state of mind on a specific question or as proving an external fact, namely that a designated opinion is held by the public or a class of the public.

Survey evidence is often scrutinised and viewed with caution by the court (*Syarikat Zamani Hj Tamin Sdn Bhd & Anor v Yong Sze Fun & Anor* [2006] 5 MLJ 262).

The admissibility and weight of such evidence depends on its compliance with the guidelines for the survey as stipulated in the case of *Imperial Group Plc & Anor v Phillip Morris* [1984] RPC 293 (as applied by the Malaysian Federal Court (the apex court) in *Liwayway Marketing Corporation v Oishi Group Public Company Limited* [2017] 5 CLJ 133). The following factors are taken into account:

- Methodology of the survey must be disclosed.
- Totality of all answers must be disclosed.
- Questions posed to the interviewees must not be leading.
- Exact answers and not abbreviations must be provided.
- Coding must be accurately carried out and coding methods disclosed.
- Instructions given to interviewers must be disclosed.

Where the survey evidence does not comply with the above guidelines, it will either be disregarded or given very little or no weight.

The survey cost is generally not recoverable.

While survey evidence can be adduced to prove a likelihood of confusion and/or deception, the question of whether there is a real likelihood of deception of the public is ultimately one for the court to decide (see *Sykt Faiza Sdn Bhd & Anor v Faiz Rice Sdn Bhd & Anor and another suit* [2019] 7 MLJ 175; *Syarikat Duasama Son Bhd v Abdul Aziz bin Ibrahim (t/a Radiant Star Enterprise) (Tiong Sing Trading Co Sdn Bhd & Anor, third parties)* [2018] MLJU 5).

26. Is evidence obtained for criminal proceedings admissible in civil proceedings, and vice versa?

Evidence obtained from criminal proceedings is admissible in civil proceedings and *vice versa*.

27. To what extent is pre-trial discovery permitted and what other mechanisms are available for obtaining evidence from an adverse party or third parties?

Pre-Trial Discovery

Order 24 of the Rules of Court 2012 sets out the mechanism for the discovery and inspection of documents.

However in practice, directions on discovery usually take place at the pre-trial case management (*see Question 24*).

Other Mechanisms

The High Court is empowered to order the discovery of documents on the application of any party to an action upon the failure by the other party to comply with the requirements for discovery under the Rules of Court 2012.

Failure to comply with the rules of discovery can, in more serious cases, result in an action being dismissed, or a defence being struck out and judgment entered accordingly.

Despite these provisions, directions on discovery are usually given at the case management stage.

28. Can an order be made to establish proof of infringement (*saisie-contrefaçon*)? If not, what other mechanisms, if any, are available?

Where there is a risk that evidence essential to a claimant's case may be destroyed or concealed, the claimant can apply to the courts for an Anton Piller Order. The Anton Piller Order permits the claimant to enter into the defendant's premises, subject to stringent conditions usually imposed by the court, to inspect and take into custody any documents and articles specified in the order. Any document and/or article taken into custody can be used by the claimant as evidence.

29. How long do trade mark infringement proceedings typically last?

Trademark infringement proceedings from the time the writ is filed up to the conclusion of the case when the decision is rendered typically take between 12 and 18 months, depending on the number of witnesses and the complexity of the claim. As mentioned, it is possible to expedite proceedings by filing a Certificate of Urgency (see [Question 23](#)).

The parties can, conferring with the court, agree on a binding timetable for the proceedings. This is however still subject to the discretion of the court and the availability of dates.

30. What options, if any, are available to a defendant seeking to stay the proceedings?

The defendant can apply to stay proceeding in certain circumstances by making a formal application to court by way of notice of application supported by affidavit. The court in deciding on the application has the discretion to stay proceedings although valid and cogent reasons have to be provided. Usually proceedings are stayed if there are pending issues in another suit or matter which could have an impact in the case before the court.

Preliminary Relief

31. Is preliminary relief available?

Pre-emptive remedies such as interlocutory injunctions (*ex parte* and *inter partes*) are available upon application to court. The principles for the granting interlocutory injunctions laid down in the landmark case of *American Cyanamid Co v Ethicon Ltd [1975] AC 396* have been adopted by the Court of Appeal in Malaysia in *Keet Gerald Francis Noel John v Mohd Noor bin Abdullah [1995] 1 MLJ 193*. The judge hearing the application should consider whether:

- There is a bona fide serious issue to be tried.
- The balance of convenience favours the grant of the interlocutory injunction.
- The award of damages at the end of the trial to a successful claimant would not offer adequate relief.

The claimant will usually be required to give an undertaking as to damages before the interlocutory injunction is granted which would be called upon if the injunction is granted and the claimant fails to sustain the action after full trial.

Injunctive relief is equitable in nature and therefore an interlocutory injunction must be applied for as soon as the claimant becomes aware that its trademark is infringed. Any inordinate delay in the application may be fatal unless it is justified and adequately explained.

In an *ex parte* application for an interlocutory injunction, all material facts must be disclosed. Any suppression or misrepresentation of any material fact, even due to an error of judgment, may be fatal and could result in the *ex parte* injunction being set aside and the claimant being liable for all damages suffered. *Ex parte* injunctions however are for a limited period of time and the court will subsequently have to hear arguments by both parties if the interlocutory injunction is to be extended beyond the limited period.

Apart from the interlocutory injunction, a Mareva injunction can also be obtained if the claimant has evidence that the defendant is dissipating its assets to avoiding having to pay damages likely to be ordered against it. The defendant's bank accounts can be frozen and the order can extend to assets outside Malaysia. The onus is on the claimant to establish the need for such an order, which is granted only in exceptional circumstances.

32. Can a protective writ be filed at the court at which an *ex parte* application may be filed against that defendant?

All writs must disclose a reasonable cause of action and are necessary if *ex parte* relief is sought against the defendant.

33. What is the format for preliminary injunction proceedings?

General

An application for preliminary/interlocutory injunction is made by way of a Notice of Application accompanied by an affidavit in support. An inter partes interlocutory application will be heard in chambers by the judge, based on affidavit evidence filed by both parties. If the application is made *ex parte*, it is heard on the basis of the applicant's affidavit evidence only.

Level of Proof

At the interlocutory injunction proceedings, a claimant is required to establish infringement on a *prima facie* basis and the judge is not required to decide on the full merits of infringement. The claimant is required to show that there is serious issue to be tried and the balance of convenience favours the grant of the injunction.

Evidence

Evidence at interlocutory injunction proceedings is provided by way of affidavit evidence.

Trademark Validity

The validity of the trademark may have a bearing on the case although the court is unlikely to decide on the merits of validity at the interlocutory stage. However, this may in certain cases tilt the balance of convenience one way or the other.

Length of Proceedings

Ex parte injunctions on a certificate of urgency can be disposed of fairly quickly, in urgent cases within days or weeks. However *ex parte* injunctions last only for a few weeks and would have to be extended by the court upon hearing both parties.

Inter partes interlocutory injunctions, either in its original form or to extend an *ex parte* injunction can take between two and six months to be concluded. This varies depending on various issues including the urgency or complexity of the matter.

Final Remedies

34. What remedies are available in a registered trade mark infringement action?

Permanent Injunction

Permanent injunctions are available against an infringer of a registered trademark (*section 56(3)(a), TA*). Further, if the infringement action involves the use of a "counterfeit trademark", on the application of the claimant for an interim injunction, the court can order the:

- Seizure or taking into custody of suspected infringing goods, materials or articles relevant to the infringement.
- Supply of documentary evidence relevant to the infringement.

(*section 56(4), TA*)

A sign will be considered a counterfeit trademark in relation to a registered trademark, if the sign is both:

- Identical to the registered trademark and calculated to deceive.
- Applied to goods or services:
 - without the express or implied consent, conditional or otherwise, of the registered proprietor; and
 - to falsely represent the goods or services to be the genuine goods or actual services of the registered proprietor or a licensee of the registered trademark.

(*section 6(5), TA*)

Monetary Remedies

A successful claimant in a trademark infringement action can choose between an:

- Assessment of damages computed on the basis of losses suffered by the claimant by the infringement.
- Account of profits enjoyed by the defendant resulting for their infringing activities .

(section 56(3), TA)

When the court awards any damages to the successful claimant, the court can also make an order for an account of profits attributable to the infringement that has not been taken into account in computing the damages (*section 56(5), TA*). However, except as provided under *section 56(5)*, it is expressly provided that the two remedies are otherwise mutually exclusive (*section 56(6), TA*).

Damages or account of profits are usually assessed at a separate stage after the conclusion of the trial on liability. However, there have been instances when both liability and quantum are decided at the same time at the conclusion of the trial.

Further, if the trademark infringement action involves the use of a counterfeit trademark (*see above, Permanent Injunction*) in relation to goods or services, the successful claimant is entitled, at their election, to:

- Damages and an account of profits attributable to the infringement that have not been taken into account in computing the damages.
- Account of profits.
- Additional damages considered appropriate in the circumstances based on the following considerations:
 - the flagrancy of the infringement of the registered trademark ;
 - any benefit shown to have accrued to the defendant, by reason of the infringement;
 - the need to punish the defendant for such act of infringement; and
 - all other relevant matters.

(section 56(7),(8), TA)

Delivery up or Destruction of Infringing Goods, Materials or Articles

The registered proprietor can seek an order for delivery up of infringing goods, materials, articles or destruction of the same on oath (*sections 59 and 60, TA*).

In this regard, the definitions for "infringing goods", "infringing materials" and "infringing articles" are as follows:

- Goods are "infringing goods", in relation to a registered trademark , if the goods or their packaging bear a sign identical with or similar to that trademark and:
 - the application of the sign to the goods or their packaging infringed the registered trademark ;

- the goods are proposed to be imported into Malaysia and the application of the sign in Malaysia to them or their packaging would be an infringement of the registered trademark ; or
- the sign has otherwise been used in relation to the goods in such a way as to infringe the registered trademark .

(section 6(1), TA)

- Material is "infringing material", in relation to a registered trademark , if it bears a sign identical with or similar to that trademark and either:-
 - it is used for labelling or packaging goods, as a business paper, or for advertising goods or services, in such a way as to infringe the registered trademark ; or
 - it is intended to be so used and such use would infringe the registered trademark .

(section 6(2), TA)

- "Infringing articles", in relation to a registered trademark , means articles:
 - which are specifically designed or adapted for making copies of a sign identical with or similar to that trademark ; and
 - which a person has in their possession, custody or control, knowing or having reason to believe that they have been or are to be used to produce infringing goods or material.

(section 6(3), TA)

Where a person who is found to have infringed a registered trademark has in their possession, custody or control any counterfeit goods, the claimant can apply to the court for an order for the these to be delivered up for destruction (*section 58(3), TA*). The court must grant the order if it is of the view that there are no exceptional circumstances which would justify the refusal of such an order.

In this regard, goods are "counterfeit goods" in relation to a registered trademark , if:

- They are "infringing goods" in relation to that trademark.
- The sign borne by them or their packaging is a "counterfeit trademark" (*Monetary Remedies*).

(section 6(4), TA)

Erasure of Offending Sign

The registered proprietor can seek an order for the infringer to erase, remove or obliterate the offending sign from any infringing goods, material or articles in their possession, custody or control (*section 58(1)(a), TA*). If it is not reasonably practicable for the offending sign to be erased, removed or obliterated, the court can order the destruction of the infringing goods, material or articles in question (*section 58(1)(b), TA*).

Publication of the Decision

Decisions of the court in relation to trademark cancellation, infringement and passing off cases are usually reported and/or published in law journals.

Recall Order

The registered proprietor can seek a recall order against the infringer.

Declaration of Infringement and Validity

A declaration of infringement and validity can be sought against an infringer of a registered trademark .

Others

In certain circumstances, a public apology can also be sought against an infringer of a registered trademark . The court can also exercise its discretion to consider other reliefs as it thinks just and fit.

35. How are monetary remedies assessed against a registered trade mark infringer?

Damages are either assessed based on the losses suffered by the claimant as a result of the infringing activities of the infringer, or in the alternative, for the defendant to account its profits from its infringing activities.

See *Monetary Remedies*, for how these are assessed.

Appeal Remedies

36. What routes of appeal are available to the unsuccessful party?

An unsuccessful party can appeal against a judgment or order from the High Court to the Court of Appeal on both questions of fact and law. The appeal from the High Court to the Court of Appeal is a re-hearing based on the record of appeal so filed.

A further appeal from the Court of Appeal lies with the Federal Court. Appeal is not as of right and prior leave has to be obtained from the Federal Court. Leave is only granted where either:

- There is a question of general principle decided for the first time or a question of importance on which a decision of the Federal Court would be of advantage to the public; or
- The decision relates to the effect of any provision of the constitution.

Appeals to the Federal Court are only permitted if the matter is commenced at the High Court in the exercise of its original jurisdiction. Appeals from the TM Registrar to the High Court in relation to among others the registrability of a trademark or in relation to opposition proceedings conclude at the Court of Appeal with no further right of appeal to the Federal Court.

Appeals from the High Court to the Court of Appeal usually conclude within one year and thereafter appeals to the Federal Court (if leave is granted) take about another year.

Litigation Costs

37. What level of cost should a party expect to incur to take a case through to a first instance decision, preliminary injunction proceedings and appeal proceedings?

The legal costs for trademark litigation largely depend on a number of factors such as the complexity of the matter, facts and issues involved, the number of witnesses and days of hearing and the seniority and reputation of the solicitors and counsel engaged.

Cost of the proceedings can be recovered from the losing party at the discretion of the judge. Costs are taxed by the court and often the full cost is not recoverable unless some blameworthy conduct on the party against whom costs is claimed can be shown in which case, costs can be claimed on an indemnity basis.

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