

Malaysia

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1. SOURCES OF LAW

1.1 What are the principal sources of law and regulation relating to trade marks and trade mark litigation? (Briefly describe the role of international, federal or state laws and relevance of court decisions, list and briefly describe relevant statutes and international treaties.)

The principal sources of Malaysian trade mark law can be divided into legislative provisions and common law.

The principal legislative provisions include the Trade Marks Act 1976 and Trade Marks Regulations 1997 and the Trade Descriptions Act 2011.

The common laws are made up of judicial decisions of the courts of Malaysia as well as English common law, with the application of latter being subject to certain limitations (see the answer to question 2.3).

Malaysia has also acceded to a number of international agreements, conventions and treaties concerning trade marks including:

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

These agreements, conventions and treaties are not ipso facto part of Malaysia law unless transformed into Malaysian law by means of a statute made by Parliament and Malaysia's obligations under them are substantially incorporated into those written laws.

1.2 What is the order of priority of the relevant sources, ie which take precedence in the event of a conflict?

The Trade Marks Act 1976, the Trade Marks Regulations 1997 (made pursuant to the Trade Marks Act 1976) and the Trade Descriptions Act 2011 are the primary sources of trade mark law and prevail over non-legislative sources of law ie, judicial decisions of the national courts.

The doctrine of precedent, or *stare decisis*, applies to govern decision-making within the court system. In essence, the lower courts would be bound by a decision of the higher courts within the Malaysian judicial system on any applicable point of law decided by the superior court, provided the facts

before the lower court do not entitle it to distinguish the circumstances and depart from the decision of the higher court.

2. COURT AND ADMINISTRATIVE SYSTEM

2.1 Can third parties oppose/request cancellation of a national or supranational (eg Madrid Agreement and Protocol, Community Trade Marks) trade mark application/registration in your country? If so, on what grounds? Please briefly describe the opposition/cancellation procedure(s).

Third parties can oppose an application for a national trade mark as well as apply to court for the cancellation/rectification of a national trade mark. Malaysia is not yet a party to the Madrid Agreement and Protocol but there are strong indications that Malaysia will accede to it soon.

Oppositions

An application for a trade mark may be opposed by any person after its publication in the government gazette on the grounds that the application does not meet the conditions for trade mark registability under the Trade Marks Act 1976 (the Act) which includes:

- the applied trade mark is not distinctive;
- the use of the applied trade mark is likely to deceive or cause confusion to the public or would be contrary to law;
- the applied trade mark is identical or so nearly resembles a trade mark belonging to a different proprietor and entered in the Register in respect of the same goods/services or goods/services that are closely related to those goods/services;
- the applicant is not the proprietor of the subject mark;
- the applied mark is identical to or so nearly resembles a mark which is well-known in Malaysia.

Opposition proceedings are commenced by filing of notice of opposition at the Trade Marks Registry and the serving it on the applicant. The applicant then files a counter statement in support of the application and after that evidence is filed and exchanged by both parties by way of statutory declarations. Upon completion of the filing of evidence, the Registrar will give notice to the parties of a date by which they may send their respective written submissions.

Cancellation/rectification

A registered trade mark can be cancelled/rectified by way of an application to a court by a person 'aggrieved'. The enabling provisions for rectification are set out in sections 45 (general power of rectification) and 46 (non use provisions) of the Act.

An application for rectification is commenced by filing an originating summons together with an affidavit in support at the High Court and serving it on the registered proprietor of the disputed trade mark. The registered proprietor may file an affidavit in reply to the affidavit in support. The court may allow one or more further exchanges of affidavits before setting the matter for hearing.

2.2 In which courts are trade marks enforced? Are they specialised trade marks courts? If not, what level of expertise can a trade mark holder expect from the courts?

Civil proceedings for trade marks including but not limited to applications for rectification of the Trade Marks Register and claims for trade mark infringement may be filed in the High Court.

Currently, there is a single specialist Intellectual Property High Court in Kuala Lumpur and one Intellectual Property Sessions Court each in Kuala Lumpur, Selangor and Penang. There is no requirement or policy that the judge presiding over this Intellectual Property High Court must possess any specific academic training or practical experience in dealing with intellectual property matters. However, trade mark holders will find that such judges are able to demonstrate considerable expertise and appreciation of the intricacies of trade mark-related law.

2.3 To what extent are courts willing to consider, or are bound by, the 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 on 7 April 1956 is binding (subject to different findings in the superior courts in Malaysia) in Malaysia. Further developments or changes in English common law after that date do not become law in Malaysia but may be of persuasive value.

As Malaysia is a common law country and part of the British Commonwealth, the shared English common law heritage has allowed the decisions of other British Commonwealth countries, in particular, the United Kingdom, Singapore and Australia to constitute persuasive authority and are frequently relied on in the case of trade mark matters especially where the legislative provisions in question are similar to or are in *pari materia* with the Trade Marks Act 1976 and the Trade Descriptions Act 2011.

2.4 Do the courts deal with infringement and invalidity simultaneously? Or must invalidity actions be brought in separate proceedings? If so, before which court or national or supranational government agency shall they be brought (eg the national Trade Mark Office or the OHIM in Alicante)?

There is no requirement that an action for infringement and invalidity must be brought in separate proceedings. Where a respondent in his defence against a claim for trade mark infringement puts in issue the validity of the registration, that counterclaim is tried together with the claim for infringement.

2.5 Who can represent parties before the courts handling trade mark litigation and/or the national or supranational government agency dealing with trade mark validity issues?

Matters concerning trade mark infringement and the validity of trade mark registrations are heard before the Courts of Malaysia. As such, only an

advocate and solicitor of the High Courts of Malaya and the High Courts of Sabah and Sarawak may represent the litigating parties.

Opposition proceedings however commence at the Trade Mark Registry and so long as the proceedings remain there, registered trade mark agents may represent parties in contentious matters there.

2.6 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 Malay, which is the national language of Malaysia as provided under the National Language Act 1963/67. However, the court may permit the proceedings to be conducted in English where warranted in the interests of justice. In practice, English is permitted and is frequently used in the courts especially in the superior courts.

Any document filed in the High Court of Malaya has to be in Malay. Such document may be accompanied by an English translation. On the other hand, any document filed in the High Court of Sabah and Sarawak must be in the English language and may be accompanied by a translation in the Malay language.

3. SUBSTANTIVE LAW

3.1 To what extent are unregistered trade marks protected under your country's laws?

Unregistered trade marks are protected under the common law tort of passing-off. The Trade Marks Act 1976 explicitly provides that nothing in that Act shall be deemed to affect the right of action against any person for passing-off and to the remedies in respect of it.

Unlike a registered trade mark, the law of passing-off does not confer a monopoly right to the owner over the use of the unregistered trade mark. Instead, it concerns the preservation of business goodwill and confers protection over business reputation as recognised by the relevant public and trade as being distinctive specifically as the goods or services of the owner of the unregistered trade mark.

3.2 How is trade mark infringement assessed? Does protection extend to translations or to conceptually identical but graphically different trade marks?

Where the offending trade mark is not identical to the registered trade mark, the assessment for infringement is directed to the likelihood of confusion and deception. Such an assessment is not restricted to any particular criteria. Instead, the registered mark and the disputed mark are compared as wholes giving due consideration to all the surrounding circumstances including: (i) the idea conveyed by the marks; (ii) the importance of the first syllable of the marks; (iii) the phonetic and visual effect of the marks; (iv) the principle of 'imperfect recollection'; and (v) a comparison of the essential features of the marks.

Where the infringing mark is identical to a registered trade mark and used

in relation to goods or services of the registered trade mark, confusion and deception need not be shown to succeed and the registered trade mark will be readily found to be infringing.

3.3 Are there other causes of action for trade marks (eg dilution)?

Malaysia has not enacted an anti-dilution statute. From a Court of Appeal decision in 2009, it appears that dilution argued as a form of extended passing-off is not recognised as a cause of action. The court held that passing-off requires findings on distinctiveness, misrepresentation and confusion or deception for liability to be established (*McCurry Restaurant (KL) Sdn Bhd v McDonald's Corporation* [2009] 3 CLJ 540).

While the Court of Appeal in the case of *McCurry Restaurant (KL) Sdn Bhd v McDonald's Corporation* [2009] 3 CLJ 540 did not specifically address dilution, it overruled the High Court decision in the same case which seemed to recognise it.

3.4 Can a trade mark be enforced against a domain name, a trade name, a pseudonym or other distinctive signs? Can a trade mark be enforced against a metatag?

There will be trade mark infringement if the use of a domain name, trade name or pseudonym or other such sign in relation to the goods/services of the registered proprietor creates confusion and/or deception and is used as a trade mark.

Since a 'trade mark' is defined in section 3 of Act as a mark used to indicate a source of origin, it appears that a metatag, which is inserted into a piece of website code and visible only to the search engine and not the internet user, does not qualify as use as a 'trade mark'.

3.5 On what grounds can a trade mark be invalidated?

Section 45(1)(a) provides the general enabling power of invalidation by the court at the application of any person aggrieved by the following:

- the non-insertion in or omission from the Register of any entry; or
- any entry made in the Register without sufficient cause; or
- any entry wrongfully remaining on the Register; or
- any error or defect in any entry in the Register.

As section 45(1)(a) is an enabling provision, for any of the items above to be satisfied, the other provisions of the Act which determine, among others, the registrability of a trade mark would have to be relied upon in addition to section 45(1)(a).

3.6 Must use requirements be satisfied to maintain the trade mark registration? If so, is there any definition of what constitutes use?

There is no requirement for the proprietor of a trade mark to file a declaration of use or otherwise demonstrate to the Trade Marks Registrar that the registered trade mark has been in use in order to maintain or renew a trade mark registration.

However, under section 46 of the Trade Marks Act 1976 a registered trade

mark can be removed upon the application of a person aggrieved if: (i) the mark was registered without a genuine intention to use it in relation to the goods and services and there has been in fact no such use in Malaysia; or (ii) there has been no bona fide use of the mark in Malaysia for at least three years prior to one month before the application to remove the mark.

'Use' is not statutorily defined but has been judicially interpreted as ordinary and genuine use judged by commercial standards. Contrived use for the purpose of defeating an action for invalidation on the grounds of non-use will lack the necessary quality of genuineness.

3.7 What other defences, if any, are available to an alleged infringer (eg tolerance, existence of earlier rights of third parties)? Does your country's law provide for a prior user's rights?

Defences available in a trade mark infringement action include: (i) use in good faith by a person of his own name; (ii) use in good faith of a description of the character and quality of goods or services; (iii) prior use; (iv) implied consent; (v) use of a trade mark in the exercise of rights conferred by registration.

3.8 To what extent can enforcement of a trade mark expose the trade mark holder to liability for an antitrust violation?

Enforcement of trade mark rights does not automatically give rise to anti-trust violation. There certainly could be that exposure if the enforcement gives rise to instances that could amount to abuse of a dominant position or conduct which could be deemed to be anti-competitive within the provisions of the Competition Act 2010.

There are, however, provisions within the Competition Act which relieve certain acts from liability under it. As the Competition Act in Malaysia is still in its infancy, there are currently no block or individual exemptions dealing with trade mark enforcement although given the manner of trade mark rights and enforcement, it could be anticipated that acts of enforcement could be excluded either through interpretations of the existing statutory provisions which exempt the application of the Act, or through block or individual exemption.

3.9 Can a court only partially invalidate a trade mark?

The court may order the partial invalidation of a trade mark and may do so, for instance, where there has only been use of some but not all of the registered goods or services.

3.10 Is it possible to amend a registered trade mark during a lawsuit?

There is no prohibition against the filing of an application to amend a registered trade mark which is the subject matter of an ongoing lawsuit. The amendment however must satisfy the prerequisites for amendment prescribed by the Act.

3.11 Are there any grounds on which an otherwise valid trade mark can be deemed unenforceable, owing to misconduct by the trade mark holder, or for some other reason (eg expiry of time limit)?

An application may be made any person aggrieved to cancel the entry of a trade mark that is wrongly remaining on the Register and 'wrongfully remaining' includes a situation where at the commencement of the cancellation proceedings, the trade mark was not distinctive of the goods or services of the registered proprietor, or if the trade mark is deceptive. However if the trade mark is being cancelled as an entry wrongfully remaining (as opposed to a challenge on the initial entry) some blameworthy conduct on the part of the trade mark holder is required.

The validity of the trade mark can also be challenged if it is not used for a continuous period of three years up to one month before the application to cancel the trade mark.

3.12 Can a trade mark holder bring a lawsuit claiming both trade mark infringement and unfair competition for the same set of facts? Is it possible to bring parallel unfair competition proceedings, whether or not the trade mark is registered?

It is common for both trade mark 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.

4. PARTIES TO LITIGATION

4.1 Who can sue for trade mark infringement (trade mark holder, exclusive licensee, non-exclusive licensee, distributor)? Does a licensee need to be registered to sue?

Aside from the proprietor of a trade mark, a registered user, but not an unregistered user of the trade mark, can bring an action for trade mark infringement in its own name provided that: (i) the registered proprietor has been called upon by the registered user to take proceedings for trade mark infringement; and (ii) the registered proprietor refuses or neglects to do so within two months of being called upon.

In the above circumstance, the registered proprietor shall be made a defendant in the proceedings brought by the registered user in its own name. The registered proprietor so added as a defendant is not liable for costs unless it enters an appearance and takes part in the proceedings.

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

The courts have unlimited discretionary power to make a declaratory order of non-infringement, irrespective of whether an application has a cause of action or not or even when a cause of action did not exist at the time of application (section 41 Specific Relief Act 1950 together with Order 15 rule 16 of the Rules of Court 2012). For the court to grant a binding declaration of the rights, three conditions must be satisfied: (i) the question under consideration is a real question; (ii) the party seeking the declaration has a

real interest or locus standi; and (iii) there has been 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 so as long as it can be shown that the aims of justice are achieved.

4.3 Who can be sued for trade mark infringement? Can the company directors be sued personally? Under what conditions, if any, can someone be sued for inducing or contributing to trade mark infringement by someone else?

It is the trade mark infringer who can be sued for trade mark infringement. There are no provisions under the Trade Marks Act 1976 which provide for conditions whereby the company directors can be sued.

Under common law, there is persuasive authority that suggests that a director or officer of a company may be held to be personally liable as joint tortfeasors for infringement of a trade mark by their company if it can be shown that he had procured or induced the infringing acts done by the company or that in some other way, he and the company had joined together in concerted action to bring about those acts.

4.4 Is it possible to add or subtract parties during litigation?

Two or more persons may be joined together in one action either as plaintiffs or defendants with leave from the court where: (i) if separate questions were brought by or against each of them, some common question of law or fact would arise in all the actions; and (ii) all rights to relief claimed in the action are in respect of or arise out of the same transaction or a series of transactions.

The court may, conversely, order separate trials where the joinder of causes of action or the parties may embarrass or delay the trial or otherwise delay the trial (Order 15 rule 5 Rules of Court 2012).

Further, the court may, at any stage of the proceedings, order any writ or pleadings to be struck off, if they: (i) disclose no reasonable cause of action or defence; (ii) are scandalous, frivolous or vexatious; (iii) may prejudice, embarrass or delay the fair trial of the action; or (iv) are otherwise an abuse of process of the court.

5. ENFORCEMENT OPTIONS

5.1 What options are open to a trade mark holder when seeking to enforce its rights in your country?

Other than the civil options of enforcing trade mark rights under the Trade Marks Act and the common law of passing-off, there is also the criminal enforcement option under the Trade Descriptions Act 2011 (the TDA).

The Ministry of Domestic Trade, Cooperatives and Consumerism (the MDTCC) is empowered conduct investigations and necessary enforcement actions where they have grounds to suspect or receive a complaint that goods bearing a trade mark identical to a registered trade mark has been applied, supplied, offered to supply, exposed for supply or is in the possession, custody or control of a person for supply without the consent of the registered proprietor.

Where the trade mark is infringed in the course of trade by a trade mark not identical to the registered trade mark, the registered proprietor may apply to the court for a Trade Description Order to declare that the infringing trade mark is a false trade description. In practice the MDTCC would require a Trade Description Order before they commence enforcement action where the infringing trade mark is not identical to the registered trade mark. The need for the Trade Description Order is not that crucial where the infringing trade mark is identical or where there are other false trade descriptions accompanying the infringing use of the trade mark.

Under the TDA, the MDTCC is empowered with, inter alia, the powers of arrest, the power to enter premises and inspect and seize goods and documents, the power of entry and search with a search warrant and the power of making test purchases.

5.2 Are criminal proceedings available? If so, what are the sanctions?

Criminal proceedings are available under the TDA. The sanctions for an offence under the TDA are as follows: (i) where the offender is a body corporate, a fine not exceeding Ringgit Malaysia 15,000 for each goods bearing the false trade description, and for a second or subsequent offence, to a fine not exceeding Ringgit Malaysia 30,000 for each goods bearing the false trade description; (ii) where the offender is not a body corporate, a fine not exceeding Ringgit Malaysia 10,000 for each goods bearing the false trade description, or imprisonment for a term not exceeding three years or to both, and for a second offence or subsequent offence, to a fine not exceeding Ringgit Malaysia 20,000 for each goods bearing the false trade description, or a imprisonment for a term not exceeding five years or to both.

5.3 Are border measures, such as customs seizures, available?

Border measures are available under the Part XIVA of the Trade Marks Act 1976 and section 31 of the Customs Act.

Under Section 70D of the Trade Marks Act, a registered trade mark owner must file an official objection to the import of counterfeit goods with the Trade Mark's Registrar. The objection must be worded to provide information regarding the specific time and place the counterfeit trade mark goods are expected to be imported for the purpose of trade. If the application is approved, the Registrar then notifies an 'authorised officer' at the customs who will then take the necessary action to prohibit the import of the goods identified in the notice, and will conduct the necessary raids and seizures and detain the identified goods. An approval is valid only for 60 days commencing on the day on which the approval was given, unless it is withdrawn before the end of the period by written notice given to the Registrar by the applicant.

The seized goods are then stored in a secure place as the Registrar may direct or as the authorised officer deems fit and the Registrar, applicant and importer are informed. The Registrar may permit the applicant or the importer to inspect the seized goods provided he agrees to give the requisite undertakings.

If the applicant does not institute an action for infringement in respect of the goods within the period specified in the written notice, the goods will be released to the importer. Under such circumstances, the importer may apply to the court for an order of compensation against the applicant.

It should be noted that any infringement proceedings brought against importers is purely Civil in nature.

Section 31 of the Customs Act 1967 prohibits the import into and export from Malaysia any prohibited goods both absolutely and conditionally. Whilst '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 would in this case include the Trade Marks Act.

5.4 Is it compulsory to send a cease and desist letter to an alleged infringer before commencing trade mark infringement proceedings? What are the consequences, if any, for making unjustified threats of trade mark infringement?

It is not compulsory to send a cease and desist letter to an alleged infringer before trade mark infringement proceedings are initiated.

Presently, there are no provisions in the Trade Marks Act 1976 in relation to unjustified threats of trade mark infringement.

5.5 To what extent are courts willing to grant cross-border or extra-territorial injunctions?

The Malaysian courts do not grant cross-border or extra-territorial injunctions because trade mark rights are territorial in nature.

5.6 To what extent do courts recognise the blocking effect of 'torpedo' actions abroad?

'Torpedo' actions abroad do not affect the Malaysian courts' ability to decide on the validity or infringement or other issues pertaining to Malaysian trade marks as rights are territorial in nature.

5.7 To what extent are alternative dispute resolution (ADR) methods (such as arbitration or mediation) available to resolve trade mark disputes? How widespread are ADR methods and in which sectors? If arbitration is available to assess invalidity, will your Trade Mark Office recognise and execute an arbitral award declaring a trade mark invalid?

ADR methods are widely available in Malaysia, in particular arbitration.

Arbitration in Malaysia is governed by the Arbitration Act 2005 which is based on the UNCITRAL Model Law on International Commercial Arbitrations adopted by UNCITRAL (United Nations Commission on International Trade Law). The Act applies to all arbitration proceedings with their seats in the Malaysian jurisdiction.

The principle arbitration organisation in Malaysia is the Kuala Lumpur Regional Centre for Arbitration (KLRCA).

Most disputes may 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 thus apply to trade mark disputes.

The courts will generally enforce all agreements to arbitrate and will stay any action in court pending reference to arbitration. Further, the courts have no general right to supervise either domestic or international arbitrations.

5.8 Is arbitration or some other dispute resolution mechanism available for conflicts between a trade mark and a domain name with the country code TLD of your jurisdiction?

The governance and administration of domain name disputes for the .my Malaysian top-level domain is handled by MYNIC's Domain Name Dispute Resolution Policy (MYDRP) and Rules. The Kuala Lumpur Regional Centre for Arbitration is the centre for providing dispute resolution under the MYDRP, ie providing online dispute resolution services for resolving disputes between the registrant of a .my top-level domain (TLD) and a third party over the registration or use of the name. The third party has a choice of having the proceedings decided by either a single-member or three-member panel.

The MYDRP provides that the third party must show the following grounds in order to succeed under the proceedings, specifically: (i) the manner in which the disputed domain name is identical or confusingly similar to a trade mark or service mark in which the third party has rights; and (ii) why the disputed domain name should be considered as having been registered and/or used by the registrant in bad faith.

If the complaint is successful, the domain name may be transferred, modified or deleted.

6. PROCEDURE IN CIVIL COURTS

6.1 What is the format of trade mark infringement proceedings?

Trade mark infringement proceedings are filed in the High Court. The proceedings are commenced with the filing of a writ and statement of claim which are served on the defendants.

6.2 Are disputed issues decided by a judge or a jury?

Disputed issues are decided by a judge.

Upon an appeal from a High Court decision to the Court of Appeal, the proceedings in the Court of Appeal are heard and disposed of by three judges or such greater number of judges as may be determined by the President of the Court of Appeal. Proceedings in the Federal Court are disposed of by three judges or such greater number of judges as may be determined by the Chief Justice.

6.3 To what extent are documents, affidavits, witnesses and/or (court-appointed or private) experts used? Is it possible to cross-examine witnesses?

The appointment of court experts is governed by Order 40 of the Rules of Court 2012 while the appointment of a party's own expert is governed by

Order 40A of the Rules of Court 2012.

The High Court is empowered, upon the application of any party, to appoint an independent expert or experts to inquire and report upon any question of fact or opinion not involving questions of law or construction. The expert witness shall send his report to the court which would then be forwarded to the parties or their solicitors.

A party may also appoint its own expert witness, who, regardless being instructed or paid by any party, owes a duty to assist the court on matters within his expertise. Unless directed otherwise by the court, the expert evidence given by a party's expert given in the form of a written report. A party may, with leave of the court put to an expert witness instructed by another party written questions about his report. Otherwise, there are no provisions in the Rules of Court.

Both court experts or a party's expert may be cross-examined on his evidence with leave from the court.

6.4 To what extent is survey evidence used (eg to support acquired distinctiveness, likelihood of confusion)? What is its relevance and evidential value in proceedings (eg party allegation, evidence)? Who decides which consumers are questioned in the survey (eg the court or court expert)? What level of costs should one expect to incur to carry out a survey? Are these costs recoverable from the losing party?

Survey evidence may be admissible as evidence and constitutes an exception to the hearsay rule and is given sufficient weight to prove a public state of mind on a specific question or as providing an external fact, namely a that designated opinion is held by the public or a class of the public.

It is often the case that the methodology of the survey, including the choice of consumer to be question is decided by the party commissioning the survey. It is important to note that survey evidence is often scrutinised and viewed with caution by the court.

The costs of a survey would typically be between Ringgit Malaysia 10,000 to Ringgit Malaysia 50,000 depending on the scale of the survey. Such costs for conducting the survey will only be recovered from the losing party if reasonably incurred.

6.5 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.

6.6 To what extent is pre-trial discovery permitted? If it is permitted, how is discovery conducted? If it is not permitted, what other, if any, mechanisms are available for obtaining evidence from an adverse party or from third parties?

Order 24 of the Rules of Court 2013 sets out the mechanism for the discovery and inspection of documents at the pre-trial stage.

Firstly, there is a requirement for the mutual discovery of documents at

the close of pleadings whereby parties to an action shall make and serve on each other a list of documents which are or have been in their possession or custody relating to any matter in question in the action.

Secondly, the High Court is empowered to order the discovery of documents on the application of any party to an action upon the failure by another party to comply with the requirements for discovery under the Rules of Court 2013. The High Court may further order that the party make discovery and file an affidavit verifying the lists of documents to be filed, and a copy to be served on the applicant.

The documents listed by a party to an action for discovery shall be available for inspection and the taking of copies by the other party. The High Court is empowered to make an order for such documents to be made available for inspection and the taking of copies, on the application of any party to the proceedings, upon the failure of the other party to produce any documents listed for discovery for inspection and taking of copies. Failure to comply with the rules of discovery may, in more serious cases, result in an action being dismissed, or a defence being struck out and judgment entered accordingly.

6.7 What level of proof is required for establishing infringement or invalidity? Who bears the burden of proof in a cancellation action for non-use?

The party bringing an action for cancellation on grounds of non-use bears the burden of proving that there has been no use of the trade mark. Once the party has established prima facie evidence of non use, the burden shifts onto the trade mark owner to rebut the prima facie evidence.

6.8 How long do trade mark infringement proceedings typically last? Is it possible to expedite this process? Is it possible to agree on a binding timetable for the proceedings, for example, in a case management conference?

Trade mark infringement proceedings generally last between six months to one year, depending on the number of witnesses and the complexity of the claim. It is possible to expedite proceedings by filing a certificate of urgency at the court.

The parties may, 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.

6.9 What options, if any, are available to a defendant seeking to delay the proceedings? Under what conditions, if any, can proceedings be stayed? How can a plaintiff counter delaying tactics of a defendant?

A defendant may delay infringement proceedings by seeking more time to prepare its defence and to obtain expert evidence and by counter-claiming for invalidation of the claims in question. The court will stay proceedings pending arbitration if there is an agreement that the parties will resolve the dispute by arbitration.

To counter delaying tactics, the plaintiff may seek and the judge may issue an ‘unless order’ ie unless the defendant strictly complies with the pre-trial directions and timetable for preparation for trial, judgment in default may be entered against the defendant.

7. FINAL REMEDIES

7.1 What remedies are available against a trade mark infringer (permanent injunction, delivery up or destruction of infringing goods, publication of the decision, recall-order, monetary remedies, etc)?

The usual remedies available against a trade mark infringer are, for example, permanent injunctions against the use of the infringing trade mark, an order for delivery-up of the goods bearing the infringing trade mark, discovery, award of damages or at the option of the plaintiff an account of profits, and costs of the proceedings.

7.2 To the extent it is possible to obtain a permanent injunction against an infringer, does the grant of a permanent injunction automatically follow a finding of trade mark infringement or does the court have judicial discretion to deny the grant of a permanent injunction notwithstanding a finding of trade mark infringement?

The grant of a permanent injunction often but not necessarily follows from a finding of trade mark infringement as the court has the discretion whether or not to grant a permanent injunction. As an injunction is an equitable remedy, equitable principles are often applied in deciding whether an injunction should be granted.

7.3 Does the grant of a permanent injunction have to refer to the item(s) alleged to infringe the trade mark or may the grant of an injunction be broader in scope? Is the effect of an injunction limited to the infringer or is it also effective against third parties such as the infringer’s suppliers or customers?

The court may grant an injunction with a broader scope to cover not only the infringing trade marks actually used by the defendant but also the use of any trade mark which is confusingly or deceptively similar the plaintiff’s trade marks.

The court will often refuse to order an injunction to third parties who are not party to the suit.

The injunction granted would only be applicable against parties to the proceedings. However the injunction could indirectly have an impact on third parties as it could place an obligation on the infringer to not only refrain from infringing but also to refrain from assisting or enabling others to do so.

7.4 What monetary remedies are available against a trade mark infringer (reasonable royalty, lost profits, account of profits, or some other basis)? Are liability and quantum assessed at separate stages? Are punitive damages available? If so, under what conditions?

Monetary remedies such as reasonable royalty payments, lost profits (present and future) or in the alternative, account of profits, are available against a

trade mark infringer. Liability and quantum are assessed at separate stages.

Punitive (exemplary) damages are not provided under the Trade Marks Act 1976.

8. PRELIMINARY RELIEF

8.1 Is preliminary relief available? If so, what preliminary measures are available (eg preliminary injunction) and under what conditions? Is urgency a condition for the court to grant preliminary relief? If so, how is it determined?

Pre-emptive remedies such as Anton Piller orders and interim or interlocutory injunctions (ex parte and inter partes) are available upon application to court with a certificate of urgency. The principles for 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.

The balance of convenience must favour the grant of the interim injunction. The judge will consider whether it is the plaintiff or the defendant that would suffer greater hardship and injustice if the interim injunction were granted or refused. The judge will also consider whether the damages likely to be suffered can be quantified in monetary terms and, whether the defendant is capable of and is in a financial position to pay. Sometimes, instead of an interim injunction being granted, the judge may, depending on the facts and circumstances, order that part of the proceeds of the defendant be held in a joint account as security for any damages that the defendant may be ordered to pay eventually.

The plaintiff will be required to give an undertaking as to damages in the event the plaintiff fails to obtain judgment after trial as part of the interim injunction order.

Injunctive relief is equitable in nature. An application for an interim injunction must be applied for as soon as the plaintiff becomes aware that its trade mark 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 interim 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 result in the ex parte injunction being set aside and the plaintiff being liable for all damages suffered. Apart from the interlocutory injunction, a Mareva injunction may also be obtained if the plaintiff has evidence that the defendant is dissipating its assets to avoid having to pay damages likely to be ordered against it. The defendant's bank accounts may be frozen and the order may extend to assets outside Malaysia. The onus is on the plaintiff to establish the need for such an order.

8.2 Is ex parte relief available where a defendant is given no notice at all? If so, under what conditions?

Where an ex parte interim injunction is sought under Order 29 rule 1(2) of the Rules of Court 2012, the plaintiff has to show that it is urgent to obtain the injunction and notification to the defendant could not be made in time. Any delay by the plaintiff in making the application for an order under Order

29 rule 1(2) would be grounds for the refusal to grant the order.

The ex parte injunction order must be served within one week of the date of the order and it will automatically lapse at the end of 21 days from the date on which it is granted. The judge must fix a date for hearing of the application on an inter partes basis before the expiry of 14 days.

8.3 Is it possible to file a protective writ, ie a letter setting out possible defences by a potential defendant, at the court at which an ex parte application may be filed against that defendant? If so, is the protective writ communicated to the plaintiff and what effect does it have on the preliminary injunction proceedings?

There are no provisions available in Malaysia in relation to filing a protective writ.

8.4 Is the plaintiff entitled to ask for an order that the defendant's premises are searched and a description of the infringing goods (and the accounting relating thereto) is made in order to establish proof of infringement (saisie-contrefaçon)? If not, what other mechanisms, if any, are available for seizing and preserving evidence for trial?

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

8.5 Can the defendant put the validity of a trade mark at issue in preliminary injunction proceedings?

Although a defendant can put the validity of a trade mark at issue in preliminary injunction proceedings, the merits of the case should not be decided during the preliminary injunction proceedings. The decision whether to grant the preliminary injunction will be based on the balance of convenience once it is decided that there is a serious bona fide issue of trade mark infringement to be tried.

8.6 What is the format of preliminary injunction proceedings?

An application for interim injunction is made by way of a notice of application accompanied by an affidavit in support. An inter partes interim 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 would be heard on the basis of the applicant's affidavit evidence only.

8.7 To what extent are documents, affidavits, witnesses, survey evidence, and/or (court-appointed or private) experts used in preliminary injunction proceedings?

Affidavit evidence is used in support of an application for an interlocutory injunction. Expert, witness and survey evidence can be exhibited to the affidavit as hearsay evidence is permitted for interlocutory applications.

8.8 What level of proof is required for establishing infringement or invalidity in preliminary injunction proceedings?

A plaintiff is required to establish infringement on a prima facie basis and the judge is not required to decide on the full merits of infringement. In preliminary injunction proceedings, the applicant is required to establish that there is a serious issue to be tried and the balance of convenience favours the grant of the injunction.

8.9 How long do preliminary injunction proceedings typically last?

Preliminary injunction proceedings can generally be concluded on the day of the hearing and the decision is given immediately after the hearing.

8.10 Where a preliminary injunction is granted, is it necessary to start main proceedings to confirm the preliminary injunction?

After a preliminary injunction is granted, the plaintiff has to continue with the main suit as the life of the preliminary injunction is connected to the main suit, unless set aside earlier by the judge.

8.11 If a preliminary injunction is granted and the main infringement action is finally lost, can the defendant claim damages for unjustified preliminary injunction? If so, how are the damages calculated? Must the plaintiff provide some form of bond to compensate the defendant in the event the preliminary injunction is later held to have been wrongly imposed?

Yes, the defendant can claim damages for an unjustified preliminary injunction. Injunction orders generally require the plaintiff to give an undertaking whereby he will compensate the defendant for damages the defendant suffers as a result of the injunction, which prevented the defendant from conducting his trade and business.

The plaintiff is usually required to give an undertaking as to damages before the court grants a preliminary injunction. Where the damages suffered by the defendant as the result of the order are particularly significant, the court may further require the plaintiff to fortify its undertaking by way of a security.

9. APPEAL PROCEDURE

9.1 What avenues of appeal are available for a defeated party in main proceedings or preliminary injunction proceedings? Under what conditions?

A defeated party may appeal against a judgment or order from the High Court to the Court of Appeal.

A defeated party at the Court of Appeal may apply for leave to appeal to the Federal Court if: (i) there is a question of general principle decided for the first time or a question of importance upon which a decision of the Federal Court would be of advantage to the public; or (ii) the decision relates to the effect of any provision of the constitution.

However, if the appeal arises from a judgment or order from the Sessions

Court, the defeated party may appeal to the High Court and then the Court of Appeal. There is no right to appeal to the Federal Court thereafter.

9.2 How long do appeal proceedings typically last?

Appeal proceedings generally last for approximately two years.

9.3 Is there any further instance of appeal beyond the Court of Appeal (eg Court of Cassation)?

A party can make a final appeal to the Federal Court provided that leave to appeal has been obtained from the Federal Court, unless the judgment or order being appealed arises from a decision of the Sessions Court. Leave is only granted if the conditions for leave set out above are satisfied.

10. LITIGATION COSTS

10.1 What level of costs should one expect to incur to take a case through to a first instance decision, preliminary injunction proceedings and/or appeal proceedings?

The legal costs for trade mark litigation will 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.

10.2 Are attorney's fees and costs recoverable from the losing party?

Costs of the proceedings may 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 recovered after the taxation process.

11. FORTHCOMING LEGISLATION

11.1 What are the important developing and emerging trends in your country's trade mark law?

One of the major developments in the law will be the amendment of the Trade Marks Act 1976 once Malaysia accedes to the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks ('Madrid Protocol') which is projected to happen this year (2013).

11.2 To the extent it relates to trade mark enforcement, please outline any major trade mark legislation in the pipeline.

In regard to trade mark enforcement, the Trade Descriptions Act 1972 has recently been repealed and replaced with the Trade Descriptions Act 2011.

12. USEFUL REFERENCES

12.1 Please identify any useful works of reference relating to trade mark law and trade mark litigation in your country including useful websites.

- Statutes in relation to cyberlaws and intellectual property – www.msc.com.my/cyberlaws.
- Legislation, regulations, judgments and news on intellectual property law – www.iplawmalaysia.com.