

***BRANDING has been a cornerstone to many businesses. Each year, companies around the world spend an enormous sum of money on advertising their brand name. A report by The Star in 2015 had shown that companies indeed invests huge amounts on advertising. AirAsia had in 2014, spent US\$146.67mil on advertising in Asia while household names like Samsung and Nike spent about US\$1.43billion and US\$98.56million respectively in the region.<sup>1</sup> Companies that have invested greatly in their brand names would have a common goal and a common enemy: to catch attentions of many and to make their brands well known while ensuring that the brand is not misused by others.***

**How do you protect your brand?** It is crucial for companies that have put much effort into branding to ensure that their competitors do not try to steal their ideas, piggy-back on their works or even trying to leach off their hard-work. To ensure that, companies should have their brands are protected and this can be done through the registration of a trademark.

By registering a trademark, the registered owner holds a proprietary right to the use of the mark in trading. If the mark has been used without consent of the registered owner, the registered owner would have the right to take legal actions for the infringement under the Trade Marks Act 1976 (“**Act**”).

A trademark, according to the Intellectual Property Corporation of Malaysia (MyIPO), is a sign that distinguishes the goods and services of one trader from those of another. Marks, under the Act include a device, a brand, a name, or even combinations of them.

MyIPO is the governing body for intellectual property rights in Malaysia. The intellectual property areas that fall within the purview of MyIPO include patents, trademarks, industrial designs, geographical indication, copyright and layout-designs of an integrated circuit.

**How do you apply for a trademark registration?** To apply for a trademark, the applicant should itemize the specifications of the goods or services that he intends to register. There is an aggregate of 45 different classification of goods and services under the Nice Classification available for the registration. Application to register a trademark can be done in two ways; either via an online portal or manually. Trademark applications, however, is not a quick process.

When an application for a trademark is submitted, it will go through formality checks to verify its compliance. If there is non-compliance, the applicant would have to make the necessary amendments where he will be given 12 months to respond to it. Thereafter, an examination on the registrability and search on the proposed mark will be done to ensure that there has not been any previous registration of such mark.

Identical marks or marks that resembles and would cause confusions would not be registered.

Upon completion of the search and examination, the application would be gazetted for 2 months for the public to oppose should there be any. If there is an objection, a written appeal can be submitted for reconsideration. Should the appeal fail, an ex-parte hearing would be held and if it continues to be refused, an appeal to the High Court can be made. An appeal to the High Court can also be made if there is a third party who has opposed the gazette during the 2 months’ period. Nevertheless, if there are no objections during the 2 months gazette period, a certificate of registration would be provided.

The approval period for a trademark would typically take one year and a half.<sup>2</sup> Once approved, it grants the registered owner an exclusive use for a period of 10 years. Registered owners may apply for renewal every 10 years.

<sup>1</sup> <https://www.thestar.com.my/business/business-news/2015/06/03/airasia-is-top-malaysian-brand-in-asia-top-1000-brands-survey/>

<sup>2</sup> <http://www.myipo.gov.my/en/trade-marks-application-process-flowchart/?lang=en>

**What happens if you found out that there has been an infringement?** Infringements tend to happen over time, either intentionally or unintentionally. Registered owners of a trademark may take actions on the infringers. Upon discovering, the registered owner may consult a lawyer to issue a cease and desist letter to the infringer.

As an added protection, an undertaking should also be procured from the infringer to ensure that he will abstain from any future use. It is usual that registered owners would request for the infringer to discard all items that would have the infringed trademark on it. On a case-to-case basis, compensation can also be demanded for all losses that the registered owner has incurred by virtue of the infringement. Should a demand from the registered owner fail, the registered owner can take the infringer to court.

**Recent development in Malaysia.** A case example for trademark infringements can be seen in the 2017 High Court case of *Lim Teck Lee (M) Sdn. Bhd. v Longcane Industries Sdn. Bhd.* Among the matters raised and discussed, two points in the case might be crucial to note:

- whether the first user in the course of trade of the figurative mark would be the rightful owner?
- whether the trademark would likely deceive and confuse the public under s14(1)(a) read with s37(b) of the Act?

On the first point, the court has cited the decision in *Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, interested party) [2015]* where the Federal Court concluded that the first user of a mark is the common law proprietor of the mark and is therefore entitled to apply to register the mark. The court states that the person who seeks to do so would have to bear the legal burden under s101(1)&(2) and s102 of the Evidence Act 1950 to prove on balance of probabilities that the person who is seeking, was indeed, the first user. This was decided in the 2017 High Court case of *GS Yuasa Corporation v GBI marketing Malaysia Sdn. Bhd* and was affirmed by the Court of Appeal of this *Lim Teck Lee* case.

On whether the trademark would cause any confusion and deceive, the court laid down that if there is a likelihood that the public will be deceived or confused that the defendant's goods bearing the mark originate from the plaintiff's mark or is associated with the plaintiff's goods, the 2 trademarks can be expunged from the Register under s14(1)(a) read with s37(b) of the Act. The plaintiff bears the legal burden to prove that there is a real likelihood of deception or confusion between the 2 goods (*Ho Tack Sien v Rotta Research Laboratorium SpA & Anor, Registrar of Trade Marks (Intervener) & Another Appeal [2015]*).

**Protecting Your Brand.** It is important that after all the hard work expended in building up a brand, sufficient protection should be given to the work and name by registering it as a trademark. By that, businesses would have the exclusive use of the trademark and would further strengthen its grip to it by ensuring that any infringement would be an illegal use of it.

\*All information in this Newsletter is correct as at **31 August 2018** unless otherwise stated.

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