

A Bird’s-Eye View of the Trademarks Act 2019 (Part 1)

The development of trademark laws in Malaysia reached a significant milestone last year when the Trademarks Act 2019 (**TMA 2019**) entered into force on 27 December 2019. With the coming into force of the TMA 2019, an Act that once contained 84 provisions¹ has been replaced by a new one consisting of 183 provisions.

Below is an overview of the key changes to the Malaysian trademark regime.

Application for Registration of Trademarks		
Subject	Trade Marks Act 1976 and Trade Marks Regulations 1997	Trademarks Act 2019 and Trademarks Regulations 2019
Application of a trademark	<ul style="list-style-type: none"> ☞ A “mark” capable of registration generally covers conventional marks such as brands, names and signatures. ☞ Only single class application is allowed. In other words, in each application, only one class of goods or services is permitted. 	<ul style="list-style-type: none"> ☞ Widens the scope of a “sign”² capable of registration to include unconventional trademarks such as colour, sound, scent, hologram, positioning and sequence of motion. ☞ Introduces “collective marks” which is essentially a trademark owned by an organization used by its members to identify themselves with a level of quality or accuracy, geographical origin or other characteristic of the organization. ☞ Allows application in multiple classes. In other words, one application may include several classes of goods and/or services.

¹ Trade Marks Act 1976 [Act 175] (**TMA 1976**).

² The definition of a ‘trade mark’ under the Trade Marks Act 1976 refers to a “mark”, while the definition of a “trademark” under the Trademarks Act 2019 refers to a “sign”.

	<ul style="list-style-type: none"> ☞ Official fee for each application is payable in two stages: RM370 at the stage of filing the application, and RM650 upon acceptance of the application for registration of the mark. ☞ No official fee is required for issuance of Certificate of Registration. 	<ul style="list-style-type: none"> ☞ Official fee for each application (i.e. RM950) is payable at the stage of filing. ☞ A nominal official fee of RM50 for issuance of Certificate of Registration.
Marks in series	<ul style="list-style-type: none"> ☞ There are no additional official fees for trade mark applications for two series of trade marks. ☞ Additional official fees of RM50 each mark in series for trade mark applications exceeding two trade marks. ☞ No cap on number of series of marks. 	<ul style="list-style-type: none"> ☞ Additional official fees of RM50 each trademark in series of trademarks. ☞ Maximum six trademarks in series.
Grounds for refusal of registration	<ul style="list-style-type: none"> ☞ Does not expressly distinguish between absolute and relative grounds for refusal. 	<ul style="list-style-type: none"> ☞ Maintains the grounds for refusal under the TMA 1976 with additions and more clarity. ☞ Distinguishes between absolute and relative grounds for refusal. ☞ Absolute grounds for refusal pertain to a defect in the trademark itself. These include, among others, trademarks that are: <ul style="list-style-type: none"> ○ devoid of distinctive character; ○ descriptive of the quality or geographical indication; ○ likely to deceive or cause confusion to the public or contrary to any written law; ○ contrary to public interest or morality; ○ or have become customary

		<p>in the current language of the territory.³</p> <p>☞ Relative grounds for refusal pertain to comparison of the trademark application with an earlier trademark. This includes, among others, a trademark application which is:</p> <ul style="list-style-type: none"> ○ identical with an earlier trademark for identical goods; ○ identical with an earlier trademark for similar goods or services, if there exist a likelihood of confusion⁴ on the part of the public; ○ similar to an earlier trademark for identical or similar goods or services, if there exist a likelihood of confusion on the part of the public; ○ a subject of passing off of an unregistered trademark; or ○ subject to an earlier right accorded to a third party, including under the law of copyright or industrial designs.
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³ The new TMA 2019 expressly provides that it is an absolute ground for refusal if a sign or indication has become diluted or “colloquialised”.

⁴ In determining whether there exists a likelihood of confusion on the part of the public, the new TMA 2019 expressly provides that the Registrar or the court may take into account all relevant factors, including whether the use is likely to be associated with an earlier trademark.

Registration of Trademarks

Subject	Trade Marks Act 1976 and Trade Marks Regulations 1997	Trademarks Act 2019 and Trademarks Regulations 2019
Duration and renewal of registration	<ul style="list-style-type: none"> ☞ 10 years ☞ May be renewed from time to time, and each renewal for another 10 years. ☞ Official fee for renewal: RM600 each application. ☞ Late renewal is possible, provided the application is made within <i>one</i> month from the expiration of the last registration accompanied by the late renewal fee of RM870 each application. ☞ The Registrar shall remove the mark from the Register if there is no renewal application made by the registered proprietor at the end of one month from the expiry of the registration. Restoration of expired trade mark is possible provided that the application is made within <i>one</i> year from the expiration of the last registration accompanied by restoration official fee of RM930 each application. ☞ Status of unrenewed trade mark: It shall, for the purpose of an application for registration of a trade 	<ul style="list-style-type: none"> ☞ 10 years ☞ May be renewed from time to time, and each renewal for another 10 years. ☞ Official fee for renewal: RM1,000 each class. ☞ Late renewal is possible, provided the application is made within <i>six</i> months after the date of expiry of registration with payment of renewal fee and surcharge, i.e. total of RM1,200 each class. ☞ Registration shall be deemed removed if registration is not renewed within six months after the date of expiry. Restoration of the removed trademark is possible, provided that the application is made within <i>six</i> months from the date of removal with payment of restoration fees of RM1,500 each class. ☞ Status of unrenewed trademark (the registration of trademark is not renewed or deemed removed or has not been restored): a person other than

	<p>mark within <i>one</i> year from the date of expiration be deemed to be a trade mark which is already on the Register unless:</p> <ul style="list-style-type: none"> ○ there has been no use in good faith of the trade mark during the two years immediately preceding its removal; or ○ no deception or confusion is likely to arise from the use of the trade mark. 	<p>the registered proprietor of the unrenewed trademark may apply for registration of the trademark.</p>
<p>Effects of registered trademarks</p>	<ul style="list-style-type: none"> ☞ <i>Prima facie</i> evidence of the validity of the registration in all legal proceedings. ☞ Registration deemed conclusive after <i>seven</i> years from its registration. 	<ul style="list-style-type: none"> ☞ <i>Prima facie</i> evidence of the validity of the registration in all legal proceedings. ☞ Registration deemed conclusive after <i>five</i> years from its registration.

Alteration, Correction, Cancellation, Revocation and Invalidity

Subject	Trade Marks Act 1976 and Trade Marks Regulations 1997	Trademarks Act 2019 and Trademarks Regulations 2019
Revocation of registration by Registrar	<ul style="list-style-type: none"> ☞ Registrar may withdraw the acceptance of an application for registration of a trade mark (based on limited grounds) before the registration of the trade mark. ☞ Registrar may, among others, cancel the entry of a trade mark in the Register on the request made by the registered proprietor. 	<ul style="list-style-type: none"> ☞ Registrar may revoke the acceptance of an application for registration of trademark (based on limited grounds) before the registration of the trademark. ☞ Registrar may cancel the registration of trademark upon the request by the registered proprietor. ☞ Registrar shall revoke the registration of trademark where there is failure to take into account the opposition or application for extension of time to file a notice of opposition within two months after the notice was filed or the application was made. ☞ Registrar may also revoke the registration of trademark within 12 months from the date of registration of trademark where it is reasonable to do so, taking into account: <ul style="list-style-type: none"> ○ obligations of Malaysia under an international agreement or convention; or ○ any special circumstances.
Invalidation of registration by court	<ul style="list-style-type: none"> ☞ Any person aggrieved may apply to court to expunge or vary any entry in the Register on the following grounds (which are worded very 	<ul style="list-style-type: none"> ☞ An aggrieved person may apply to court to declare the registration of trademark as invalid on the ground that: <ul style="list-style-type: none"> ○ the trademark was

	<p>widely):</p> <ul style="list-style-type: none"> ○ Non-insertion in or omission from the Register is “without sufficient cause”; or ○ Entry is “without sufficient cause”; or ○ It is wrongful for the entry to remain in the Register; or ○ Error or defect in the Register. 	<p>registered in breach of section 23, i.e. absolute grounds for refusal of registration; or</p> <ul style="list-style-type: none"> ○ the trademark was registered in contravention of section 24 i.e. relative grounds for refusal of registration (i.e. there is an earlier trademark or earlier right) ○ fraud in the registration; or ○ registration was obtained by misrepresentation.
<p>Revocation of registration by court as to non-use of trademark</p>	<p>☞ A person aggrieved may apply to court to remove a registered trade mark from the Register on the basis of non-use of the registered trade mark by:</p> <ul style="list-style-type: none"> ○ registered proprietor; or ○ registered user 	<p>☞ An aggrieved person may apply to court to revoke the registration of trademark on the ground of non-use of the registered trademark by:</p> <ul style="list-style-type: none"> ○ registered proprietor; or ○ person who uses the registered trademark with the consent of the registered proprietor, e.g. licensee <p style="padding-left: 40px;">❖ even where there is no application to register the particulars of the licence in the Register.</p> <p>☞ The provision for non-use revocation is expanded in its scope to include trademarks that have become diluted or colloquialised; or where a trademark is liable to mislead the public in respect of the nature, quality or geographical origin of those good or services which that trademark is affixed onto.</p>

Infringement of Trademarks

Subject	Trade Marks Act 1976 and Trade Marks Regulations 1997	Trademarks Act 2019 and Trademarks Regulations 2019
Trademark infringement	<p>☞ A registered trade mark is infringed by a person who uses a mark that is:</p> <ul style="list-style-type: none"> ○ identical with the registered trade mark; or ○ nearly resembling the registered trade mark + such use is likely to deceive or cause confusion in the course of trade. 	<p>☞ A person infringes a registered trademark if he uses a sign that is:</p> <ul style="list-style-type: none"> ○ identical with the registered trademark + on identical goods or services (which is registered) in the course of trade; or ○ identical with the registered trademark + on similar goods or services + resulting in the likelihood of confusion on the part of the public; or ○ similar with the registered trademark + on identical or similar goods or services (which is registered) + resulting in the likelihood of confusion on the part of public. <p>☞ Use of a sign is widely defined. A person uses a sign if he:</p> <ul style="list-style-type: none"> ○ 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

	<ul style="list-style-type: none"> ☞ Person entitled to initiate action for trade mark infringement: registered proprietor.⁵ 	<p>paper, price list or other commercial document, including any such document in any medium; or</p> <ul style="list-style-type: none"> ○ uses the sign in advertising. <ul style="list-style-type: none"> ☞ Person entitled to initiate action for trademark infringement: registered proprietor and exclusive licensee.⁶
Defences to trademark infringement	<ul style="list-style-type: none"> ☞ Provides for several defences to trade mark infringement including, among others: <ul style="list-style-type: none"> ○ Use in good faith; ○ Earlier use by a third party before the registration of the trade mark; ○ Use of the trade mark either with express or implied consent of the registered proprietor or registered user 	<ul style="list-style-type: none"> ☞ Maintains and expanded the defences to trade mark infringement under the TMA 1976. ☞ Use of a registered trademark does not infringe the trademark if such use: <ul style="list-style-type: none"> ○ is for a non-commercial purpose; ○ is for the purpose of news reporting or news commentary; ○ has at any time expressly or impliedly been consented to by the registered proprietor or licensee
Statutory remedies for trademark infringement	<ul style="list-style-type: none"> ☞ Remedies available to successful litigants in an action for trade mark infringement were derived from case law. 	<ul style="list-style-type: none"> ☞ Codifies remedies which were ordinarily available to a successful litigant previously derived from case law to include: <ul style="list-style-type: none"> ○ Injunction; ○ Damages; ○ Account of profits; ○ Additional damages for counterfeit trademark ☞ The TMA 2019 further expressly provides that in the event of trademark infringement, the court may order:

⁵ Please refer to the column "Licensing"

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	<p>☞ The court will order that a successful litigant elect either an assessment of damages or an account of profit</p>	<ul style="list-style-type: none"> ○ the infringer to erase, remove or obliterate the infringing mark “from any infringing goods, material or articles in his possession, custody or control”; ○ “the destruction of the infringing goods, material or articles in question”; ○ delivery up to the plaintiff to ensure that the infringing mark is erased, removed or obliterated; ○ a declaration for delivery up and destruction of counterfeit goods which are in the “possession, custody or control” of the infringer upon the application by the plaintiff; ○ a declaration for delivery up of infringing goods, material or articles to the plaintiff, for the purposes of destroying the infringing goods or forfeiting the goods to the plaintiff <p>☞ Further, the TMA 2019 expressly provides that the court may order for both damages and an account of profit (attributable to the infringement that have not been taken into account in computing the damages) to a successful litigant in an action for trademark infringement.</p> <p>☞ Where infringement involves use of a counterfeit trade mark, the plaintiff shall be entitled to elect to claim for:</p> <ul style="list-style-type: none"> ○ Damages + account of profit (attributable to the infringement that have not been taken into account in computing the damages); ○ Account of profit; or
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		<ul style="list-style-type: none"> ○ Additional damages <p>☞ For additional damages, the court shall have regard to:</p> <ul style="list-style-type: none"> ○ 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.
Groundless threats	☞ No provision for groundless threats	<p>☞ A new provision which allows a recipient of a groundless threat of infringement proceedings to institute an action in court.</p> <p>☞ Among the remedies for an aggrieved party facing a groundless threat of infringement proceedings are:</p> <ul style="list-style-type: none"> ○ a declaration that the treats are unjustifiable; ○ an injunction against the continuance of the threats; or ○ damages. <p>☞ Groundless threat remedies may not be available when the demand is against one of the following:</p> <ul style="list-style-type: none"> ○ the application of the trademark to goods or to material used or intended to be used for labelling or packaging goods; ○ the importation of goods to which, or to the packaging of which, the trademark has been applied; or ○ the supply of services under the trademark.

		<ul style="list-style-type: none"> ☞ An advocate and solicitor shall not be liable to an action for groundless threat in respect of an act done by him in his professional capacity on behalf of a client.
Trademarks as Object of Property		
Subject	Trade Marks Act 1976 and Trade Marks Regulations 1997	Trademarks Act 2019 and Trademarks Regulations 2019
Trademark as collateral/ security	<ul style="list-style-type: none"> ☞ No provision on trade mark as personal or moveable property. However, case law has recognised it as such. 	<ul style="list-style-type: none"> ☞ A new provision which expressly provides that a registered trademark is a personal or moveable property and may be subject of a security interest in the same way as other personal or moveable property. ☞ The TMA 2019 introduces “registrable transaction”, which includes: <ul style="list-style-type: none"> ○ An assignment of a registered trademark; ○ The grant of a licence of a registered trademark; ○ The grant of any security interest, fixed or floating over a registered trademark; ○ The making by personal representatives of an assent in relation to a registered trademark; or ○ An order of the court or other competent authority transferring a registered trademark
Licensing	<ul style="list-style-type: none"> ☞ Under the TMA 1976, certain rights are provided to “registered user”. ☞ For the purpose of defending a proceeding for expungement on the 	<ul style="list-style-type: none"> ☞ Deleted the provisions for a registered user. An existing registered user shall be transferred to the Register and kept under the TMA 2019 and have effect of a “registrable transaction”.

	<p>basis of non-use, the use of the registered trade mark must be by registered proprietor or registered user.</p> <p>☞ <u>Infringement proceeding:</u></p> <p>☞ Subject to any agreement subsisting between the “registered user” and the registered proprietor of the trade mark, the registered user may institute proceedings for infringement in his own name as if he were the registered proprietor if:</p> <ul style="list-style-type: none"> ○ he calls upon the registered proprietor to take proceedings for infringement of the trade mark, and ○ if the registered proprietor refuses or neglects to do so within two months after being so called upon, and ○ the registered proprietor is named as a defendant. 	<p>☞ The official fee for an amendment from a registered user to licensing is RM50.</p> <p>☞ Licence to use a registered trademark is a right <i>in personam</i> and shall be binding on every successor in title to the grantor’s interest unless the exception under section 69(4) of the TMA 2019 applies.</p> <p>☞ Every person shall be deemed to have notice of a licence if the particulars of the grant of the licence are entered in the Register.</p> <p>☞ <u>Infringement proceeding:</u></p> <ul style="list-style-type: none"> ○ Exclusive licensee <ul style="list-style-type: none"> ☆ An exclusive licence may provide that the licensee shall have the same rights and remedies in respect of matters occurring after the grant of the licence as if the licence had been an assignment. ☆ In such event, the exclusive licensee shall be entitled, to bring infringement proceedings, against any person other than the registered proprietor, in his own name. ☆ Any such rights and remedies of an exclusive licensee are concurrent with those of the registered proprietor.
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		<ul style="list-style-type: none"> ○ Licensee <p>The licensee may bring the proceedings in his own name as if he were the registered proprietor if:</p> <ul style="list-style-type: none"> ☆ the registered proprietor refuses or does not take infringement proceedings within two months after being called upon by the licensee to do so; and ☆ with leave of the court; or ☆ the registered proprietor is either joined as a plaintiff or added as a defendant.
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International matters

Subject	Trade Marks Act 1976 and Trade Marks Regulations 1997	Trademarks Act 2019 and Trademarks Regulations 2019
Madrid Protocol	☞ Filing of Madrid Protocol application not available in Malaysia	☞ Malaysian brand owners or person having business in Malaysia may file a single international Madrid Protocol application through MyIPO to obtain trademark protection for a number of countries.

Miscellaneous

Subject	Trade Marks Act 1976 and Trade Marks Regulations 1997	Trademarks Act 2019 and Trademarks Regulations 2019
Associated marks	☞ Available	<ul style="list-style-type: none"> ☞ The TMA 2019 does not provide for associated trademarks. ☞ Any indication that an existing registered mark is associated with any other mark shall cease to have effect on the commencement of the TMA 2019.

Defensive trade mark	<ul style="list-style-type: none"> ☞ A trade mark may be registered as a defensive trade mark if: <ul style="list-style-type: none"> ○ the trade mark consists of an invented word or words; and ○ the trade mark is well-known 	<ul style="list-style-type: none"> ☞ The TMA 2019 does not provide for defensive marks. ☞ Existing defensive trademarks registered under the TMA 1976 shall be deemed to be a registered trademark under the TMA 2019; and shall not be subject to non-use revocation within five years from the commencement of the TMA 2019. ☞ An application for registration of a defensive mark under the TMA 1976 which is pending on the commencement of the TMA 2019 shall be dealt with under the TMA 1976.
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Conclusion

The introduction of the TMA 2019 is long overdue and is a laudable step taken by the lawmakers to keep Malaysia in line with globalisation and international conventions.

With the advent of technology, and as we welcome the fourth industrial revolution, it can hardly be disputed that people are finding new and more ingenious ways to commit “theft” of intellectual property. Perhaps the TMA 2019 is the right foot forward to meet those needs.

While it may be argued that some provisions in the TMA 2019 are like the proverbial old wine in a new bottle, it cannot be disputed that Malaysian IP practitioners and brand owners alike are waiting with bated breath to see the new legislation in action.

Only time will tell as Malaysia welcomes the new decade by sailing into uncharted waters since 1976.

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