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A Major Overhaul to Malaysia's Trademark Law

Trademarks Bill 2019 and Accession to the Madrid Protocol¹

Malaysia joins the Madrid System for international trademark registrations, making them the 106th member. Several key changes, including the Madrid Protocol, contained within the new Trademarks Bill 2019 will address the limitations and replace the existing Trade Marks Act 1976.

It is anticipated that the accession to the Madrid Protocol, which will come to force on 27 December 2019, will promote the worldwide use of Malaysian brands, and enable Malaysian businesses to protect their trademarks internationally with a single prescribed fee.

Apart from the accession to the Madrid Protocol, some of the other notable changes under the Bill include:

Registration of Non-traditional Trademarks

The Bill seeks to reduce uncertainty over the registration of non-traditional marks in Malaysia and likely align Malaysian trademarks laws with others in the region. Non-traditional trademarks such as the shape of goods or their packaging, holograms, scent, sound, colour, positioning and sequence of motion are now recognised under the Bill, provided that it is capable of:

- (a) being graphically represented; and
- (b) distinguishing goods or services from those of others.

The Bill also brings with it changes to the definition of "use" of a trademark, which will now include non-visual representation as well as any aural representation of a trademark.

Collective trademarks for associations such as clubs, trade unions and societies are also recognised under the Bill. Applicants filing a collective mark application will be required to include the rules governing the use of the collective mark, and these rules will be open to public inspection.

Multi-class Application

The introduction of multi-class application is now made available with the Bill.

Division and Merger of Trademark Applications and Registrations

In line with the amendments recently made to the Madrid Protocol for international registrations, another notable change is that a trademark application or registration can now be divided into two or more separate applications or registrations, and conversely, multiple applications or registrations can be

¹ https://www.cljlaw.com/files/bills/pdf/2019/MY_FS_BIL_2019_10.pdf

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merged. Accordingly, it may be possible for trademark owners to consolidate current single class registrations and this may facilitate in the reduction of future renewal costs.

Registering a Security Interest over a Trademark

The Bill now allows registration of security interest over a pending or registered trademark.

Filing Date

The date of filing will no longer be recorded as the date of receipt of a new application. It will only be recorded once all formality requirements have been met.

Absolute and Relative Grounds of Refusal

The Bill categorises substantive examination based on both absolute and relative grounds of refusal for registration. Absolute grounds of refusal will include marks which are descriptive in nature or which have become customary in the country. There are also specific qualifications for shape marks. These shall be refused if it consists exclusively of a shape which results from the nature of the goods themselves, or which is necessary to obtain a technical result, or which gives substantial value to the goods.

Separately, relative grounds of refusal are similar to the existing regime in respect of the prior mark citations, i.e., where objections are based on earlier similar or identical trademarks and well-known trademarks.

The Bill also provides an express recognition of common law rights under the law of passing off for unregistered marks and trademarks which contravenes copyrights or industrial design laws.

Reduction of the Registration Conclusive Period

The Bill now makes it more difficult to challenge a registered mark. The registration conclusive period of 7 years has been reduced to 5 years.

Infringement Proceedings

The Bill now allows a registered proprietor of a trademark to bring an action for infringement for goods and services that are similar to the goods and services claimed under the registered mark. Previously under the Act, an infringement action may only be brought if the infringer uses the offending mark in relation to goods or service within the scope of registration of the registered trademark.

In addition, the Bill also codifies the "use of a sign" to include, amongst others, the application of the sign to goods or their packaging, offering or supplying services under the sign, stocking goods under the sign for purposes of offering or exposing the goods for sale or of putting them on the market and using a sign on invoices, catalogues or commercial documents.

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Remedies which are ordinarily awarded to successful claimants in an infringement action are also codified, which includes injunctions, damages, account of profits and mandatory orders where the infringement involves the use of counterfeit marks.

Furthermore, it will now be possible for an aggrieved person to bring an action against those who threatens trademark infringement without basis. These provisions do not apply to a manufacturer or importer of goods, or supplier of services. It is understood that mere notification that a trademark is registered does not constitute a threat of infringement.

The Bill allows for an aggrieved person to seek a declaration that the threats are unjustifiable, obtain an injunction to restrain the continuance of the threats, or recover damages in respect of any losses suffered as a result of the threats.

Licensees

Sub-licensing is now recognised under the Bill. Furthermore, a licensee may initiate infringement proceedings on its own if the registered proprietor fails to do so within 2 months of being called upon to do so. The Bill also has an extensive provision of the rights of an exclusive licensee. Accordingly, an exclusive license may provide that the licensee enjoys the same rights and remedies as if the license had been an assignment.

Any post-registration applications (for instance, renewal, assignment and recordal of change of name/address, revocation) filed after the enforcement of the Bill shall be governed by the new law.

Should you have any queries as to how this update may affect you or your organisation or require further information, please do not hesitate to email us.



Gregory Marimuthu
Director, Gateway IP Services
Menara UOA Bangsar, A-30-3, Level 30 Tower A, No. 5,
Jalan Bangsar Utama, Kuala Lumpur, Malaysia

Email: gregory.marimuthu@gatewayipasia.com
Contact Number: +60322831885

This article is intended to highlight several salient points under Malaysia's Trademark Bill 2019. It is not intended to be comprehensive nor should it be construed as legal advice. This article is updated as of 14 November 2019.