



Study Question

Submission date: May 17, 2017

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Bad faith trademarks

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I. Current law and practice

Bad faith - prior third party use or filing

1 Does your Group's current law provide for an action against the application or registration for a trademark in a jurisdiction by a party (Party A), if that trademark or a similar sign is already used in one or more jurisdictions by another party (Party B), but is not registered in the jurisdiction where Party A has filed the trademark?

If yes, please answer questions 2) – 7). If no, please go to question 8).

Yes

Please Explain

Where the use by Party B is in jurisdictions other than Malaysia -

Section 14(1)(d) of the Malaysian Trade Marks Act 1976 [TMA] prohibits the registration of a trade mark which is identical or so nearly resembles a mark which is well known in Malaysia for the same goods and services.

It is necessary pursuant to Section 14(1)(d) of the TMA that –

- a. the mark used in the other jurisdictions by Party B is well known in Malaysia; and the TMA specifically provides that Article 6bis of the Paris Convention shall apply in determining whether a mark is well known.

- a. The mark applied for by Party A is in respect of the same goods and services as that in respect of which the well known mark is used in other jurisdictions by Party B.

There is no specific requirement of knowledge of Party B's foreign mark by Party A or of bad faith on the part of Party A.

An application which falls within Section 14(1)(d) TMA, may be refused by the Registrar or opposed by Party B. In the event the mark proceeds to registration, the registration may, upon an application to Court by Party B, be expunged pursuant to Section 45 of

the TMA, as an entry made without sufficient cause.

Where the use by Party B is in jurisdictions including Malaysia -

Section 14(1)(a) of the TMA prohibits the registration of a trade mark the use of which is likely to deceive or cause confusion to the public or would be contrary to law.

In the event Party B has used its trade mark in Malaysia prior to Party A's application, Party A's application for an identical / similar trade mark will be prohibited if the use is likely to deceive or cause confusion or would be contrary to law.

There is no specific requirement of knowledge, intention or bad faith on the part of Party A.

An application which falls within Section 14(1)(a) TMA, may be refused by the Registrar or opposed by Party B. In the event the mark proceeds to registration, the registration may, upon an application to Court by Party B, be expunged pursuant to Section 45 of the TMA, as an entry made without sufficient cause.

Such an application / registration may also be objected to, opposed, expunged on the basis that Party B, as first user in Malaysia is the proprietor of the trade mark and not Party A. The application / registration by Party A thus contravenes Section 25 TMA.

2 Is the application or registration as described under question 1) above denoted as "bad faith"? If not, what is it called?

No

It is called...

Such applications/ registrations are not denoted as 'bad faith'. Bad faith is not a factor to be established in any action taken against the application / registration pursuant to Section 14(1)(a) and (d).

3 Are the following factors relevant for proving an application or registration as described under question 1) in your jurisdiction?

Please tick or fill in all boxes as applicable to your jurisdiction. If you select "other", please describe further.

- other

Please Explain

In respect of Sections 14(1)(a) and (d), the factors to be established are set out above in Question 1 and do not include bad faith, knowledge or intention on the part of Party A. However evidence of the above factors, if available, will likely be factors that the Judge will in any event take into consideration.

4 Is any one or more of the above factors sufficient on their own, or will the assessment instead always take the specific circumstances of the case into account? If one or more of those factors are sufficient on their own, please identify those factors.

Yes

Please Explain

See answer to Question 3 above.

5 Which of the following factors are relevant to establishing whether there was or should have been knowledge as described under question 3) above?

Please tick or fill in all boxes as applicable to your jurisdiction. If you select "other", please describe further.

- other

Please Explain

See answer to Question 3 above.

6 Is the degree of similarity between the signs relevant? Please explain why in either case.

Yes

Please Explain

Knowledge is irrelevant for the purposes of Section 14(1)(a) and (d).

However to fall within Section 14(1)(d) TMA, the mark applied for/ registered by Party A must be identical or so nearly resembling the well known mark used abroad. For the purposes of Section 14(1)(a), the mark applied for / registered by Party A must be sufficiently similar to Party B's prior used mark in Malaysia so as to be likely to deceive or cause confusion.

7 Is the degree of similarity between the goods/services relevant? Please explain why in either case.

Yes

Please Explain

Knowledge is irrelevant for the purposes of Section 14(1)(a) and (d).

However, to fall within Section 14(1)(d) TMA, the goods / services for which party A applies to register the mark must be identical to the goods /services in respect of which the well known mark is used abroad.

For the purposes of Section 14(1)(a), the goods / services applied for / registered by Party A is a relevant consideration is determining the likelihood of deception / confusion to the public.

Repeat filings

8 Can the filing of a trademark in your Group's jurisdiction by a trademark owner for a trademark identical or similar to a trademark it already owns in that jurisdiction be refused or cancelled on the ground that the previous trademark fails to meet applicable genuine use requirements?

If yes, please answer questions 9) -11). If no, please go to question 12).

No

Please Explain

9 Is the application or registration as described under question 8) above denoted as "bad faith"? If not, what is it called?

10 Which of the following factors are relevant when assessing whether a trademark as described under question 8) should be refused or cancelled?

Please tick or fill in all boxes as applicable to your jurisdiction. If you select "other", please describe further.

11 Are the answers to questions 8) -10) above different if the previous trademark is no longer in force? Please explain.

Defensive marks

12 Is it permissible under your Group's current law to file a trademark if the trademark owner does not have any intent to use that trademark for part or all of the goods/services claimed? If not, is there a timeframe (and if so, what) for such intention to use (e.g. must the intent be to start use immediately)?

If yes, please answer question 13). If no, please go to question 14).

Yes

Please Explain

Yes, in the case of defensive marks.

13 Is the application or registration as described under question 12) above denoted as "bad faith"? If not, what is it called?

No

It is called...

Applications / registrations for defensive trade marks are not denoted as 'bad faith' and are permitted to remain on the Register despite a lack of intention to use or a lack of actual use.

Other

14 Does any other conduct in respect of trademarks, as an independent ground for action, amount to bad faith ¹⁶ under your Group's current law? If so, what conduct and how is it denoted, ie as "bad faith" or something else?

¹⁶ Including fraud within the context of this Study Question, as explained on p. 1 at paragraph 5.

Conduct involving dishonesty or deception may amount to fraud. A registration obtained by fraud is a ground to expunge a registered trade mark pursuant to Section 45 TMA even after 7 years of registration.

The Courts here have held that dishonesty must not be assumed solely by reason of knowledge of an unregistered interest. The registration of a trade mark by the agent of a foreign manufacturer in his own name has been held to amount to fraud.

Type of proceedings

15 In which proceedings can the grounds, insofar as they are available under your Group's current law, described in your response to questions 1), 8), 12) and 14) above be invoked in your jurisdiction?

Please tick or fill in all boxes as applicable to your jurisdiction. If you select either of the last two boxes, please describe further.

- it differs per ground

Please Explain

Sections 14(1)(a) and (d) are grounds which may be relied on by the IP Office, in opposition proceedings before the IP Office and in expungement proceedings before Court. Fraud as a ground may be relied on in proceedings to expunge a registered trade mark in Court.

II. Policy considerations and proposals for improvements of your current law

6.a Could any of the following aspects of your Group's current law be improved?

The possibility of taking action against the application or registration of a trademark in a jurisdiction by a Party A, if that trademark or a similar sign is already used in one or more jurisdictions by a Party B, but is not registered in the jurisdiction where Party A has filed the trademark

Please tick or fill in only the applicable box. If you select "yes", please explain.

No

Please Explain

6.b Could any of the following aspects of your Group's current law be improved?

The possibility of taking action against or refusing the refiling of a trademark by a trademark owner as described above under question 8) above

Please tick or fill in only the applicable box. If you select "yes", please explain.

No

Please Explain

6.c Could any of the following aspects of your Group's current law be improved?

The possibility of taking action against or refusing the filing of a trademark by a trademark owner without an intent to use such for part or all of the goods/services claimed as described above under question 12) above.

Please tick or fill in only the applicable box. If you select "yes", please explain.

No

Please Explain

6.d Could any of the following aspects of your Group's current law be improved?

The possibility of taking action against other conduct as described in your response to question 14) above.

Please tick or fill in only the applicable box. If you select "yes", please explain.

No

Please Explain

17 Are there any other policy considerations and/or proposals for improvement to your current law falling within the scope of this Study Question?

The TMA does not provide for any interpretation of what constitutes a “well known” trade mark. Perhaps it would be timely to define “well known trade mark” so that it provides clarity to the criteria of a well known trade mark.

It may not be possible to define “bad faith” as a definition to “bad faith” may not allow sufficient flexibility to it. We however propose for guidelines to be drawn up to ascertain the circumstances that constitute “bad faith”.

Proposals for harmonisation

18 Does your Group consider that harmonisation in any or all of the four areas described in question 16) above is desirable?

If yes, please respond to the following questions without regard to your Group's current law.

Even if no, please address the following questions to the extent your Group considers your Group's current law could be improved.

19 Does your Group consider there should be a harmonised definition of bad faith?

Please tick or fill in only the applicable box. If you have different reasons for selecting "no" or "yes" to those identified, please explain.

No; identifying circumstances that can be relevant in assessing whether the types of conduct identified above under question 16) are allowed can be helpful, but a definition as such does not allow sufficient flexibility

Please Explain

Bad faith - third party use or filing

20 Should it be possible to take action against the application or registration for a trademark in a jurisdiction by a Party A, if that trademark or a similar sign is already used in one or more jurisdictions by a Party B, but is not registered in the jurisdiction where Party A has filed the trademark?

If yes, please answer questions 21) – 25). If no, please go to question 26).

Yes

Please Explain

21 Which of the following should be relevant factors for proving an application or registration as described under question 20)?

Please tick or fill in all relevant boxes. If you select "other", please describe further.

- Party A intends to prevent Party B from continuing to use the earlier sign or to only allow such under certain conditions (e.g. a license)

Please Explain

22 Should any one or more of the above factors be sufficient on their own, or should the assessment instead always take the specific circumstances of the case into account? If one or more factors should be sufficient on their own, which should they be?

Any one of the factors above should be sufficient however it should also depend on the circumstances of each case.

23 Which of the following should be relevant when establishing whether there was or should have been knowledge as described above under question 21) above?

Please tick or fill in all relevant boxes. If you select "other", please describe further.

- whether Party A operates in the same or a similar field of business as Party B

Please Explain

- whether the earlier sign is well known or enjoys a reputation

Please Explain

- whether there have been formal or informal dealings or contact between Party A and B (such as an agreement, written communication etc.)

Please Explain

24 Should the degree of similarity between the signs be relevant? Please explain why or why not.

Yes

Please Explain

Yes. In most countries if not all countries, confusion be it actual or notional, is one of the main elements to bring an action for trade mark infringement / trade mark rectification / passing off. A mark can be deceptive or confusing where it is identical with or similar to a trade mark already used by another trader. Therefore the degree of similarity between the signs is relevant.

25 Should the degree of similarity between the goods/services be relevant? Please explain why or why not.

Yes

Please Explain

It depends on the cause of action. For trade mark infringement, the mark must be used for goods or services covered by the registration because the registered proprietor cannot claim that the public will be confused or deceived into believing that he has extended his business to proximate goods / services if he has not obtained a registration of those goods / services.

In the case of passing off, there is no requirement for identical / similar goods / services even though the presence of similar / identical goods / services may facilitate the finding of confusion or deception.

Repeat filings

26 Should it be possible to refuse or cancel the filing by a trademark owner of a trademark identical or similar to a trademark it already owns in your Group's jurisdiction on the grounds that it fails to meet applicable genuine use requirements?

If yes, please answer questions 27) – 28). If no, please go to question 29).

No

Please Explain

27 Which of the following factors should be relevant when assessing whether a trademark as described under question 26) above should be refused or cancelled?

Please tick or fill in all relevant boxes. If you select "other", please describe further.

28 Should the answers to questions 26) - 27) above be different if the previous trademark is no longer in force? if so, how?

Defensive marks

29 Should it be permissible to file a trademark if the trademark owner does not have any intent to use that trademark for part or all of the goods/services claimed? If not, should there be a timeframe (and if so, what) for such intention to use (e.g. must the intent be to start use immediately)? Please explain.

Yes, in the case of defensive marks.

Other

30 Should any other conduct in respect of trademarks, as an independent ground for action, amount to bad faith ¹⁷? If yes, please explain.

¹⁷ Including fraud within the context of this Study Question, as explained on p. 1 under paragraph 5 above.

As mentioned in question 17 above, we are of the view that the list of conduct that may amount to bad faith should remain open to allow flexibility to the term "bad faith". It should be decided on a case to case basis.

Type of proceedings

31 In which proceedings should it be possible to invoke the grounds described in your response to questions 20), 26), 29) and 30) above, insofar as they should be grounds for action in your view?

Please tick or fill in all boxes. If you select either of the last two boxes, please describe further

- it differs per ground

Please Explain

Other

32

Please comment on any additional issues concerning bad faith (or equivalent concepts) in the context of trademark law you consider relevant to this Study Question.

"Bad faith" is not expressly stated in the TMA. The Courts have however held that that the act of executing a Statutory Declaration in support of the trade mark application claiming that the mark belongs to him when that is not the case constitutes bad faith. There may be other factors that may constitute bad faith and remain to be tested in court.

Please indicate which industry sector views are included in part "III. Proposals of harmonization" on this form:

Please enter the name of your nominee for Study Committee representative for this Question (see Rule 12.8, Regulations of AIPPI). Study Committee leadership is chosen from amongst the nominated Study Committee representatives. Thus, persons not nominated as a Study Committee representative cannot be in the Study Committee leadership.

Ameet Kaur Purba