

## Question Q214

**National Group:** AIPPI Malaysian Group

**Title:** Protection against the dilution of a trade mark

**Contributors:** Teh Hong Koon

**Representative within Working Committee:** -

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### Questions

#### I. Analysis of current law and case law

The Groups are invited to answer the following questions under their national laws:

1. Do the laws of your country provide for protection against dilution of a trademark? If so, which laws?

Yes, Section 14(1)(d) and (e) of Trade Marks Act 1976; Regulations 13A and 13B of the Trade Marks Regulations 2001

2. Is there a legal definition of dilution in your legislation or case law?

No.

Section 14(1) provides that “a mark or part of a mark shall not be registered as a trade mark-

(d) if it is identical with or so nearly resembles a mark which is well-known in Malaysia for the same goods or services of another proprietor;

(e) if it is well-known and registered in Malaysia for the goods and services not the same as those in respect of which registration is applied for: Provided that the use of the mark in relation to those goods or services would indicate a connection between those goods or services and the proprietor of the well-known mark, and the interests of the proprietor of the well-known mark are likely to be damaged by such use“.

Regulation 13A (a) and (b) contain provisions similar to the above. Regulation 13B will be discussed in point 3.1.

- 3.1. Which trademarks are afforded protection against dilution? What are the eligibility criteria? (Please only briefly list the eligibility criteria here; more detailed explanations will be required below).

Well-known trade marks. Regulation 13B provides that in determining whether a mark is well-known or not, the following criteria may be taken into account:

- (a) the degree of knowledge or recognition of the mark in the relevant sector of the public;
- (b) the duration, extent and geographical area of any use of the mark;
- (c) the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods or services to which the mark applies;
- (d) the duration and geographical area of any registrations, or any applications for registration, of the mark to the extent they reflect use or recognition of the mark;
- (e) the record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognised as well-known by competent authorities;
- (f) the value associated with the mark.

- 3.2. To be eligible for protection against dilution, does a mark need to be distinctive? If so, does the protection depend upon the mark being inherently distinctive or are marks that have acquired distinctiveness through use also protected?

Based on the criteria set out in Regulation 13B, it would seem that both inherently distinctive marks and marks that have acquired distinctiveness through use would be protected.

- 3.3.1 To be eligible for protection against dilution, does a mark need to have a reputation or be well-known or famous? If so, when does a mark have a reputation, when is it well-known or when is it famous? Are the factors mentioned in paragraph 15 and 22 above relevant for determining whether a mark has a reputation, is well known or famous? For what point in time does this have to be assessed?

To be eligible for protection against dilution, the mark has to be well-known. The factors mentioned in paragraph 15 are the same as that in Regulations 13B. There are no provisions specifically excluding factors in paragraph 16 or provisions that specially provided for criteria in paragraphs 16-20.

- 3.3.2 For a mark to have a reputation or to be considered well known or famous, must it meet a certain knowledge or recognition threshold? If so, what is that threshold? What percentage of population awareness is required? How widespread must the awareness be across the country? If a mark is well known or famous in one country, what effect, if any, does this have with regard to other countries?

The Registrar will consider the criteria in Regulation 13B in order to decide whether a mark is well-known or otherwise. Every case will have to be decided based on its own

facts. The fact that a mark is conferred the well-known status in other countries will be taken into account.

- 3.3.3 What is the relevant population in determining the knowledge, recognition or fame of the mark, the general public at large or the relevant sector of public? Is recognition or fame in a limited product market (“niche market”) sufficient?

Both the general public at large and the relevant sector of public or the relevant sector of public only, depending on the subject goods and services. For e.g. consumer products and general services, we may need the knowledge of the general public whereas for industry-specific products and services, recognition in a limited product market would be sufficient.

- 3.4. To be eligible for protection against dilution, is it required that the mark has been used in, or that the mark has been registered or that an application for registration of the mark has been filed in the country where protection is being sought?

Please refer to point 3.1.

- 3.5. Are there any other criteria a mark must comply with to be eligible for protection against dilution?

Please refer to point 3.1.

- 3.6. Is eligibility for protection against dilution a matter of law or an issue of fact? Who bears the burden of proof regarding the eligibility criteria? How does one prove that a mark meets the eligibility criteria? Are sales and advertising figures sufficient or is survey evidence required? Which evidential standard must this proof satisfy?

A question of fact. The opponent bears the burden of proof regarding the eligibility criteria.

- 3.7. Is there any registry of eligible marks in your country? If so, what is the evidentiary value of registration? Can it be challenged in litigation?

No.

4. Does your law require the existence of a ‘mental association’ or ‘link’ between the earlier trademark and the later trademark? If so, in which circumstances does a ‘mental association’ or ‘link’ between the earlier trademark and the later trademark exist? Are the factors mentioned in paragraph 27 and 28 above relevant for assessing the existence of such a ‘mental association’ or ‘link’? Are there other factors to take into account? Is the assessment of a link a question of fact (so something that can be established by market surveys), or is it a question of law to be established by the courts or authorities on the basis of such factors?

Section 14(1)(e) talks about a“connection“ between the goods and services of the later trade mark and the well-known mark proprietor and the“damage“ to the interests of the well-known mark proprietor.

5. Does such ‘mental association’ or ‘link’ between the earlier trademark and the later trademark automatically result in detriment to the earlier trademark’s repute or distinctive character? Or does detriment have to be proved over and above the existence of a ‘mental association’ or ‘link’?

Not applicable.

6. Are the same factors taken into consideration to assess the existence of detriment as those already discussed for the link? Are there additional ones?

Not applicable.

7. Must actual dilution be proved or is a showing of likelihood of dilution sufficient? Whose burden of proof is it? How does one prove dilution or likelihood of dilution? Does detriment require evidence of a change in the economic behaviour of the average consumer or that such change in behaviour is likely? If so, what is a change in the economic behaviour of the average consumer? Is reduced willingness to buy goods sold under the earlier mark a change in the economic behaviour? How do you prove a change in the economic behaviour of the average consumer or likelihood of such change in behaviour?

Please refer to point 3.1.

8. What is the extent of protection afforded to marks which are eligible for dilution protection? May the owner of the earlier trademark object

- to the registration of a later trademark? Yes
- to the actual use of a later trademark? Yes
- in respect of dissimilar goods only or also in respect of similar goods? Yes

9. What are the legal remedies? May the owner of the earlier trademark file an opposition and/or a cancellation action? May he ask for injunctive relief or preliminary injunctive relief? Does your trademark office refuse the registration of a later trademark on grounds of likelihood of dilution?

Yes to all 3 questions.

## **II. Proposals for adoption of uniform rules**

The Groups are invited to put forward proposals for adoption of uniform rules with a view to protecting trademarks against dilution. More specifically, the Groups are invited to answer the following questions:

1. Which trademarks should be eligible for protection against dilution? What should the eligibility criteria be? Should recognition or fame in a limited product market (“niche market”) be sufficient?

Well known marks should be eligible for protection against dilution.

In order to be eligible, the mark has to be a highly distinctive trade mark. In determining whether a mark is distinctive, the court should consider “all relevant factors,” including the duration, extent, and geographic reach of the use and registration of the mark.

We are of the opinion that recognition or fame in a limited product market should not be sufficient unless the products and services involved are industry-specific.

2. Should it be a criteria for being eligible for dilution protection that the mark has been used in, or that the mark has been registered or that an application for registration of the mark has been filed in the country?

The mark must be used in relation the owner’s products in order to be eligible for protection and use may includes offering of sales of goods via internet. Registration or application should not be made a condition for eligibility.

3. Should there be a registry of eligible marks? If so, what should the evidentiary value of registration be? Should it be possible to challenge it in litigation?

Yes. The criteria as provided in Regulation 13B and it should be subject to challenge in court.

4. Should the existence of a ‘mental association’ or ‘link’ between the earlier trademark and the later trademark be an independent requirement for a trademark dilution claim?

Yes.

5. Should detriment to the distinctive character or reputation of the earlier mark require evidence of a change in the economic behaviour of the average consumer or that such change in behaviour is likely?

Yes. This is to avoid speculation and to prevent misuse of the dilution law by limiting its application to cases where the earlier trademark’s ability to identify a single origin or distinguish goods or services is at stake. However, some might argue that trade mark owners are now vulnerable to “death by a thousand cuts”, as the market can be flooded with identical or similar trademarks covering different goods or services without any possibility to prohibit their use before actual injury has occurred. Hence, in order to provide a less ambiguous test, there must firstly be definition of what is meant by a “change in the economic behaviour or serious likelihood that such a change will occur in the future”.

6. What should the remedies be for dilution of a mark?

All remedies currently aviable for infringement of trade marks.

National Groups are invited to comment on any additional issue concerning the protection of a mark against dilution.

**Note:** It will be helpful and appreciated if the Groups follow the order of the questions in their Reports and use the questions and numbers for each answer.

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