

# novitas

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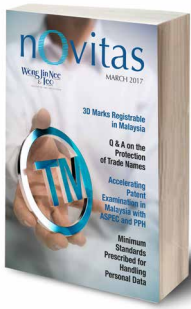
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by Liew Shie Ying

# 3D Marks Registrable in Malaysia

There has always been doubt as to whether 3D marks are registrable in Malaysia. A “mark” is defined under section 3(1) of the Malaysian Trade Marks Act 1976 (“the Act”) to include a device, brand, heading, label, ticket, name, signature, word, letter, numeral or any combination thereof. It is worthwhile to note that the Act is based on the UK Trade Marks Act 1938, which is fairly archaic, unlike the more contemporary UK Trade Marks Act 1994 which expressly provides that a trade mark may consist of, among others, “the shape of goods or their packaging”.


In a recent decision namely *Kraft Foods Schweiz Holding GmbH v Registrar of Trade Marks* [2016] 9 CLJ 558, the IP Court at Kuala Lumpur has opined that 3D mark is registrable. The relevant facts of the case are as follows:


The Registrar of Trade Marks (“Registrar”) in the application for registration of the device “”, described as “Toblerone

Chocolate Teeth 3D in colour” (“the said mark”) filed by Kraft Foods Schweiz Holding GmbH (“Kraft Foods”), refused to register the said mark based on inter alia the ground that the said mark is not a “mark” within the definition of the Act.

Pursuant to the Rules of Court 2012, an appeal against the Registrar’s decision had to be filed within 1 month from the date of the decision. Kraft Foods applied for an extension of time from the Registrar to file the appeal and was granted 2 months to do so. However, the appeal was only filed 7 days after the deadline. Having failed to seek a further extension of time, it was held that the appeal was time-barred on procedural grounds and it was dismissed. Notwithstanding the foregoing, the learned judge went on to opine on the issue of the registrability of a 3D mark.

The learned judge stated that although Malaysia is a signatory to the TRIPS agreement, nevertheless, such treaty would only be enforceable in Malaysia if the Parliament has passed legislation to give effect to such a treaty. As such, even though Article 15(1) of the TRIPS agreement has provided for a wide definition of trade mark which includes a 3D mark, the learned judge could not refer to the TRIPS agreement for reference.

The learned judge stated that whether or not 3D marks fall within the definition of a mark under the Act is a construction issue which could not be answered by referring to the Registrar’s Manual of Trade Marks Law & Practice as it is not law and only meant to be a guidance and instruction of the staff of the Trade Marks Registry. The construction issue also could not be resolved by referring to the definition of an “industrial design” in section 3(1) of the Industrial Act 1996 or to present trade mark legislations in the UK, Singapore or Australia, which are all very different from the Act. The judge went on to say that he could not accept the said mark to be merely an extension of Kraft Foods’ two earlier registered trade marks for “” and

“”. Further, the learned judge opined that the lack of disclaimers in Kraft Foods’ earlier registrations does not necessarily mean that the



subsequent application for the said mark should be registered as of right. Notwithstanding the foregoing, the learned judge held that a 3D mark still falls within the meaning of a “mark” under section 3(1) of the Act. The learned judge relied on the House of Lords case of *Smith Kline and French Laboratories Ltd v Sterling-Winthrop Group Ltd* [1975] 2 All ER 578 where 3D marks consisting of small spherical pellets enclosed in capsules with certain colour combinations were held to be registrable. The

judge also said that a 3D mark falls within the meaning of a device.

The judge also relied on the Federal Court case of *Yong Teng Hing B/S Hong Kong Trading Co & Anor v Walton International Ltd* [2012] 6 CLJ 337 where it was held that a 3D shape mark in the form of a container is registrable if:

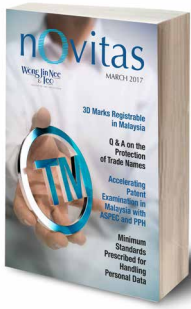
- (i) the applicant is the bona fide proprietor of the 3D shape mark;
- (ii) the 3D shape mark is distinctive of the applicant's goods; and
- (iii) the registration of the 3D shape mark is not prohibited by the Act based on prior identical or confusingly similar marks.

However, based on the facts of the present appeal, the learned judge opined that the said mark was not a trade mark under section 3(1) of the Act as there was nothing in the said mark which would indicate a connection in the course of trade between Kraft Foods and its goods. Further, the judge held that Kraft Foods bore the legal burden of proving that the said mark was distinctive or capable of distinguishing its goods in the course of trade from those of other traders. The relevant date for Kraft Foods to prove the said mark's distinctiveness is as

at the date of application for the said mark. The learned judge took the view that the Registrar must consider both the inherent and factual distinctiveness of the said mark. Kraft Foods did not adduce any evidence of use of the said mark or any other circumstances to show that the said mark was distinctive as at the date of application. Kraft Foods had always used the said mark alongside the word "TOBLERONE" in relation to its goods. Kraft Foods thus could not establish that the said mark had acquired distinctiveness on its own. Accordingly, the learned judge held that the appeal should be dismissed with costs.

Following the above decision, it is note-worthy that there was a surge in the number of applications for 3D marks in Malaysia.





by Boo Min Lee

# Q & A on the Protection of Trade Names in Malaysia

**Q** What is the difference between a trade mark and a trade name?

**A** A trade mark is a mark which is used to distinguish the goods and services of one trader from those of another. A trade mark may include a device, brand name, label, ticket, name, signature, word, letter, numeral or any combination of the aforesaid.

A trade name on the other hand relates to the name used by an entity to carry on its business and may refer to any name or trading style. In simple terms, a trade name refers to a company or firm's name.

**Q** Can trade names be protected in Malaysia?

**A** Yes.

**Q** Are trade names accorded protection in the same manner as trade marks?

**A** While trade marks are registered with the Intellectual Property Corporation of Malaysia ("MyIPO"), trade names are registered under a separate statutory body known as the Companies Commission of Malaysia ("CCM"). The CCM is in charge of and administers the laws relating to the registration of businesses and incorporation of companies in Malaysia. Unlike trade marks which upon registration confers on the registered owner, protection from use by third parties whether as part of their domain name, business name, company name or brand name, mere registration of a trade name does not offer any protection from misuse by a third party pursuant to the provisions of the

Companies Act except for the limited protection against registration of "undesirable" or "unacceptable" company names.

**Q** Are there any guidelines in relation to the registrability of trade names?

**A** Yes. The CCM has on 31 January 2017 issued the "Guidelines on Company Names" as guidance in relation to the registration of name for incorporation of a company or change of a corporate name. In particular, paragraph 12 of the guidelines provides that a name is "undesirable" or "unacceptable" if, amongst others, it is "misleading as to the identity, nature, objects or purposes of a company or in any other manner."

Apart from the guidelines, reference can also be made to the Companies Act 2016 ("CA 2016") which came into force on 31 January 2017. Section 26 of CA 2016 prohibits, amongst others, any name which is regarded as undesirable or unacceptable; or identical to the name of an existing business entity in the Register kept by the CCM. The registration of business names is regulated under the Registration of Businesses Act 1956 whereby a similar principle is generally applied in relation to trade names.

**Q** Does the CCM consistently prohibit or control the registration of trade names which consist of registered or well-known trade marks?

**A** No. In actual practice, the prohibition of undesirable corporate or trade names which consist of a registered trade mark or well-known trade mark is very much dependent on the awareness of the relevant CCM officer with the trade marks concerned. This means that a CCM officer is likely to only restrict trade names which he personally perceives to be famous or well-known or is aware of its registration.

**Q** Are there any applications that can be made to the CCM to control the registration of certain trade names?

**A** Yes. In practice, a trade mark owner may pay the requisite fee and make an application to "notify" the CCM of its trade mark registration by enclosing proof of its registered trade mark, which must be valid and subsisting at the time of application. Approval of the application essentially means that the trade mark will be regarded as a "controlled"



mark whereby a party who wishes to register a trade name identical to a “controlled” mark would be unable to do so. At the time of writing of this article, it appears that the CCM only controls the registration of names which are identical to a controlled mark and the applicant for the new corporate name is dealing in the same class of goods/services in which the trade mark has been registered.

**Q** Who should apply to the CCM to control its trade mark?

**A** While all parties who have a registered trade mark are advised to make such application, this mechanism would be most beneficial to parties who have discovered numerous entities in the market utilising their registered trade mark in its entirety as part of their trade names. Rather than to issue cease and desist letters to such entities as and when they are discovered, it would be better to prevent such situations by controlling the registration of the corporate or trade name at the earliest opportunity.

**Q** How long would the CCM control the registration of trade names? Is it subject to renewal similar to that of a trade mark registration?

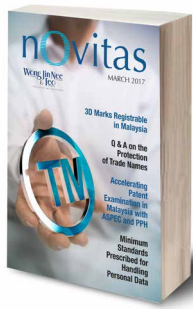
**A** It is understood that upon approval of an application made to the CCM, the mark “notified” to the CCM will be controlled from registration as a trade name for an initial period of 3 years, after which it will be subject to renewal by the trade mark owner.

**Q** What are the practical implications in the event a trade mark owner does not take steps to control the registration of trade names by making a notification at the CCM?

**A** While trade mark owners are generally more concerned with identifying and opposing identical or similar trade marks filed with MyIPO that may infringe upon their rights, importance should also be placed on monitoring the Register of Companies and Businesses kept at the CCM. There are 2 main implications if registration of such trade names is not controlled:-

(1) It could result in the registration/incorporation of multiple entities utilising registered trade marks as part of their trade names, thereby causing confusion to the public as to whether such entities are related to the respective trade mark owners. This is especially so if the entity is in the same business as the class in which the trade mark has been registered; and

(2) In the event the trade mark owner wishes to subsequently register for a trade name which consists of its trade mark at the CCM, the trade mark owner may face difficulty if there is already an existing trade name in the register belonging to another entity. Under such circumstances, the trade mark owner would have to incur substantial time and cost, especially if litigation proceedings are involved, in compelling the owner of the trade name to change its name (if it is a company) or to terminate its business registration (if it is a business).



by Koo Yen Cheng

# Accelerating Patent Examination in Malaysia with ASPEC and PPH

A patent is an exclusive right granted for an invention, which is a product or a process that provides, in general, a new way of doing something, or offers a new technical solution to a problem<sup>1</sup>.

Before a patent can be granted, patent examiners need to first examine each patent application thoroughly, which is without a doubt a tedious and time-consuming process that requires the examiner to comb through all available databases across multiple countries to determine the novelty of each patent application. In cases where an applicant is looking for a way to expedite the examination process without going through the normal expedited process and thereby incurring additional cost, he has the option of filing a request for an accelerated examination under the ASEAN Patent Examination Co-operation (ASPEC) or the Patent Prosecution Highway (PPH) programmes. These two programmes are available in Malaysia and are free of charge.

## What is ASPEC?

ASPEC is the first regional patent work sharing programme established in 2009 with 9 participating ASEAN Member States (AMS) i.e. Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam. This programme allows a participating AMS Intellectual Property Office (IPO) to utilize and make references to earlier search and examination reports issued by another AMS IPO in the course of conducting its own examination. The idea is to ease the burden of the examiners from having to conduct the search and examination from scratch

when an examiner from another AMS IPO has conducted similar research on a corresponding application for the same invention and has issued a report on the same. The earlier search report is however only persuasive and other IPOs requesting the said report are not obligated to adopt such findings or conclusions. The purpose or objective of ASPEC is mainly to reduce research work and increase efficiency of the examiner in assessing, examining and granting corresponding patents in the respective AMS.

ASPEC can be requested at any time before the grant or refusal of any patent application in Malaysia, provided the search and examination report of a corresponding patent application in another participating AMS IPO is available for the examiner's review. Even though the Malaysian patent examiners are not bound by the search and examination report of a corresponding patent, the examination process is most definitely accelerated with ASPEC and at no additional fee.

## What is PPH?

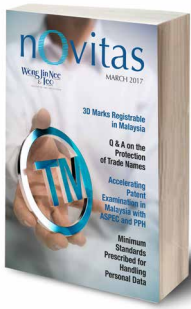
The PPH, an initiative between the Intellectual Property Corporation of Malaysia (MyIPO) and the Japan Patent Office (JPO), is another work sharing programme that permits patent applicants to request for accelerated examination. The PPH pilot programme is currently only made available for requests based on corresponding Japanese or Patent Cooperation Treaty (PCT) applications which have received positive or favourable examination reports from the JPO. Based on the data and statistics provided by the JPO<sup>2</sup>, the grant rate of the relevant patents (estimated 176 patents) under the PPH route between Malaysia and Japan is 100% as at June 2016.

Under the PPH route, a patent applicant may expect a turnaround time of only 3 months for the issuance of the examination report from the filing date of the PPH request. This represents a significant acceleration of the examination process.

As ASPEC and PPH do not involve any additional official fees, applicants for patent protection in Malaysia should seriously consider these options so as to benefit from the accelerated examination processes.

<sup>1</sup> <http://www.wipo.int/patents/en/>

<sup>2</sup> <http://www.jpo.go.jp/ppph-portal/statistics.htm>



by Boo Min Lee

# Minimum Standards Prescribed for Handling Personal Data

Although it has been more than a year since the Personal Data Protection Standard 2015 ("PDPS") was enacted, non-compliance with the PDPS continues to be a major problem. It may be necessary to remind us of the minimum statutory requirements laid down by the PDPS. Following the appointment of a new Personal Data Protection Commissioner, Khalidah binti Mohd Darus, with effect from 23 January 2017, it is likely that the Personal Data Protection Commission may take a more proactive role in enforcing the Personal Data Protection Act 2010 ("the Act").

The PDPS was issued pursuant to the Personal Data Protection Regulations 2013 ("Regulations"). In particular, it is intended to set out the minimum requirements of Article 6 (Security policy), Article 7 (Retention standard) and Article 8 (Data integrity standard) of the Regulations. In brief, a data user, namely, a person who processes, has control over or authorizes the processing of any personal data in respect of commercial transactions shall ensure that it complies with these standards. "Standard" has been defined as "a minimum requirement issued by the Commissioner that provides, for common and repeated use, rules, guidelines or characteristics for activities or their results, aimed at the achievement of the optimum degree of order in a given context". This article seeks to highlight some of the minimum requirements prescribed under the PDPS.

## Security Standard

Security breach has always been the main issue when it comes to personal data protection. In a

technological era where data is often processed electronically, data security should never be taken lightly. The PDPS has made a distinction between the protection of personal data that is processed electronically and personal data that is processed non-electronically.

In particular, the PDPS has laid out what needs to be done when it comes to access of personal data by employees in the course of their employment. This is understandable as the majority of security breaches arise as a result of the actions or inactions of the employees of an organisation. Among the standard procedures which are required of employees are as follows:

- To register the employees involved in the processing of personal data;
- To terminate an employee's access rights to personal data upon resignation, termination or any adjustment made in accordance with changes in the organisation;
- To control and limit employees' access to personal data;
- To provide user ID and password for authorised employees to access personal data that are processed electronically;
- To ensure that employees involved in processing personal data always protect the confidentiality of such data;
- To maintain a proper record of access of personal data periodically and make such record available for submission when directed by the Commissioner; and
- To conduct awareness programmes for all employees (if necessary) on the responsibility to protect personal data that are processed non-electronically.



Specific procedures have also been laid out where personal data is processed electronically, namely:-

- written consent by an officer authorized by the top management is required for any transfer of personal data through removable media device and cloud computing service;
- any transfer of data through removable media device and cloud computing service must be recorded; and
- personal data transfer through cloud computing service must comply with the personal data protection principles in Malaysia, as well as with personal data protection laws of other countries.

## Retention Standard

Personal data that is processed for any purpose must not be kept longer than is necessary for the fulfilment of that purpose. PDPS has laid down the standard that a data user must take all reasonable steps to ensure that all personal data is destroyed or permanently deleted if it is no longer required. The prescribed standards are as follows:

- To determine the retention period in all legislation relating to the processing and retention of personal data are fulfilled before destroying the data;
- To keep personal data no longer than necessary unless there are requirements by other legal provisions;
- To maintain a proper record of personal data disposal periodically and make such record available for submission when directed by the Commissioner;
- To dispose personal data collection forms used in commercial transactions within a period not exceeding 14 days, except or unless the forms carry legal values in relation to the commercial transaction;
- To review and dispose all unwanted personal data in the database;
- To prepare a personal data disposal schedule for inactive data within a 24 month period which should also be maintained properly; and
- The use of removable media device for storing personal data is not permitted without written approval from the top management of the organisation.

It is thus important that one takes note of the inventory of personal data available in his organisation and to have a system in place to ensure that personal data is destroyed or deleted when it is no longer required.

## Data Integrity Standard

The following standards have been prescribed to ensure that personal data is accurate, complete, not misleading and kept up-to-date by having regard to the purpose:

- To provide personal data update forms for data subjects, either online or conventional methods;
- To update personal data immediately once a data correction notice is received from data subject;
- To ensure that all relevant legislation is fulfilled in determining the type of documents required to support the validity of the data subject's personal data; and
- To notify on personal data updates either through the portal or notice at premises or by other appropriate methods.

While there does not appear to be any reported enforcement action by the Commissioner to-date, it is worth noting that there are serious consequences in the event of failure to comply with the standards prescribed. The possible penalty for any contravention includes a fine not exceeding RM250,000 or imprisonment for a term not exceeding 2 years or to both. Companies are advised to conduct periodic reviews and due diligence on the procedures or steps taken in processing personal data.