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Editorial team:
Joanne Kong
Eugene Ee

Wong Jin Nee & Teo
13A-5 Level 13A Menara Milenium
8 Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Malaysia

www.wjnt-law.com



Introduction to the **MADRID PROTOCOL**

Joyce Tan summarises the international treaty which will allow trademark owners to seek trademark protection in several countries through a single application.

Brand owners with international presence or intending to expand internationally will be delighted to know that the Minister has announced that Malaysia has officially acceded to the Madrid Protocol on 27 September 2019 which is expected to come into force on 27 December 2019. Before opting for this international filing system, it is important to understand the key features of the system and weigh the benefits against the disadvantages of the Madrid Protocol.

WHAT IS THE MADRID PROTOCOL?

The Madrid Protocol is an international treaty administered by the World Intellectual Property Organization (WIPO) which governs the system of international registration of trademarks known as “the Madrid System”. The Madrid System allows trademark owners to seek registration of their trademarks in multiple designated member countries by filing a single international application with WIPO through a single trademark office. This allows trademark owners to manage their portfolios through a centralised system and easily expand protection into new markets. The resulting “international registration” is equivalent to a bundle of national registrations in the member countries that the applicant chooses to designate. Currently, there are 106 members covering 122 countries under the Madrid Protocol. A full list

can be found [here](#). Once Malaysia accedes to the Madrid Protocol, Myanmar will be the last remaining ASEAN country which has yet to be a member.

BASIC REQUIREMENTS - WHO MAY USE THE MADRID SYSTEM?

- An individual or legal entity that has real and effective industrial or commercial establishment in a member country of the Madrid Protocol.
- The relevant mark upon which the international application will be based on must have been registered or applied for at the IP Office in the country of origin (“basic mark”). This office is referred to as the “Office of Origin” and would be MyIPO in the case of Malaysia.

STAGE *Application through Office of Origin*

1

International applications are filed with the Office of Origin and must be for the same mark and same or more limited goods/services as covered by the basic mark. The applicant may designate as many member countries where it desires to seek protection. The Office of Origin will certify the international application and forward the same to WIPO.

STAGE *Formal Examination by WIPO*

2

WIPO only conducts a formalities examination on the international application. Once approved, the mark will be recorded in the International Register and published in the Gazette of International Marks. WIPO will then issue a certificate for the international registration and notify the respective national IP Offices of the designated member countries.

STAGE *Substantive Examination by the National IP Office of the Designated Member Countries*

3

The national IP Office of the designated member countries will examine the international registration against their respective domestic legislation. They must then make a decision whether to grant or refuse the protection within the applicable time limit (12 or 18 months), failing which the trademark is automatically protected in that member country. WIPO will thereafter record the respective decisions of the IP Offices in the International Register and notify the applicant.

DURATION OF PROTECTION

An international registration is effective for 10 years and renewable every 10 years. An international registration may be renewed in respect of all or any of the designated member countries.

ADVANTAGES

- Ease of filing as single application is in one language.
- Considerable cost savings as applicant only pays one set of fees in one currency for multiple designated member countries without incurring additional foreign agent appointment fees, translation fees, and other expenses associated with the formalities of filing separate national applications.
- The mark is protected if no refusal notice is issued by the national IP Office within the time limit.
- Centralised maintenance to

- file renewals, change of address, ownership etc. across all designated territories.
- Protection can be extended to more member countries not covered by the international registration by filing subsequent designations. This allows the owner to expand the geographical scope of the protection of its mark in line with its business needs.
- International registration becomes independent of its basic mark after 5 years.

DISADVANTAGES

- Not every country is part of the Madrid Protocol.
- International applications cannot be amended post filing. This disallows the possibility of having different marks in different countries which may be required of applicants with different branding across country markets.
- Dependent and tied to the basic mark for the first 5 years.
 - This can lead to a problem of a “central attack” whereby if the basic mark ceases to have effect, whether through refusal, cancellation, or becomes invalid within the 5 year period, the associated international registration will be affected accordingly.
 - In the event of a central attack, the applicant may transform the international registration into separate national applications if it applies directly with each designated member country

- within 3 months from the date of cancellation of the international registration. Additional unplanned fees will however have to be incurred and foreign agents will have to be appointed. This may result in higher costs than opting for a direct national application in the first place.
 - Necessary to appoint local trademark agent to address issues arising during substantive examination e.g. objection, refusal, opposition etc. This will incur additional fees.
 - Scope of goods/services is limited to the international registration for subsequent designations.
 - International registrations can only be assigned to a party who is an individual or legal entity that has effective commercial establishment in one of the member countries under the Madrid Protocol.

RISK MANAGEMENT & FILING STRATEGIES

- Before filing the basic mark in the office of origin, conduct full availability searches to determine if the trademark is available for use and registration. Before filing an international application, conduct at least identical searches on the International Register and the trademark register of each of the countries of interest.
- Madrid System is most suitable for highly distinctive trademarks. Trademarks which are descriptive or generic are likely to result in objections by IP Offices, thereby eliminating the cost saving advantage of the system.
- Wait for the basic mark to be registered before filing an international application to lower the risk of central attacks.
- For applicants with operations in multiple Madrid Protocol countries, consider utilising



an office of origin which allows for a broader description of goods/services for the basic mark.

- Certain countries require use to register a trademark or to maintain such registration. Non-use of a mark may also be a ground for cancellation in some countries. Check on such requirements prior to filing and maintain records of use accordingly.

New Dawn for *Trademark Enforcement*

Loo Wai Hoong

analyses the impending legislative amendments impacting the enforcement of trademarks in Malaysia

The Malaysian Parliament has recently passed the much anticipated Trademarks Bill 2019 ("TMB") and the Trade Descriptions (Amendment) Bill 2019 ("TDB"). These Bills, which are expected to come into force towards the end of 2019, are primed to bring about substantial legislative changes to the Malaysian trademarks landscape by repealing the current Trade Marks Act 1976 ("TMA") and amending the Trade Descriptions Act 2011 ("TDA"). While the impending laws would bring about great waves of change, this article will only delve into important amendments relating to the enforcement of trademark rights.

ADMINISTRATIVE ACTIONS

Several existing offences scattered across the existing TMA have been consolidated under Part XV of the TMB along with, amongst others, the following new offences:

- **Trademark counterfeiting.** The unauthorised creation of a mark which is identical or similar to a registered trademark or the falsifying of a genuine registered trademark will constitute an offence.
- **False application of registered trademarks to goods or services.** Unlike its predecessor in the TDA, the scope of this provision is not only confined to the unauthorised application of registered trademarks onto goods but also encompasses such application to services.
- **Making or possession of article for the commission of offence.** It will soon be an offence for any person to make or be in possession, custody or control of an article that is specifically designed or adapted for making unauthorised copies of registered trademarks.

Registered proprietors intending to initiate administrative actions in relation to marks which are not identical but similar to their registered trademarks

may obtain verification from the Registrar of Trade Marks ("Registrar's verification") prior to lodging a complaint with the Enforcement Division of the Ministry of Domestic Trade and Consumer Affairs ("ED"). This will replace the need to obtain a Trade Description Order from the courts in instances whereby the marks are not identical.

Part XVI of the TMB will confer the ED with the necessary investigative and enforcement powers, similar to those provided under the TDA.





CIVIL ACTIONS FOR TRADEMARK INFRINGEMENT

- The scope of trademark infringement will be expanded to include the use of a mark that is identical or confusingly similar to the registered trademark in respect of similar goods or services. At present, an action for trademark infringement is only available against offending marks that are used in relation to identical goods or services covered by a registration.
- The unauthorised application of registered trademarks to merely labelling, packaging material or any document will be tantamount to trademark infringement in the event that the persons applying the marks are aware or have reason to believe that such use is unauthorised.
- The TMB expressly provides that the use of registered trademarks for non-commercial, news reporting

or commentary purposes will be exempted from infringement.

- Actions for “impending” trademark infringement may be instituted against persons who perform acts which give rise to the likelihood of ensuing infringements.
- Successful claimants in an infringement action may be entitled to statutory relief such as injunctions, damages, account of profits and also other additional

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Aggrieved persons threatened with groundless threats for trademark infringement will soon be able to bring an action against their accusers
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damages. Interestingly, in a claim for trademark infringement involving counterfeit trademarks, claimants will be entitled to

claim for damages along with an account of profits arising from the infringement, which is a departure from the current common law position whereby claimants are only entitled to either damages or account of profits but not both. Further, the courts may also grant orders for seizures and production of documentary evidence relevant to such infringement upon an application for interim injunction by the claimants.

- Aggrieved persons threatened with groundless threats for trademark infringement will soon be able to bring an action against their accusers if such threats are made without basis. These provisions do not apply to manufacturers, importers of goods or the provision of services. The relief that the courts may grant include declarations that the threats are not justifiable, injunctions to prohibit the threats from continuing or damages in respect of the losses sustained due to such threats.

CONCLUSION

The introduction of the aforementioned provisions in the TMB marks a huge step in the right direction towards taking Malaysia’s trademark enforcement landscape to greater heights. In particular, the inclusion of statutory relief for trademark infringement under the TMB provides a higher form of certainty to successful claimants compared to the remedies provided under common law. Further, the newly introduced offences which provide for harsher penalties upon conviction should act as strong deterrence and send a stern message to infringers. However, with the introduction of groundless threats provisions, it is advisable that potential claimants exercise caution before issuing cease and desist letters or making allegations against alleged infringers to avoid being held liable for making groundless threats.

Patent War on Headscarf in Malaysia

Pua Siau Kee

discusses the High Court's recent decision in *Mohammad Mubde Absi & Ors v Hyat Collections Sdn Bhd* (Civil Suit No.: WA-22IP-15-04/2017) on whether an instant (ready-to-wear and pinless) "hijab" (headscarf) is patentable.

BACKGROUND

The Plaintiffs, who are the co-owners of Patent No. MY-153705-A in relation to a pre-wrapped headscarf known as Bokitta Hijab ("Patent 705"), commenced action against the Defendants for infringing Patent 705 by distributing and selling "Hyat" headscarves ("Hyat Hijab"). The Defendants counterclaimed to invalidate Patent 705 on several grounds, including Patent 705's lack of novelty and inventive step.

CAN PATENT 705 BE INVALIDATED?

In order to succeed in their claim for patent infringement, the Plaintiffs were required to establish that Patent 705 is patentable in that it is (i) an "invention"; (ii) "new"; and (iii) involves an "inventive step", pursuant to the Patents Act 1983 ("PA").



IS THE BOKITTA HIJAB AN "INVENTION"?

The Court held that the Bokitta Hijab is an invention within the literal meaning of section 12(1) of the PA. In this regard, the Court stated that the term "technology" in the said provision has a wide meaning and encompasses ideas regarding ready-to-wear and pinless hijabs. Patent 705 further provides a solution to the problems arising from traditional hijabs which require a longer time to wear, more amount of fabric, and the usage of pins to secure the scarf. In the Court's view, to hold otherwise would cause injustice to fashion designers who come up with ideas to resolve specific problems in the fashion industry but are unable to protect and exploit such ideas by way of patents.

IS THE BOKITTA HIJAB "NEW"?

The Court was of the view that the invention of the Bokitta Hijab is novel within the meaning of section 14(1) of the PA for the following reasons:

- There is no evidence that the essential integers reflected in Claim 1 of Patent 705 were publicly known or available before the filing date of Patent 705. Such prior evidence is referred to as "Prior Art".
- There is no evidence that a "person skilled in the art" ("POSITA") is able to design the Bokitta Hijab based on Prior Art.
- Applying the "reverse infringement test", there is no proof that any Prior Art would constitute an infringement of Patent 705.

DOES THE BOKITTA HIJAB INVOLVE AN "INVENTIVE STEP"?



The Court was satisfied that the Bokitta Hijab involves an inventive step pursuant to section 15(1) of the PA. In arriving at its decision, the Court applied the four-step test laid down in the UK Court of Appeal case of *Windsurfing International Inc v Tabur Marine (Great Britain) Ltd* [1985] RPC 59 and held that:

- the inventive step in Patent 705 is the pre-wrapped feature of the Bokitta Hijab which is formed by a series of stitched seams which makes it pinless and easy to wear ("Inventive Step");
- in applying this test, the Court shall assume the mantle of the POSITA and impute itself with the common general knowledge regarding hijabs on the filing date of Patent 705;
- the difference between the Prior Art and Patent 705 is that the former does not have the Inventive Step ("Difference"); and
- if the POSITA has no knowledge of the Inventive Step and without the benefit of hindsight -
 - (a) the Difference would not have been obvious to the POSITA; and/or
 - (b) the Difference would require a certain degree of invention by the POSITA.

SINCE PATENT 705 IS VALID, HAVE THE DEFENDANTS INFRINGED PATENT 705?



The Court held that the Plaintiffs have successfully proven that the Defendants have sold Hyat Hijabs in contravention of Patent 705. The Court had particularly relied on, amongst others, the following observations in the UK High Court case of *Improver Corp & Ors v Remington Consumer Products Ltd & Ors* [1990] FSR 181:

- The features of the Hyat Hijab which are different from the essential integers reflected in Claim 1 of Patent 705 do not have a material effect on the way the invention in Claim 1 works ("Immaterial Variants");
- The Immaterial Variants would have been obvious to the POSITA regarding hijabs on the date of publication of Patent 705;
- It is also noted that the Hyat Hijab has the same inventive concept as the Bokitta Hijab.

Accordingly, the Defendants' counterclaim was dismissed whilst the Plaintiffs' claim for patent infringement was allowed by the Court.

COMMENTS

This is the first case of patent infringement in Malaysia involving an article of clothing and is thus likely to have an impact on future cases involving new fashion or creative clothing products. It is hoped that this decision will promote innovation and encourage people across all kinds of industries to explore patent protection in Malaysia, including those in the fashion industry.



Streaming into *Infringement*

Kok Eu Jin

explains how illegal streaming infringes the rights of copyright owners

The rise of streaming platforms has changed the way people consume entertainment. The growing popularity of the streaming economy has seen the emergence of entertainment goliaths such as Netflix, Amazon Prime Video and soon, Disney+. This should not come as a surprise given how such platforms allow users to consume content on-demand.

The dawn of streaming platforms has also seen the proliferation of online piracy and accordingly, copyright infringements. Users who are unwilling to pay the subscription fees for streaming their favourite TV series or movies have resorted to illegal streaming websites or set-top boxes. Before delving into the legality of such sites or boxes, it would be useful to understand how streaming works.

HOW DOES STREAMING WORK?

To stream a particular content, it must first be made available on an online streaming platform. This involves uploading a copy of the content onto the said platform. Once it has been uploaded, the user will stream the content on an internet-connected device. During this process, the user is not downloading the content instantaneously but rather, piece by piece in real time. To facilitate a continuous and uninterrupted flow of streaming, buffering occurs, whereby data is downloaded and stored temporarily in the device for the play-back processing of the media. This data is neither retained nor recoverable after the play-back process has been completed.

HOW IS COPYRIGHT INFRINGED?

Under the Malaysian Copyright Act 1987 ("Act"), copyright is infringed by doing an act which is controlled by copyright without the copyright owner's authorisation. In this regard, the Act confers exclusive rights to copyright owners to control amongst others, the communication of their copyrighted content to the public and the reproduction of the said content in any material form.

In view of the processes involved for illegal streaming, copyright may be infringed on two levels.

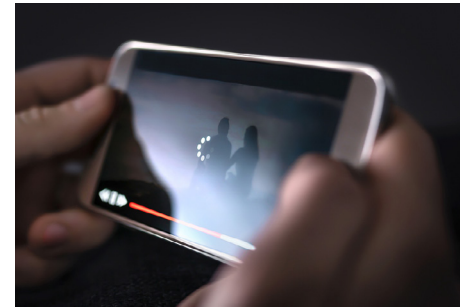


(1) The uploading of the unauthorised content is blatant infringement of the owner's right to control the communication of the copyrighted content to the public.

(2) Users who stream the said content may be liable for infringement by virtue of their unauthorised reproduction of the content during the buffering process.

As regards the latter, the issue revolves around whether the data downloaded during buffering would fall within the definition of "reproduction" under the Act given that the data is only temporarily

stored and not retained in the device. In this regard, the Act has defined "reproduction" to mean the making of one or more copies of work in any form or versions.



IS TEMPORARY REPRODUCTION ILLEGAL?

Given the dearth of Malaysian cases, reference is made to English cases for guidance on this issue. In this regard, the English courts have held that infringement occurs the instant an unauthorised copy is made in the computer's random access memory regardless of whether the infringing copy was retained, or the short and temporary nature of its existence. While we should approach such cases with caution

given that the provisions in the Act and UK's copyright laws are not identical, it is arguable that data temporarily stored during buffering could be considered as a form of "reproduction" despite its transient nature. In short, the moment an unauthorised copy of the content is made in a device, it may be viewed as an infringing article.

CONCLUSION

In light of the above, users of illegal streaming websites or set-top boxes should be mindful that the Act imposes severe penalties if they are found to have infringed the content owner's copyright. Upon conviction, the offender may be liable to a fine of RM2,000 to RM20,000 (approx. USD500 to USD5,000) per infringing copy, and/or 5 years imprisonment. Further, illegal streaming may also expose the perpetrator to malware attacks on their devices. Apart from such risks users are exposed to, illegal streaming would also inevitably hurt the entertainment industry by depriving those involved in the production process of their rightful income. As such, due to the wide availability of legal streaming platforms and their reasonable subscription fees, there is really no valid reason as to why anyone should support piracy.

