



Malaysia changes trademark law and joins the Madrid System

In July, Malaysia's House of Parliament has passed the new Trademark Bill 2019 ("Bill"). It will replace the current Trade Marks Act of 1976 and facilitate Malaysia's accession to the Madrid Protocol.

What is the Madrid Protocol?

The Madrid Protocol is a convenient and cost-effective way to register and manage trademarks in 121 countries worldwide. It allows trademark owners to file one single application for the registration of a so-called International Registration ("IR-mark") and pay one set of fees in order to apply for national trademark protection in all countries of their interest. The centralized system also facilitates the modification, renewal or expansion of a global trademark portfolio and is often cheaper than applying for trademark protection in multiple countries on a national level.

When will it be possible to file an IR-mark covering Malaysia?

The Bill has not prescribed the manner in which the Madrid Protocol will be implemented, but according to a recent WIPO press release, foreign companies and trademark owners can seek trademark protection through the Madrid System from 17 December 2019 onwards.

What are the other key changes of the Bill?

Currently, it is only possible to file a trademark for one class in Malaysia (single-class filing system). If a trademark owner wants to register the trademark for multiple classes, multiple trademarks have to be applied for. This will change upon the accession to the Madrid Protocol where Malaysia will adopt a multi-class system.

The Bill further recognizes non-traditional trademarks such as sound trademarks, scent trademarks, colour trademarks, shapes, packaging etc., provided that (i) the trademark is graphically represented and (ii) capable of distinguishing goods and services from one source to those from other sources.

The Bill further clarifies that the grounds of refusal for registration will be categorised as either (i) absolute grounds of refusal or (i) relative grounds of refusal.

While absolute grounds of refusal refer to grounds which pose major obstacles for a trademark registration (e.g. if the trademark is likely to cause confusion or deceive the public or consist of offensive matter), relative grounds of refusal refer to objections which are based on earlier similar or identical trademarks and well-known trademarks.

In addition, the Bill explicitly recognizes common law rights under the law of passing off, collective trademarks and trademarks as a form of security interest.

Your Contact Persons

Another important change is the expansion of the scope of trademark infringement. Under the Bill, a trademark infringement will also take place if the infringer uses the offending mark for goods and services that are similar to the goods and services claimed under the registered mark and not only if it is used for goods and services which are actually registered under the trademark.

In addition, the Bill introduces remedies against groundless threats of infringement proceedings and penalties for false representation in relation to the goods or services for which a trademark is registered.

In sum, the Bill modernises the current existing trademark law in Malaysia and brings it in line with international standards. The possibility to register IR-marks in Malaysia will particulary be of huge advantage to multinational companies, enabling trademark owners to protect their trademarks more easily in order to successfully access Malaysia's dynamic and diversified market.



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