

## Intellectual Property Case Updates - Malaysia

### 3D or shape marks may be registrable under the Trade Marks Act 1976

#### *Kraft Foods Schweiz Holdings GmbH v Pendaftar Cap Dagangan*

##### Facts

Kraft Foods Schweiz Holdings GmbH (“**the Plaintiff**”) filed an application to register a 3D prism-shaped mark in reddish brown colour described as “*Toblerone Chocolate Teeth 3D In Colour*” for chocolate, chocolate confectionary, cocoa, pastry and ice-cream in Class 30. Below is a 2D representation of the mark :-



The application was rejected by Registrar of Trade Marks (“**the Registrar**”). The Registrar was of the view that the mark did not qualify as a “*trade mark*” within [Section 3\(1\), Trade Marks Act 1976](#) (“**the Act**”); and that even if the mark did qualify as a “*trade mark*”, it was descriptive of the products in question and it lacked distinctiveness.

The Plaintiff appealed to the High Court against the decision of the Registrar.

##### Decision

The High Court dismissed the appeal with costs after finding that the appeal was filed out of time. This was despite the fact that the Registrar did not raise any objection on this issue and submitted on the merits of the appeal.

The High Court took the view that :-

- (a) compliance with the statutory time period of 1 month to file the appeal was mandatory and while the Court had a discretion to extend the time period the Plaintiff did not file an application for an extension of time; and
- (b) whilst the parties to an action may grant one another an extension of time pursuant to the Rules of Court 2012 (“**the ROC 2012**”), such an extension of time could not apply for the purpose of commencement of an action in Court such as the instant appeal because it is only limited to time period specified under the ROC 2012, or by any order or direction of the Court to file, serve or amend pleading or other documents.

In a rather interesting turn of event, and perhaps due to the novelty of the issues raised in the appeal, after dismissing the appeal on the basis that it was time-barred the High Court went on to consider the issues “*on the assumption*” that the appeal was “*not time-barred*”. Thus, the views expressed by the High Court on these issues are essentially *dicta* (i.e. opinions which do not form the basis of the Court’s decision and are not binding).

Of the issues raised in the appeal, perhaps the most interesting one concerned the question of whether a 3D or shape mark could qualify as a “*mark*” and a “*trade mark*” within Section 3(1) of the Act which defines these terms as follows :-

*“mark” includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral or any combination thereof;*

*“trade mark” means, except in relation to Part XI, a mark used or proposed to be used in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services and a person having the right either as proprietor or as registered user to use the mark whether with or without an indication of the identity of that person, and means, in relation to Part XI, a mark registrable or registered under the said Part XI;*

The High Court opined that a 3D or shape mark fell within the definition of “*mark*” in Section 3(1) of the Act for the following reasons :-

- (a) on the basis that the decisions of English Courts on the UK Trade Marks Act 1938 (“**the UK Act**”) were persuasive because the definitions of “*mark*” and “*trade mark*” in Section 3(1) of the Act were *in pari materia* with the definitions of these terms in Section 68(1) of the UK Act, the High Court opined that the decision of the House of Lords in *Smith Kline French Laboratories Ltd’s Trade Mark Application* [1976] RPC 511 on this issue was applicable. The decision in *Smith Kline (supra)* was preferred over the later decision of the House of Lords on this issue in *Coca-Cola Trade Marks* [1986] 15 RPC 421;
- (b) a 3D or shape mark fell within the meaning of the word “*device*”. The High Court referred to a few well-known online dictionaries for the meaning of the word “*device*”, which included “*an object or machine that has been invented to fulfill a particular purpose*”; and
- (c) the definition of “*mark*” was a wide one due to the word “*includes*” in Section 3(1) of the Act.

However, the High Court went on to express the view that the Plaintiff’s mark was not a “*trade mark*” within Section 3(1) of the Act because there was nothing in the mark to indicate a connection in the course of trade between the Plaintiff’s products and the Plaintiff. Further, the High Court also opined that the Plaintiff’s mark lacked both inherent distinctiveness and factual distinctiveness and, thus, it also failed to satisfy the registrability requirement under Section 10(1)(e) of the Act.

The authors are of the view that the position taken by the High Court that a 3D or shape mark fell within the definition of “*mark*” in Section 3(1) of the Act may be flawed, at least in terms of the reasons given by the High Court. This is because:-

- (a) the Court’s “preference” of *Smith Kline (supra)* over *Coca-Cola (supra)* appears to be premised on a misconception of what the House of Lords actually decided in *Smith Kline (supra)*. While the High Court understood *Smith Kline (supra)* as a decision which allowed registration of “*3D marks consisting of small spherical pellets enclosed in capsules with certain colour combinations*”, as was clearly explained by the House of Lords in *Coca-Cola (supra)*, the applicant in *Smith Kline (supra)* was ultimately allowed to register “*10 distinctive colour combinations as trade marks for drugs sold in pellet form within capsules*.” In other words, *Smith Kline (supra)* stood for the principle that colour(s) (not 3D or shape) marks were registrable under the UK Act; and
- (b) the High Court’s reliance on ordinary dictionary meanings of the word “*device*” is arguably questionable. In the realm of trade mark laws, the word “*device*” has a ‘technical’ meaning which generally refers to a design or graphical representation which is to be contrasted with other types of marks such as a word mark.

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## Conclusion

Notwithstanding the fact that the views expressed by the High Court on the registrability of 3D or shape marks are essentially *dicta*, they have possibly opened the door for such marks to be registered under the Act. However, this may soon be academic as it is understood that the government would likely to table a bill to amend the Act some time next year in order to broaden the scope of marks which could be registered by expressly including non-traditional marks such as sound, colour and 3D or shape marks.

## Registrar Of Trade Marks failed to set aside subpoena and ordered to pay costs

### *World Grand Dynamic Marketing Sdn Bhd v FJVAA SPA Sdn Bhd & Ors*

#### Facts

World Grand Dynamic Marketing Sdn Bhd (“**the Plaintiff**”) filed an action against the Defendants for the tort of passing-off in respect of a mark used by the Plaintiff in its business. The Plaintiff wanted to rely on 3 letters issued by the Registrar of Trade Marks (“**the Registrar**”) to the 1<sup>st</sup> Defendant objecting to trade mark applications filed by the 1<sup>st</sup> Defendant on the basis of likelihood of confusion due to the presence of the Plaintiff’s trade mark application (“**the Objection Letters**”).

The Defendants classified the Objection Letters under Part C, meaning that they disputed the authenticity of the Objection Letters. Consequently, the Plaintiff applied to the High Court to issue subpoenas to the 2 officers of the Registrar who issued the Objection Letters to compel them to testify and produce documents at trial.

The officers applied to set aside the subpoenas. Essentially, they argued that :-

- (a) there was no necessity to cite the Registrar in the case;
- (b) under Section 62(2), Trade Marks Act 1976 (“**the Act**”), instead of the Registrar appearing and being heard, the Registrar may submit to the Court a signed statement in writing; and
- (c) under Section 65 of the Act, the Plaintiff may just tender copies of searches of the Register of Trade Marks as evidence without the need to call the officers as witnesses.

#### Decision

The High Court dismissed the application and awarded costs against the Registrar. Although the application was filed by the officers, the High Court held that since the officers were only performing their official functions and duties in this case, the Registrar should be vicariously liable for the costs of

the application to the Plaintiff.

In essence, the High Court gave the following reasons for dismissing the application :-

- (a) Section 62 of the Act only applied to an action for rectification of the Register of Trade Marks and, thus, the provision did not apply in the instant case;
- (b) the Objection Letters did not amount to a Registrar’s statement referred to in Section 62(2) of the Act and, thus, the provision did not apply in the instant case;

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- (c) the Objection Letters did not amount to the class of documents referred to in Section 65 of the Act and, thus, the provision did not apply in the instant case; and
  - (d) the officers could give relevant evidence and which evidence was necessary to enable the Court to decide the matter in a just manner.

On the issue of costs, the High Court held that Section 63 of the Act did not prevent the Court from ordering costs against the Registrar since the action in this case was not under the Act but rather under the common law for passing-off.

### **Conclusion**

This case essentially confirms that litigants could potentially use correspondence by the Registrar of Trade Marks in evidence in Court without fear of not being able to call the Registrar to give evidence, especially in the event that there is a dispute as to the authenticity of the correspondence.

This case also illustrates the general attitude of the Registrar when it comes to legal disputes in Courts involving trade mark matters, which is that of a rather hands-off approach. While such an approach may be justifiable in some cases, perhaps it is time that the Registrar should consider each case or matter with greater scrutiny before deciding that the Registrar should not be dragged to Court at all costs, lest the Registrar may be punished with costs (again).

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## Contacts

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**Sri Sarguna Raj**  
Partner

D +60 3 2267 2737  
F +60 3 2273 8310  
[sri.sarguna.raj@christopherleeong.com](mailto:sri.sarguna.raj@christopherleeong.com)



**Ng Kim Poh**  
Partner

D +60 2267 2721  
F +60 3 2273 8310  
[kim.poh.ng@christopherleeong.com](mailto:kim.poh.ng@christopherleeong.com)



**Steven Cheok**  
Partner

D +60 3 2267 2648  
F +60 3 2273 8310  
[steven.cheok@christopherleeong.com](mailto:steven.cheok@christopherleeong.com)

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### ASEAN Economic Community Portal

The launch of the ASEAN Economic Community ("AEC") in December 2015, businesses looking to tap the opportunities presented by the integrated markets of the AEC can now get help a click away. Rajah & Tann Asia, United Overseas Bank and RSM Chio Lim Stone Forest, have teamed up to launch "Business in ASEAN", a portal that provides companies with a single platform that helps businesses navigate the complexities of setting up operations in ASEAN.

By tapping into the professional knowledge and resources of the three organisations through this portal, small- and medium-sized enterprises across the 10-member economic grouping can equip themselves with the tools and know-how to navigate ASEAN's business landscape. Of particular interest to businesses is the "Ask a Question" feature of the portal which enables companies to pose questions to the three organisations which have an extensive network in the region. The portal can be accessed at <http://www.businessinasean.com>.

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## Our Regional Contacts

### RAJAH & TANN | *Singapore*

#### Rajah & Tann Singapore LLP

T +65 6535 3600  
F +65 6225 9630  
[sg.rajahtannasia.com](http://sg.rajahtannasia.com)

### CHRISTOPHER & LEE ONG | *Malaysia*

#### Christopher & Lee Ong

T +60 3 2273 1919  
F +60 3 2273 8310  
[www.christopherleeong.com](http://www.christopherleeong.com)

### R&T SOK & HENG | *Cambodia*

#### R&T Sok & Heng Law Office

T +855 23 963 112 / 113  
F +855 23 963 116  
[kh.rajahtannasia.com](http://kh.rajahtannasia.com)

### RAJAH & TANN NK LEGAL | *Myanmar*

#### Rajah & Tann NK Legal Myanmar Company Limited

T +95 9 73040763 / +95 1 657902 / +95 1 657903  
F +95 1 9665537  
[mm.rajahtannasia.com](http://mm.rajahtannasia.com)

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RAJAH & TANN ASIA

# Client Update: Malaysia

## 2016 DECEMBER

RAJAH & TANN ASIA

LAWYERS  
WHO  
KNOW  
ASIA

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RAJAH & TANN 立杰上海  
SHANGHAI REPRESENTATIVE OFFICE | *China*

**Rajah & Tann Singapore LLP**  
**Shanghai Representative Office**  
T +86 21 6120 8818  
F +86 21 6120 8820  
cn.rajahtannasia.com

*With Effect from 1 January 2017:*

GATMAYTAN YAP PATACSIL  
GUTIERREZ & PROTACIO (C&G LAW) | *Philippines*

**Gatmaytan Yap Patacsil Gutierrez & Protacio (C&G Law)**  
T +632 894 0377 to 79 / +632 894 4931 to 32 / +632 552 1977  
F +632 552 1978  
www.cagatlaw.com

ASSEGAF HAMZAH & PARTNERS | *Indonesia*

**Assegaf Hamzah & Partners**

**Jakarta Office**  
T +62 21 2555 7800  
F +62 21 2555 7899

**Surabaya Office**  
T +62 31 5116 4550  
F +62 31 5116 4560  
www.ahp.co.id

*\*Assegaf Hamzah & Partners is an independent law firm in Indonesia and a member of the Rajah & Tann Asia network.*

RAJAH & TANN | *Thailand*

**R&T Asia (Thailand) Limited**  
T +66 2 656 1991  
F +66 2 656 0833  
th.rajahtannasia.com

RAJAH & TANN LCT LAWYERS | *Vietnam*

**Rajah & Tann LCT Lawyers**

**Ho Chi Minh City Office**  
T +84 8 3821 2382 / +84 8 3821 2673  
F +84 8 3520 8206

RAJAH & TANN | *Lao PDR*

**Rajah & Tann (Laos) Sole Co., Ltd.**  
T +856 21 454 239  
F +856 21 285 261  
la.rajahtannasia.com

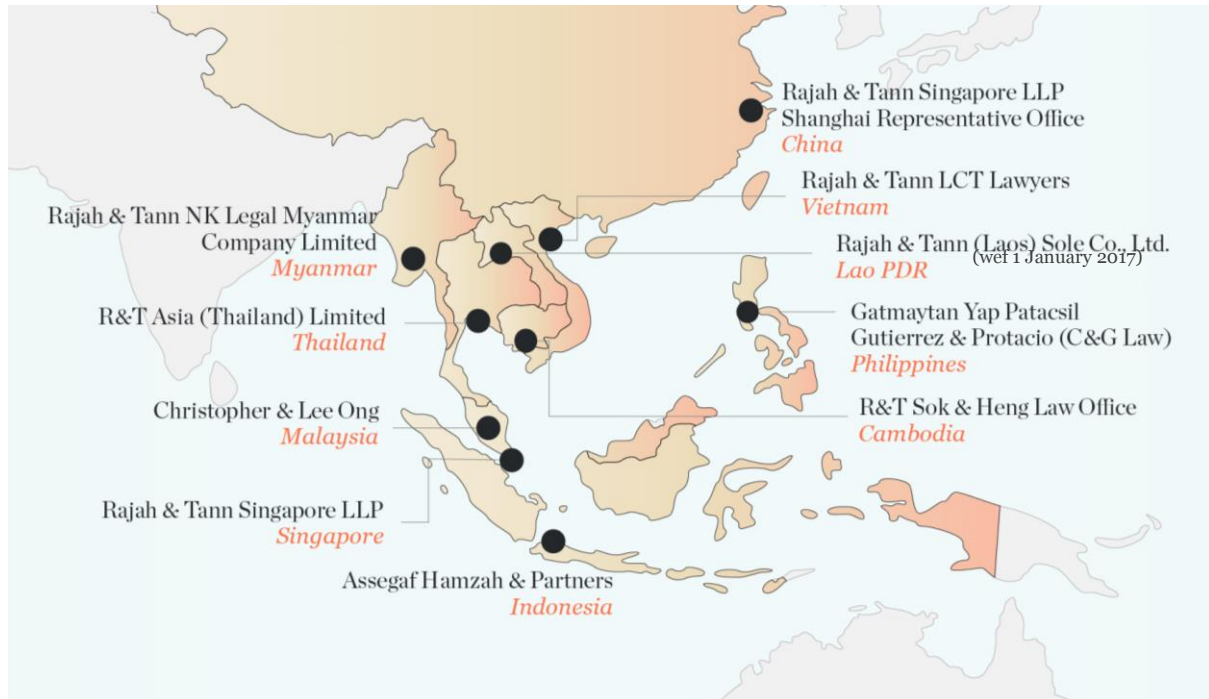
**Hanoi Office**

T +84 4 3267 6127  
F +84 4 3267 6128  
www.rajahtannlct.com

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