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Kuala Lumpur

June 2018

Case Law Update: The Federal Court of Malaysia is not competent to hear appeals with respect to opposition under Section 28 of the Trade Marks Act 1976

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The Federal Court recently revisited its own jurisdiction to hear an appeal which lies in an opposition against the registration of a trade mark under Section 28 of the Trade Marks Act 1976 ("**TMA**") in the case of *Merck KGaA v Leno Marketing (M) Sdn Bhd* [2018] MYFC 14.

In this case, the appellant, Merck, who is the owner of the trade marks "BION" and "BION 3", challenged the registration of the trade mark "Bionel" by the Respondent, Leno Marketing, under section 28 on the grounds that the Leno Marketing's mark was confusingly or deceptively similar to Merck's mark and that the registration would likely deceive or cause confusion amongst the public. The Registrar of Trade Mark ("**Registrar**") dismissed Merck's opposition and accordingly registered Leno Marketing's mark. This decision was upheld in the High Court and Court of Appeal. Dissatisfied, Merck appealed to the Federal Court.

The Federal Court held that it is not competent to hear appeals with respect to opposition under s. 28 of the TMA and explained as follows:

(a) S. 28 of the TMA provides for recourse to the High Court against the Registrar's decision but is silent on whether the Federal Court is competent to hear such appeals.

(b) The correct test to apply is whether the High Court is exercising its original jurisdiction pursuant to s. 96(a) of the Courts of Judicature Act 1964 ("**CJA**"), and not whether the tribunal from which an appeal lies to the High Court is a subordinate court, thus departing from the previous Federal Court judgement in the case of *Yong Teng Hing (t/a Hong Kong Trading Co) v Walton International Ltd* [2011] 5 MLJ 629.

(c) "Original jurisdiction" is defined by case laws as the power to take cognizance and try a matter at first instance, whereas "appellate jurisdiction" is the power to rehear a case and make decisions (which includes correcting any errors) based on the merits of the case.

The Federal Court held that, based on the provisions of s. 28 of the TMA, the High Court is not taking cognizance of the matter at first instance but instead is rehearing a matter which originated from the Registrar. Further, the restriction to adduce further material without the High Court's leave pursuant to s. 28(7) of the TMA is a strong indication that the

matter before the High Court is “a continuation of the opposition proceedings”.

(d) From the viewpoint of statutory interpretation, the word “appeal” in s. 28 of the TMA is unambiguous and should be read in its plain and natural meaning, which is to indicate that the High Court is exercising its appellate jurisdiction in a hearing of an appeal under s. 28 of the TMA.

(e) Unlike s. 28 which provides a mechanism to “appeal”, ss. 45, 46 and 56(15) provide an aggrieved person a mechanism to make an “application” to the High Court. Thus, the meaning of “appeal” and “application” must necessarily be interpreted *noscitur a sociis*, i.e. to be determined by considering the words with which it is associated in the context.

This decision will not impact the right of the Opponent to appeal up to the Court of Appeal provided under s. 67(1) of the CJA. Nonetheless, since the matter will end at the Court of Appeal, rather than the Federal Court, trade mark owners should not be complacent, and should always thoroughly prepare for their case in the opposition proceedings before the Registrar.

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