

SRAM, LLC vs Huan Schen Sdn Bhd

[2019] 10 CLJ 31

Court of Appeal
Court Second Instance**Keywords:** Registration – Expungement - Conclusiveness of registration**Type of Intellectual Property Rights:** Trade Mark**Legal Basis:**

Evidence Act 1950 ss 101(1), 102

Rules of Court 2012 O 28 r 7(1)

Trade Marks Act 1976 ss 3(2)(b), 10, 14(1)(a), (d), (e), (2), 25(1), 28(1), 36, 37(a), (b), (c), 45(1)(a)

Trade Marks Regulations 1997 reg 37(a)

Facts:

This is an appeal against the decision of the learned Judicial Commissioner ('JC') who ordered the defendant's SRAM marks in class 12 to be expunged and removed from the Register. The plaintiff, a local company incorporated in 1995, had been in the business of distribution and selling of bicycles, bicycle parts and accessories, applied for registration of the trade mark for goods in class 12. The defendant, a company incorporated in the United States of America ('USA') in 1987, manufactured bicycles, bicycle parts and accessories under the trademarks 'SRAM', 'SRAM RIVAL' and their variations, opposed the application on grounds that the plaintiff's trade mark was deceptively similar to the defendant's 'SRAM' marks and was likely to confuse people. The primary issue in this appeal was whether the JC had erred in his decision to expunge the trade marks of the defendant and whether the JC had given due recognition to the protection afforded by the TMA.

Substance:

The Court held that the learned JC had erred in law and in his findings that extensive use of the plaintiff's trade mark outside Malaysia was an irrelevant factor for consideration. The concept of 'user' was no longer restricted territorially. The proprietor of a well-known mark

need not carry on business or possess any goodwill within the local territory. The learned JC had erred in his finding that the relevant usage of a trade mark was territorial, in that a trade mark must have been used locally and thus, any evidence of the trade mark's origin or use internationally by the defendant was not a relevant consideration. The Court also held that in order to entitle the plaintiff to expunge the defendant's trade marks, the plaintiff must also satisfy the requirements of ss. 36, 37, 14 and 45 of TMA. In this respect, the Court was of the view that while the learned JC had referred to the above-stated sections in his grounds of judgment, the learned JC had failed to give sufficient weight to the stated sections which stipulate a measure of protection to registered trade marks.

Result:

Appeal allowed with costs subject to allocator. The Court of Appeal set aside the decision of the High Court.

Decision Date: 19/6/2019