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Trademark Cases: The Future of Whitford Guidelines in Malaysia

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In Malaysia, a trademark right owner may usually be concerned with:

(a) Trademark infringement/passing off by an infringer.

(b) Trademark squatting wherein its mark is filed by another person in a country where the right owner does not hold a trademark registration.

If there is trademark infringement/passing off by an infringer, a trademark owner may initiate legal actions to enforce its rights, including obtaining injunctive relief to prohibit the infringer from conducting infringing activities.

If there is trademark squatting, a right owner aggrieved by such trademark registration may file an application to the High Court to revoke the impugned mark on various grounds. One of the grounds that the aggrieved right owner may rely on is “non-use”, wherein the applicant is required to prove, amongst others, that the use of the impugned mark has been suspended for an uninterrupted period of three years and there are no proper reasons for non-use.

In both trademark infringement/passing off cases and trademark revocation cases, it is common for the plaintiff/the applicant to use market survey evidence to demonstrate:

(a) The element of “confusion” in a trademark infringement/passing off case.

(b) The element of “non-use” in a trademark revocation case.

This alert explores the relevance and the challenges faced in respect of market survey evidence in trademark cases in Malaysia.

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Whitford Guidelines

In Malaysia, market survey evidence is subject to compliance with the guidelines laid down by *Whitford J* in *Imperial Group Plc v Philips Mores Ltd & Anor*[1], also commonly known as the "Whitford Guidelines". The Whitford Guidelines have been endorsed by the Federal Court in *Liwayway Marketing Corporation v Oishi Group Public Co Ltd*[2].

The standards enunciated in the Whitford Guidelines are high, resulting in much market survey evidence being challenged in court proceedings. The Whitford Guidelines are as follows:

(a) If a survey is to have any validity at all, the way in which the interviewees are selected must be established as being done by a method such that a relevant cross-section of the public is interviewed.

(b) Any survey must be of a size which is sufficient to produce some relevant result viewed on a statistical basis.

(c) The party relying on the survey must give the fullest possible disclosure of exactly how many surveys they have carried out, exactly how those surveys were conducted and the totality of the number of persons involved, because otherwise it is impossible to draw any reliable inference from answers given by a few respondents.

(d) The questions must not be leading; and must now direct the person answering the question into a field of speculation upon which that person would never have embarked had the question not been put.

(e) Exact answers and not some sort of abbreviation or digest of the exact answer must be recorded.

(f) The totality of all answers given to all surveys should be disclosed.

[1] [1984] RPC 293
[2] [2017] 5 CLJ 133

(g) The instruction given to interviewers must also be disclosed.

Commentary

The Federal Court in the *Liwayway* case has imported the Whitford Guidelines from passing off case into a "non-use" revocation case, notwithstanding the market survey carried out in a trademark infringement/passing off case may differ substantially from the market survey carried out in a "non-use" revocation case. As observed by the Court of Appeal and the High Court in *Liwayway*, the interviews in the survey (in the revocation case) never went past the first question of '*whether the interviewees have had ever heard of the trademark in question'* as all the interviewees gave answers in the negative.

The criticisms of survey evidence are understandable in trademark infringement/passing off cases, as survey evidence would be deemed to reflect the views of the members of the public on whether the offending mark is confusingly similar to the registered trademark. It would be important that the totality of all answers given to all surveys and the manners in which they are carried out to be fully disclosed and made available to the defendants in such cases.

However, in "non-use" trademark revocation cases, the reliance on the survey report by the applicants will be limited, i.e. to demonstrate whether there is any use of the trademark during the relevant period. Be that as it may, the Federal Court in *Liwayway* has held that the same standards are applicable on the market survey reports used in trademark revocation cases.

As it stands, the law requires any market survey evidence in all trademark cases to comply with the Whitford Guidelines.

Direct Evidence

What other evidence can an applicant in a trademark revocation case then rely on?

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In the later cases of *Aftershock PC Pte Ltd v Chin Sow Fah*[3] and *Hyundai Motor Company v. Sun Yuen Rubber Manufacturing Co. Sdn Bhd*[4], the Malaysian courts upheld the distinction between an investigation report and a market survey report, where the earlier contains other direct evidence obtained through the investigation conducted. In such circumstances, the courts have held that such investigation report is not a 'market survey report' which is subject to the Whitford Guidelines.

In the upshot, it is important for an applicant in a trademark revocation case to disclose some direct evidence on top of market survey evidence in support of its application. In other words, a plaintiff in a trademark infringement/passing off case or an applicant in a trademark revocation case should not rely solely on market survey evidence which is susceptible to be expunged if it does not comply with Whitford Guidelines. The focus must also be placed on real and direct evidence such as evidence obtained from investigations.

Authored by Kong Xin Qing, an associate from the firm's Dispute Resolution practice.

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[3] [2021] 1 LNS 85
[4] [2017] 1 LNS 731