

Legal Protection of Geographical Indications as a Means to Foster Social and Economic Development in Malaysia

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1 INTRODUCTION

The concept of a geographical indication (GI) as a badge of origin that performs the function of identifying the geographical source of a product and its unique characteristics or quality that results from its geographical origin is a fairly recent development in the landscape of Malaysian intellectual property law. GIs were only formally recognised in Malaysia as a distinct type of intellectual property right when the Geographical Indications Act 2000 (GIA 2000)¹ was enacted. The Act, which came into force on 15 August 2001, was Malaysia's response to its international obligations to protect GIs under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement).² At that time, there was relatively little understanding of the benefits and potential impact of a system of protection of GIs on the socio-economic development of the country, particularly with regard to sustainable rural development. Even though there is currently no specific study that has been conducted in Malaysia on the impact of GI protection on the country's socio-economic development, it is safe to say that at the present moment there is a general perception among stakeholders of intellectual property rights that GIs have a potentially positive impact on the generation of income, creation of local employment and, implicitly, the country's social

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¹ Geographical Indications Act 2000 (Act No. 602/2000) (Malay) (as amended by Geographical Indications (Amendment) Act 2002).

² Agreement on Trade-Related Aspects of Intellectual Property Rights, 15 April, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299 [hereinafter TRIPS].

and economic development.³ This is because consumers often place value on products that they associate with a certain geographical origin and GIs are potentially effective marketing tools of great economic value.⁴ GIs are able to link products to their geographical regions, which oftentimes are in rural areas, and connect consumers to the producers.

As GIs were not perceived as a distinct form of intellectual property prior to the GIA 2000, it is not surprising that no applications were made to the Intellectual Property Corporation of Malaysia for the registration of geographical indications until the year 2003. Even then, there was only one application for registration made in that year.⁵ The number soon escalated, and in the year 2015 alone there were thirty-one new applications filed to register GIs in Malaysia.⁶ Of these, twenty-nine applications were by Malaysian applicants while two were by foreigners. Needless to say, not all applications were successful because they lacked the necessary requirements, but it suffices to note that by the end of 2015 there were in total fifty-nine registered GIs on the Register of Geographical Indications set up under the Act.⁷ These registered GIs belong primarily to products related to agriculture-intensive industries as well as to producers in the handicraft and food sectors, which possess historical and cultural links between the geographical area of the GI-denominated products and the respective groups of producers.⁸ For example, in the agriculture industry, producers of pepper, tea, coffee, rice, ginger, mangoes, groundnuts and durians have obtained registration of their GIs under the Act.⁹ Producers of handicrafts such as *songket* (a handwoven fabric), batik and wood-carving have also registered their GIs for protection.¹⁰ Similarly, GIs have been registered by producers of food items such as *belacan* (shrimp paste), cheese and

³ WORLD INTELL. PROP. ORG., GEOGRAPHICAL INDICATIONS: AN INTRODUCTION 17, www.wipo.int/edocs/pubdocs/en/geographical/952/wipo_pub_952.pdf.

⁴ DWIJEN RANGNEKAR, THE SOCIO-ECONOMICS OF GEOGRAPHICAL INDICATIONS: A REVIEW OF EMPIRICAL EVIDENCE FROM EUROPE (2004), www.iprsonline.org/unctadictsd/docs/CS_Rangnekarz.pdf.

⁵ See *Geographical Indications Statistics*, INTELL. PROP. CORP. OF MALAY., www.myipo.gov.my/web/guest/geo-statistik (last visited 8 March 2016).

⁶ *Id.* ⁷ *Id.* ⁸ *Id.*

⁹ *Geographical Indication – Search*, INTELL. PROP. CORP. OF MALAY. ONLINE SEARCH & FILING SYS., <https://iponline.myipo.gov.my/ipo/main/search.cfm> [hereinafter *GI Registry*]. See the following registrations: Sarawak Pepper (GI03-00001), Sabah Tea (GI06-00001), Tenom Coffee (GI06-00005), Bario Rice (GI08-00001), Tambunan Ginger (GI09-00003), Mangga Harumanis Perlis (GI2011-00004), Kacang Goreng Sempalit (GI2013-00004) and Durian Nyekak Sarawak (GI2013-00002).

¹⁰ *Id.* See the following registrations: Songket Terengganu (GI2013-00007), Sabah Batik (GI2013-00008) and Ukiran Kayu Besut (GI2014-00004).

biscuits.¹¹ The increase in the number of applications for registration of GIs over the relatively short span of time suggests that producers are aware of the importance of adequate legal protection of GIs in contributing to the commercial success of their products.

Starting from the premise that GIs play an important role as a tool in marketing strategies to advance the commercial and economic interests of GI producers,¹² this chapter discusses whether the current legal protection of GIs in Malaysia is adequate to prevent third parties from free-riding on the reputation of a GI. Adequate legal protection is necessary to prevent the unauthorised use of a GI by a third party for the purpose of misleading or confusing the public as to the geographical origin of a product, particularly when the product does not comply with the specific conditions of manufacture or does not originate from the geographical area. Apart from that, widespread unauthorised use of a GI could eventually result in the GI becoming a generic term. The unauthorised use of a GI in trade is detrimental to the legitimate interests of consumers and producers and, ultimately, will negatively impact the economic success of the industry that markets its products using the GI. In particular, the first part of the chapter provides an overview of the importance of GIs in the marketplace and describes two scenarios, both at a supranational level involving Malaysia, where GIs were at issue. The second part of the chapter discusses the scope of protection conferred on GIs pursuant to the GIA 2000 and the extent to which the Act promotes the use of GIs in trade. This is then followed by a discussion of the role played by the law of passing off in protecting GIs, particularly prior to the enactment of the GIA 2000. Subsequently, the provisions of the Trade Marks Act 1976 (TMA 1976),¹³ the Consumer Protection Act 1999 (CPA 1999)¹⁴ and the Trade Descriptions Act 2011 (TDA 2011)¹⁵ that are relevant to the protection of GIs are briefly mentioned. Finally, the chapter analyses whether the current regime for protection of GIs in Malaysia creates a suitable legal

¹¹ *Id.* See the following registrations: Belacan Bintulu (GI2011-00005), Langkawi Cheese (GI2011-00002) and Biskut Dan San Sungai Lembing (GI2012-00007).

¹² IRENE CALBOLI & DANIEL GERVAIS, SOCIO-ECONOMIC ASPECTS OF GEOGRAPHICAL INDICATIONS (2015), www.wipo.int/edocs/mdocs/geoind/en/wipo_geo_bud_15/wipo_geo_bud_15_9.pdf; CERKIA BRAMLEY ET AL., THE ECONOMICS OF GEOGRAPHICAL INDICATIONS: TOWARDS A CONCEPTUAL FRAMEWORK FOR GEOGRAPHICAL INDICATION RESEARCH IN DEVELOPING COUNTRIES 116 (2009), www.wipo.int/export/sites/www/ip-development/en/economics/pdf/wo_1012_e_ch_4.pdf.

¹³ Trade Marks Act 1976 (Act No. 175/1976) (Malay).

¹⁴ Consumer Protection Act 1999 (Act No. 599/1999) (Malay).

¹⁵ Trade Descriptions Act 2011 (Act No. 730/2011) (Malay).

environment that enables holders of GIs to prevent their unauthorised use by third parties in the marketplace.

2 GEOGRAPHICAL INDICATIONS AS AN IMPORTANT TOOL IN TRADE

The notion of a GI hinges on the link that exists between the product, its geographical origin and its quality or other unique characteristics that are attributed to the geographical source. The particular quality, trait or unique characteristics result from natural geographic advantages such as climate, soil, raw materials, manufacturing skills or food processing techniques local to a region. Essentially, the reputation that is associated with a GI is the intrinsic element that sells the product and contributes to the success of the industry that uses the GI. The geographical area of origin is therefore at the heart of all GIs and represents the normative basis for GI protection.¹⁶

As mentioned earlier, the increase in the number of applications for GI registration in Malaysia suggests the growing importance of GIs for trade in the country. A number of reasons may be proffered for the increase in the number of GIs registered each year with the Intellectual Property Office of Malaysia (IP Office). First, with the public awareness campaigns conducted by the IP Office, the relevant industries and stakeholders, there is now a significant conscious awareness among the public in Malaysia of the functions of GIs and their utility in the course of trade, as well as the legal benefits of seeking GI registration. Second, with a clearer understanding that GIs enable producers to differentiate their offerings from those of other producers because of the unique quality and characteristics that are attributed to production in a particular location of the country, producers are better equipped to use their GIs as a basis for branding and promotion of their products. Accordingly, GI producers are able to gain competitive advantages in the marketplace, thanks to the value added by identifying their products with GIs. Third, with the perceived or actual quality differences imbued in the public mind between GI-denominated products and generic products, GI producers are able to command premium pricing for their products.

The importance of GIs as assets of great value in trade may be demonstrated through the following two illustrations: The first illustration concerns disputes that arose between Malaysia and Indonesia a few years ago over allegations that Malaysia had asserted ownership of some GIs and cultural icons that

¹⁶ BRAMLEY ET AL., *supra* note 12, at 111.

Indonesia claimed it owned.¹⁷ For instance, Indonesia had claimed ownership over the textile art of batik, which involved the practice of dyeing cloth through wax-resistant methods. At the same time, the batik industry is also an important part of Malaysian cultural heritage, which has garnered widespread popularity. In Malaysia, the batik industry is a bustling commercial activity and an important source of commercial income for those involved in the industry.¹⁸ Another example is the registration of *Bario* rice under the GIA 2000 by an agency of the Sarawak state government. Indonesia claimed that the rice was originally known as *Beras Adan* and had originated from the local rice area of Malinau in East Kalimantan.¹⁹ During the same period of time, tension had also arisen over Indonesia's claim that Malaysia had asserted ownership of some of their cultural icons, such as the sacred Balinese temple dance known as the *pendet* dance, the shadow puppet theatre known as the *wayang kulit*, the folksong *Rasa Sayang*, the ceremonial dagger known as the *kris* and the meat dish known as *rendang*.²⁰ While these cultural icons are not registered as GIs, the disputes show that the controversies over the geographical origin of a product, which also embodies an important part of national or local cultural heritage, can potentially create barriers to trade and raise issues regarding the importance of elements of national culture, as disputes over these elements can result in creating tension in international relations.

The second illustration concerns the inclusion of issues related to GI protection in free trade agreements, namely those signed by Malaysia with other countries. In particular, in the Malaysia-Chile Free Trade Agreement, which was concluded in 2010, Malaysia was required to recognise the *Chilean Pisco* GI, but without prejudice to Malaysia's right to also recognise the *Pisco* GI from Peru. Similarly, the ASEAN-Australia-New Zealand Free Trade

¹⁷ See MARSHALL CLARK & JULIET PIETSCH, *INDONESIA-MALAYSIA RELATIONS: CULTURAL HERITAGE, POLITICS AND LABOUR MIGRATION* 78–79 (2014).

¹⁸ See Rohaida Nordin & Siti Safina Abu Bakar, *Malaysia Batik Industry: Protecting Local Batik Design by Copyright and Industrial Design Laws*, 13 *INT'L J. OF BUS. & SOC'Y* 117 (2012), www.wbiconpro.com/448-Dewi.pdf; Mohd Zulkifli Mokhtar & Wan Nur Syahida Wan-Ismael, *Marketing Strategies and the Difference Level of Sales and Profits Performance of the Batik SMEs in Malaysia*, 7 *INT'L J. OF BUS. & MGMT.* 96 (2012), www.ccsenet.org/journal/index.php/ijbm/article/view/19648/14380.

¹⁹ See Iman Sjahputra, *The Protection of Indonesian Native Products Is Weak*, IMAN SJAHPUTRA & PARTNERS (29 April 2011), <http://imansjahputra.com/articles-and-publications/r/the-protection-of-indonesian-native-products-is-weak>.

²⁰ Jinn Winn Chong, 'Mine, Yours or Ours?': *The Indonesia-Malaysia Disputes over Shared Cultural Heritage*, 27 *SOJOURN: J. OF SOC. ISSUES IN SE. ASIA* 1 (2012); Wahyu Sasongko, *The Legal Protection of Geographical Indications in Indonesia Towards the ASEAN Economic Community*, 1 *INT'L CONF. ON L., BUS. & GOVERNANCE* 56 (2013).

Agreement requires signatory parties to recognise that GIs may be protected through a trademark system. In addition, parties are also to recognise that where a trademark predates a GI within the jurisdiction, parties are required to continue to protect that trademark over the GI.²¹ Currently, Malaysia is engaged in negotiations with the European Union (EU) on the Malaysia-European Union Free Trade Agreement (MEUFTA), whose negotiations started in 2010. One of the issues at the negotiating table amongst other intellectual property rights is precisely the legal protection of GIs.²² Although the final content of the agreement has yet to take some form, it is likely that insofar as GI issues are concerned, Malaysia's obligations on the protection of GIs will closely resemble that found in the European Union-Singapore Free Trade Agreement (EUSFTA).²³ To a large extent, the EUSFTA shares many similar obligations with the South Korea-European Union Free Trade Agreement.²⁴ Assuming that the MEUFTA's provisions on GIs will parallel that of the Singapore and South Korea counterparts, it would appear that the enhanced level of protection currently granted to wines and spirits under the GIA 2000 will be extended to a broader category of goods in Malaysia, such as agricultural products and foodstuffs. In addition, it is likely that the MEUFTA will include specific provisions in the event of conflicts between trademarks and GIs, namely it may require that a GI is not to be protected if such protection would result in conflict arising with an existing well-known trademark, and consumers would be misled as to the true identity of the product. Apart from that, rightholders may be obliged to maintain minimal commercial activity of their GIs for continued protection and also to put in place control provisions for production of the goods.

3 CURRENT LEGAL PROTECTION OF GEOGRAPHICAL INDICATIONS IN MALAYSIA

Since the TRIPS Agreement does not mandate any specific system for the protection of GIs, Malaysia had opted to adopt a *sui generis* regime for the

²¹ For a discussion of the intellectual property issues in the free trade agreements which Malaysia has signed, see Heng Gee Lim, *Free Trade Agreements and the Effects of Existing Agreements on Malaysian Intellectual Property Laws*, in INTELLECTUAL PROPERTY AND FREE TRADE AGREEMENTS IN THE ASIA-PACIFIC REGION 387 (Christoph Antons & Reto M. Hilty eds., 2015).

²² *Malaysia-European Union Free Trade Agreement*, MINISTRY OF INT'L TRADE & INDUS., www.miti.gov.my/index.php/pages/view/content8066.html (last visited 21 March 2016).

²³ *European Union-Singapore Free Trade Agreement*, EUR. COMM'N, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=961> (last visited 12 May 2016).

²⁴ Free Trade Agreement, E.U.-S. Kor., 16 September 2010, 2011 O.J. (L 127) 1.

protection of GIs rather than make changes to its existing intellectual property laws. Although the notion of GIs as a distinct type of intellectual property right with its own content and characteristics was statutorily embodied in Malaysia only fifteen years ago with the adoption of the GIA 2000, prior to that date a patchwork of different laws existed that could be invoked to protect GIs. The more significant laws in this respect are the law of passing off, the TMA 1976,²⁵ the CPA 1999²⁶ and the law on trade descriptions.²⁷ Nevertheless, the only reported court decision prior to the enactment of the GIA 2000 where a GI was contested was *The Scotch Whisky Association & Anor v. Ewein Winery (M) Sdn Bhd*,²⁸ and it was argued solely on the basis of the law of passing off without reference to any of the other areas of law. The case demonstrates that GIs, though not a defined category of intellectual property right at that time, were already perceived by industries as meriting some form of legal protection.

3.1 Protection under the Geographical Indications Act of 2000

The GIA 2000²⁹ was enacted for the express purpose of providing protection for GIs in Malaysia. A 'GI' is defined in section 2 of the GIA 2000 as 'an indication which identifies any goods as originating in a country or territory, or a region or locality in that country or territory, where a given quality, reputation, or other characteristic of the goods is essentially attributable to their geographical origin'.³⁰ This reproduces the definition of a GI in Article 22(1) of the TRIPS Agreement and underscores the triple association between the goods, their quality or other characteristics and the geographical origin.³¹ Section 2 of the GIA 2000 defines 'goods' as 'any natural or agricultural product or any product of handicraft or industry'. It follows from this definition that services do not fall within the meaning of a GI and are accordingly excluded from the protection of this regime.

²⁵ Trade Marks Act 1976 (Act No. 175/1976) (Malay).

²⁶ Consumer Protection Act 1999 (Act No. 599/1999) (Malay).

²⁷ Prior to the enactment of the Geographical Indications Act 2000, the Trade Descriptions Act 1972 applied, but this statute was subsequently repealed and replaced with the Trade Descriptions Act 2011 (Act No. 730/2011) (Malay).

²⁸ *The Scotch Whisky Association & Anor v. Ewein Winery (M) Sdn Bhd* [1999] 6 M.L.J. 280.

²⁹ The Geographical Indications Act 2000 was amended once in 2002 to deal with administrative changes consequent upon the establishment of the Intellectual Property Corporation of Malaysia and to introduce new provisions on the renewal as well as restoration of a registration.

³⁰ Geographical Indications Act 2000 (Act No. 602/2000), § 2 (Malay).

³¹ TRIPS, *supra* note 2, art. 22(1).

The GIA 2000 also creates a system for the registration of GIs, but it does not make registration mandatory as a precondition for entitlement to the protection afforded by it. Instead, the GIA 2000 provides that the same scope of protection is conferred on both registered and unregistered GIs. This is made clear in section 3(1)(a), which states that protection under the Act shall be given to a GI regardless of whether or not it is registered.³² However, although registration is not a prerequisite for protection, there are benefits a proprietor of a registered GI enjoys that are not available in the case of unregistered GIs. Pursuant to section 20(1), a registered GI shall, in any proceeding, raise a presumption that the indication is a GI within the meaning of the Act.³³ Apart from this, section 20(2) provides that a certificate of registration shall be prima facie evidence of the facts stated in the certificate and of the validity of the registration.³⁴ Also, pursuant to section 21(1), only producers carrying on their activity in the geographical area specified in the Register shall have the right to use a registered GI in the course of trade.³⁵

Overall, the GIA 2000 deals with two main aspects of GI protection: First, Parts II and VI of the GIA 2000 translate Malaysia's obligations under Articles 22,³⁶ 23³⁷ and 24³⁸ of the TRIPS Agreement into domestic law. Second,

³² Geographical Indications Act 2000 (Act No. 602/2000), § 3(1)(A) (Malay). ³³ *Id.* § 20(1).

³⁴ *Id.* § 20(2). ³⁵ *Id.* § 21(2).

³⁶ Article 22(2) of TRIPS requires WTO Members to provide the legal means for interested parties to prevent the use of GIs that indicate that the goods in question originate in a geographical area other than the true place of origin in a manner that misleads the public. In addition, it also requires WTO Members to have in place legal means to prevent any use that constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention (1967). See TRIPS, *supra* note 2, art. 22(2). Article 22(3) of TRIPS provides for the *ex officio* refusal or invalidation of trademarks that contain or consist of a GI in the situations spelt out in the article. See *id.* art. 22(3). Article 22(4) of TRIPS requires protection to be given to a GI against another GI that, although literally true as to the area in which the goods originate, falsely represents to the public that the goods originate in another area. See *id.* art. 22(4).

³⁷ Article 23 provides for additional protection of GIs in respect to wines and spirits. Article 23(1) requires WTO Members to prohibit the use of GIs identifying wines and spirits not originating in that geographical area, even where the true origin of the goods is indicated or the GI used is accompanied by expressions such as 'kind', 'type', 'style', 'imitation' or the like. See *id.* art. 23(1). Article 23(2) requires Members to refuse or invalidate a trademark that contains or consists of a GI identifying wines and spirits where the product does not originate from the geographical area indicated, regardless of whether the public is misled. See *id.* art. 23(2). Article 23(3) provides a further protection for wines in that it obliges Members to protect homonymous GIs for wines and requires Members to determine the conditions under which the homonymous indications will be differentiated from each other. See *id.* art. 23(3).

³⁸ Article 24 provides that WTO Members have agreed to enter into negotiations concerning the establishment of a multilateral system of notification and registration of GIs for wines. It also lays out a number of exceptions to the protection of GIs. See *id.* art. 24.

Parts III, IV, V and VII of the GIA 2000 deal with the registration of GIs and matters pertaining to GI registration, such as the administration of the registration system, the procedure for registration and opposition, renewal of registration, cancellation and rectification of the Register, and exceptions to the right to use a GI. In this respect, the GIA 2000 effectively created a *sui generis* system for GI protection in Malaysia, which paved the way for many GI registrations and for the growing acceptance of GIs as important tools to secure exclusive rights on geographical names for producers in various sectors of the Malaysian economy.

3.1.1 Protectable Geographical Indications

The GIs that are protectable in Malaysia are specified in section 3 of the GIA 2000,³⁹ and include all GIs that satisfy the definition of a GI in section 2.⁴⁰ In addition, section 3(b) provides that protection is also granted to a GI as against another GI which, although literally true as to the geographical area of origin, falsely represents to the public that the goods originate in another geographical country, territory, region or locality.⁴¹ With regard to homonymous GIs for wines, section 7(1) states that protection shall be accorded to each indication, but the Registrar of Geographical Indications shall determine the conditions under which the homonymous GIs will be differentiated from each other so as to ensure the producers enjoy equal treatment and the public is not misled.⁴²

Section 4 excludes four types of GIs from protection under the GIA 2000, although these may in appropriate cases be protected by other areas of law such as the law of passing off.⁴³ These are GIs that do not correspond to the meaning of a 'GI' as defined in section 2,⁴⁴ GIs that are contrary to public order or morality,⁴⁵ GIs that are not or have ceased to be protected in their country or territory of origin⁴⁶ and GIs that have fallen into disuse in their country or territory of origin.⁴⁷

3.1.2 The Registration System for Geographical Indications in Malaysia

The administration of the registration system in Malaysia is overseen by the Registrar of Geographical Indications who is assisted by Deputy Registrars of Geographical Indications and Assistant Registrars of Geographical Indications.⁴⁸ For the purpose of registration of GIs,

³⁹ Geographical Indications Act 2000 (Act No. 602/2000), § 3 (Malay). ⁴⁰ *Id.* § 2.

⁴¹ *Id.* § 3(b). ⁴² *Id.* § 7(1). ⁴³ *Id.* § 4. ⁴⁴ *Id.* § 4(a). ⁴⁵ *Id.* § 4(b). ⁴⁶ *Id.* § 4(c).

⁴⁷ *Id.* § 4(d). ⁴⁸ *Id.* § 8.

a Central Geographical Indications Office⁴⁹ was set up and a Register of Geographical Indications was created to record relevant particulars pertaining to registered GIs.⁵⁰

Pursuant to section 11(1) of the GIA 2000, an application for the registration of a GI may be made by any person (or group of persons) who is a producer of goods in the specified geographical area, a competent authority or a trade organisation or association.⁵¹ In this respect, the term ‘producer’ encompasses a number of different entities. Section 2 defines a ‘producer’ as any producer or trader of agricultural products, any person or trader exploiting natural products and any manufacturer or trader of products of handicraft or industry. A ‘competent authority’ is defined as ‘any government or statutory body carrying out the functions of, on behalf of, or sanctioned by, the Government’.⁵²

When applying for registration, the applicant submits his personal particulars,⁵³ the GI for which registration is sought,⁵⁴ the geographical area and goods for which the GI applies,⁵⁵ and the quality, reputation or other characteristic of the goods for which the GI is used.⁵⁶ If the applicant complies with these formality requirements and the Registrar is satisfied that the GI is not contrary to public order and morality, the Registrar shall advertise the application in the Gazette.

Any ‘interested person’, who is defined as a person entitled to file an application for the registration of a GI laid down in section 11(1), may oppose the application only on one of the following four grounds: where the GI does not fall within the meaning of a GI under the GIA 2000,⁵⁷ where the GI is contrary to public order or morality,⁵⁸ where the GI is not or has ceased to be protected in its country of origin⁵⁹ or where the GI has fallen into disuse in its country of origin.⁶⁰ The GIA 2000 lays out a procedure for reply by the applicant and a subsequent response to that reply by the opponent. Based on the parties’ submissions, the Registrar makes a decision either to refuse the registration or to register the GI with or without conditions or limitations imposed.⁶¹ The GIA 2000 provides an avenue of appeal to the High Court from the Registrar’s decision,⁶² and no further appeal is allowed from the High Court’s decision.⁶³

⁴⁹ *Id.* § 9(1). Apart from the Central Geographical Indications Office, which is based in Kuala Lumpur, there are six other branches, which are located in Sarawak, Sabah, Johor Bahru, Kuantan, Penang and Melaka.

⁵⁰ *Id.* § 10(1). ⁵¹ *Id.* § 11(1). ⁵² *Id.* § 2. ⁵³ *Id.* § 12(1)(a). ⁵⁴ *Id.* § 12(1)(b).

⁵⁵ *Id.* § 12(1)(c)–(d). ⁵⁶ *Id.* § 12(1)(e). ⁵⁷ *Id.* § 14(1)(a). ⁵⁸ *Id.* § 14(1)(b).

⁵⁹ *Id.* § 14(1)(c). ⁶⁰ *Id.* § 14(1)(d). ⁶¹ *Id.* § 16(4). ⁶² *Id.* § 18(1). ⁶³ *Id.* § 31.

The period of registration of a GI is ten years from the date of filing,⁶⁴ and registration is renewable for a period of ten years each.⁶⁵ There is no limit to the number of renewals that may be made, which endorses the function of GIs as identifiers that link a product to a particular origin and, accordingly, the right of producers in the geographical region to use the GI in perpetuity. However, the failure to renew a GI will result in its removal from the Register.⁶⁶ But this does not diminish the right of the producers to use the GI concerned. The removal from the Register simply means that the GI will not be accorded the rights accrued to registered holders of GIs under the Act – namely the endorsement that the identifier used by the producers is a GI and the evidential benefit of registration. Nevertheless, the Registrar may restore a GI that has been removed from the Register if an application for restoration is made within twelve months from the date of expiry.⁶⁷ The application for restoration will only be granted if the Registrar is satisfied that there has been no use in bad faith of the GI during the year immediately preceding its removal, and no deception or confusion is likely to arise from the use of the GI by reason of its previous use.⁶⁸

The Act also provides for the possibility of cancellation and rectification of a registration. Any ‘interested person’ may request the cancellation of a GI on the ground that it does not qualify for protection because it is excluded from protection under section 4.⁶⁹ An application for the rectification of the registration of a GI may be made on the ground that the geographical area specified in the registration does not correspond to the GI, the indication of the products for which the GI is used is missing or the indication of the quality, reputation or other characteristic of the products is unsatisfactory.⁷⁰ In its plain and ordinary meaning, ‘cancellation’ refers to the expungement of the whole of a GI from the Register, while ‘rectification’ denotes the varying or correcting of an entry or the imposition by the Registrar of limitations.

3.1.3 Rights Conferred upon Registration and Exceptions

Upon registration, section 21(1) of the GIA 2000 provides that only producers carrying on their activity in the geographical area specified in the Register shall have the right to use a registered GI in the course of trade.⁷¹ In this respect, GIs do not grant a monopoly right akin to that of a patent, a registered trademark or a registered industrial design because the right to use a registered GI belongs jointly to the producers carrying on their activity in the

⁶⁴ *Id.* § 19(2). ⁶⁵ *Id.* § 19A(4). ⁶⁶ *Id.* § 19A(7). ⁶⁷ *Id.* § 19B(a). ⁶⁸ *Id.* § 19B(b).
⁶⁹ *Id.* § 22(1)(a). ⁷⁰ *Id.* § 22(1)(b). ⁷¹ *Id.* § 21(1)

geographical area specified in the Register and is not limited to any particular enterprise. Essentially, GIs grant an exclusive right that aims at protecting the collective reputation that is embedded in the GI and is shared by, as well as accrues to, all enterprises in the geographical area that meet the requirements for use of the indication. It is this reputation revolving around a GI that helps to reduce consumers' search costs. This is because in a market marked by asymmetry of information, the valuable information intrinsic in a GI sends signals to consumers about the quality of a product. While benefiting consumers by providing them with accurate information that links a product with its qualities and geographical origin, GI protection also benefits the producers of the goods by protecting them against the unauthorised use of GIs by third parties.⁷²

Pursuant to section 21(2) of the GIA 2000, the right to use a GI is confined to the products specified in the Register in accordance with the specified quality, reputation or characteristics.⁷³ Section 20(1) states that a registered GI shall raise a presumption that the indication is a GI within the meaning of section 2, which provides the rightholder with some degree of certainty.⁷⁴ In addition, by section 20(2), a certificate of registration shall be prima facie evidence of the facts stated in the certificate and of the validity of the registration.⁷⁵

The rights conferred upon registration are circumscribed in the situations mentioned in sections 27(2), 28 and 29 of the GIA 2000.⁷⁶ Essentially, these are defences that may be raised in an action against any person who infringes the rightholder's exclusive right. Pursuant to section 27(2), no legal proceedings shall be brought under the Act against another person in respect to his/her use of a GI prior to the commencement of the GIA 2000, that is, 15 August 2001.⁷⁷ Section 28 provides for the right to the continued use of a GI in respect of wines⁷⁸ and spirits where the use had commenced prior to certain specified dates.⁷⁹ According to section 28(1), where a GI of another country identifying wines or spirits has been used in connection with goods or services by any national or domiciliary of Malaysia and that use has been in a continuous manner with regard to the same or related goods or services in Malaysia either for at least ten years before 15 April 1994,⁸⁰ or in good faith before that date, the

⁷² See Malobika Banerji, *Geographical Indications: Which Way Should ASEAN Go?*, B.C. INTELL. PROP. & TECH. F. 1, 4 (2012). *But see* CALBOLI & GERVAIS, *supra* note 12.

⁷³ Geographical Indications Act 2000 (Act No. 602/2000), § 21(2) (Malay). ⁷⁴ *Id.* § 20(1).

⁷⁵ *Id.* § 20(2). ⁷⁶ *Id.* §§ 27(2), 28 & 29. ⁷⁷ *Id.* § 27(2). ⁷⁸ *Id.* § 28(1).

⁷⁹ *Id.* § 28(2).

⁸⁰ 15 April 1994 is the date the TRIPS Agreement was concluded. *See Agreement on Trade-Related Aspects of Intellectual Property Rights*, WORLD TRADE ORG., www.wto.org/english/tratop_e/trips_e/t_agmo_e.htm (last visited 10 March 2016).

user has the right to continue with the use in Malaysia.⁸¹ Apart from this, section 28(2) allows for the continued use or registration of a trademark that is identical with or similar to a GI where the use of the trademark or its registration took place before the commencement of the GIA 2000 (that is, 15 August 2001) or before the GI became protected in its country of origin.⁸² This is consistent with the ‘first in time, first in right’ principle, which is supported by countries such as the United States (US) and provides that pre-existing trademarks should not be cancelled due to the subsequent registration of a foreign GI. Pursuant to section 28(3) of the GIA 2000, where a GI is identical with a generic word in Malaysia for the goods concerned, no protection will be granted to the GI under the Act.⁸³ A final exception to the rights given upon registration is provided in section 29, which allows any person to use his name in the course of trade unless the use is in such a manner as to mislead the public.⁸⁴

3.1.4 Institution of Proceedings to Prevent the Unlawful Use of a GI

According to section 5(1) of the GIA 2000, any ‘interested person’ may institute proceedings in the court to prevent the unlawful use of a GI, irrespective of whether the GI is registered or otherwise.⁸⁵ As mentioned earlier, an ‘interested person’ is defined in section 11 as either a producer of the goods in the geographical area concerned, a competent authority or a trade organisation or association.⁸⁶ From a commercial perspective, by explicitly providing for the institution of legal proceedings to curb the unauthorised use of a GI, section 5(1) ensures that the authenticity of the origin of a product is preserved. In some cases, the producers of a GI product become members of a trade association or society that is entrusted with the promotion of their rights and interests and protects them against the unauthorised use of the GI by third parties. For instance, in *The Scotch Whisky Association & Anor v. Ewein Winery (M) Sdn Bhd*⁸⁷ and *Chocosuisse Union des Fabricants Suisses de Chocolat & Ors v. Maestro Swiss Chocolate Sdn Bhd & Ors*,⁸⁸ which are discussed later in this chapter, the actions were instituted by the respective

⁸¹ Geographical Indications Act 2000 (Act No. 602/2000), § 28(1) (Malay). ⁸² *Id.* § 28(2).

⁸³ *Id.* § 28(3). ⁸⁴ *Id.* § 29. ⁸⁵ *Id.* § 5(1). ⁸⁶ *Id.* § 11.

⁸⁷ *The Scotch Whisky Association & Anor v. Ewein Winery (M) Sdn Bhd* [1999] 6 M.L.J. 280.

⁸⁸ *Chocosuisse Union des Fabricants Suisses de Chocolat & Ors v. Maestro Swiss Chocolate Sdn Bhd & Ors* [2010] 5 C.L.J. 794 [hereinafter *Chocosuisse v. Maestro* (HC)]; *Chocosuisse Union des Fabricants Suisses de Chocolat & Ors v. Maestro Swiss Chocolate Sdn Bhd & Ors* [2013] 6 C.L.J. 53 [hereinafter *Chocosuisse v. Maestro* (CA)]; *Maestro Swiss Chocolate Sdn Bhd & 3 Ors v. Chocosuisse Union des Fabricants Suisses de Chocolate & 2 Ors (and Another Appeal)* [2016] A.M.E.J. 0250 [hereinafter *Maestro v. Chocosuisse* (FC)].

trade associations together with a few other producers having the right to use the GI to defend the reputation of the respective GIs.

Section 5(1) of the GIA 2000 spells out four situations in which the use of a GI, whether registered or otherwise, is deemed to be unlawful. First, under section 5(1)(a), the use of a GI is unlawful if in the course of trade its use in the designation or presentation of any goods suggests that the goods originate in a geographical area other than the true place of origin and this has the effect of misleading the public.⁸⁹ This is a basic level of protection conferred on all GI products. Second, under section 5(1)(b), it is unlawful for any GI to be used in the course of trade if the use constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention for the Protection of Industrial Property (1967).⁹⁰ Third, pursuant to section 5(1)(c), it is unlawful to use in the course of trade a GI which, although literally true as to the geographical area in which the goods originate, falsely represents to the public that the goods originate in another geographical area.⁹¹ Fourth, in the case of wines and spirits, section 5(1)(d) provides that it is unlawful in the course of trade to use a GI if the wine or spirit does not originate in the place indicated by the GI in question. The use remains unlawful even where the true origin of the wines or spirits is indicated or the GI is accompanied by expressions such as 'kind', 'type', 'style' or 'imitation'.⁹² There is no necessity to demonstrate that consumers might be misled or that the use constitutes unfair competition. A distinction is thus made between the levels of protection accorded to goods generally on the one hand and wines and spirits on the other. Wines and spirits enjoy an enhanced level of protection compared to other GI products. This is in line with the requirement laid out in Article 23 of the TRIPS Agreement.⁹³

Pursuant to section 7(1) of the GIA 2000, in the case of homonymous GIs for wines, protection shall be accorded to each indication.⁹⁴ In such a case, section 7(2) requires the Registrar to determine the practical conditions under which the homonymous GIs in question will be differentiated from each other.⁹⁵ This would entail taking into account the need to ensure

⁸⁹ Geographical Indications Act 2000 (Act No. 602/2000), § 5(1)(a) (Malay).

⁹⁰ *Id.* § 5(1)(b); Paris Convention for the Protection of Industrial Property of 20 March 1883, as revised at Brussels on 14 December 1900, at Washington on 2 June 1911, at The Hague on 6 November 1925, at London on 2 June 1934, at Lisbon on 31 October 1958 and at Stockholm on 14 July 1967, 21 U.S.T. 1583, 828 U.N.T.S. 305, art. 10bis.

⁹¹ Geographical Indications Act 2000 (Act No. 602/2000), § 5(1)(c) (Malay). ⁹² *Id.* § 5(1)(d).

⁹³ TRIPS, *supra* note 2, art. 23.

⁹⁴ Geographical Indications Act 2000 (Act No. 602/2000), § 7(1) (Malay). ⁹⁵ *Id.* § 7(2).

equitable treatment of the producers affected and the concern that the public not be misled.

The court may grant an injunction to prevent any unlawful use of a GI, award any damages or grant other legal remedy as it deems fit.⁹⁶ Where a legal proceeding brought under section 5 is to prevent the use of a trademark which contains or consists of a GI, a time limit to commence the action is set by section 6.⁹⁷ Pursuant to section 6, unless bad faith is involved, no action shall be brought after the expiry of five years from the date the use of the trademark containing the GI has become generally known in Malaysia or from the date of registration of the trademark under the TMA 1976, whichever is earlier.⁹⁸ In the case of bad faith use or registration, no time limit for bringing an action is imposed.⁹⁹

Where a GI exists before the coming into force of the GIA 2000, section 27(2) provides that no legal proceedings shall be brought for anything done before the coming into force of the Act.¹⁰⁰ Section 27(2) was applied recently in the Federal Court case *Maestro v. Chocosuisse*.¹⁰¹ In this case, the plaintiffs, who were the respondents before the Federal Court, were Swiss chocolate manufacturers (except for the first respondent who was a trade association for Switzerland-based chocolate manufacturers). The respondents sued the appellants for passing off and infringement of GIs because the latter had used the mark 'Maestro Swiss' on the packaging of their chocolates and chocolate products. Both the Federal Court and Court of Appeal allowed the respondents' claim for passing off. However, the Federal Court disagreed with the Court of Appeal's finding that the respondents' claim under the GIA 2000 should be dismissed. The Federal Court opined that the Court of Appeal had erred when it held that section 27(2) of the Act applied in the case and therefore precluded any action brought for anything done prior to the commencement of the Act. The arguments based on passing off are discussed below, but insofar as the arguments based on the Act are concerned, the Federal Court held that the word 'Swiss' for chocolates and chocolate-related products satisfied the definition of a GI under section 2 of the GIA 2000 in that it signified that the chocolates were made in Switzerland and of high quality. According to the Federal Court, the purpose of the respondents' claim was to prevent the appellants from continuing to use the mark after the GIA 2000 came into force and 'not so much for "anything done before the commencement of the Act."'.¹⁰² The Federal Court held that if the decision of the Court of Appeal in allowing the application of section 27(2) was upheld, it

⁹⁶ *Id.* § 5(2). ⁹⁷ *Id.* § 6. ⁹⁸ *Id.* § 6(1). ⁹⁹ *Id.* § 6(2). ¹⁰⁰ *Id.* § 27(2).

¹⁰¹ *Maestro v. Chocosuisse* (FC). ¹⁰² *Id.* at 77 (emphasis in original).

would mean that the appellants could continue to use the mark despite the court's finding that there had not been a bona fide use by the appellants of the respondents' mark.¹⁰³ Another matter made clear by the case was that although there is a certain degree of overlap between an action brought pursuant to section 5(1) and one that is commenced under the law of passing off, section 5(1) does not preclude the application of the law of passing off.¹⁰⁴ Indeed, as *Chocosuisse Union* demonstrates, an action may be brought concurrently for passing off and infringement of GIs.

3.2 Other Forms of Legal Protection for Geographical Indications

3.2.1 Protection under the Law of Passing Off

Even with the enactment of the GIA 2000, passing-off law remains available to prevent the unauthorised use of a GI. Indeed, it is usual for a plaintiff to invoke the law of passing off and the protection under GIA 2000 in an action to prevent the unauthorised use of a GI. To demonstrate the continued importance passing-off law plays in protecting GIs, two decided cases that were argued primarily on passing-off law are discussed in this section.

The first case, *The Scotch Whisky Association & Anor v. Ewein Winery (M) Sdn Bhd*,¹⁰⁵ was decided before the enactment of the GIA 2000 and was argued solely on the basis of the law of passing off. The second case, *Maestro v. Chocosuisse*,¹⁰⁶ was decided after the GIA 2000 came into force and was argued largely on the basis of the law of passing off as the main contention and, to a lesser extent, on infringement of a GI under the Act. The latter case is useful to demonstrate the continued relevance of the law of passing off as a form of protection for GIs even after the enactment of the GIA 2000.

In *The Scotch Whisky Association*, the second plaintiffs were distillers, blenders and exporters of Scotch Whisky, being whisky distilled and matured in Scotland. The first plaintiff was a trade association that was concerned with the protection of the interest of the Scotch Whisky trade worldwide. The phrase 'Scotch Whisky' had acquired considerable international reputation and goodwill because of the intrinsic quality and characteristic of the product. The plaintiffs claimed that the defendants, who carried on the business of processors and bottlers of liquor in Penang, had passed off their

¹⁰³ *Id.* at 78. ¹⁰⁴ Geographical Indications Act 2000 (Act No. 602/2000), § 5(1) (Malay).

¹⁰⁵ *The Whisky Association & Anor v. Ewein Winery (M) Sdn Bhd* [1999] 6 M.L.J. 280.

¹⁰⁶ *Maestro v. Chocosuisse* (FC).

spirits, which were not distilled in Scotland, as and for Scotch Whisky. The alleged acts of passing off included the defendants' use of features of get-up with visual representations and labels suggesting Scottish origin, such as the prominent use of the words 'Compounded Scotch Whisky' and 'Imported Scotch Whisky Distilled in Scotland under British Government Supervision' on the packaging of their products. In determining whether the defendants had committed acts of passing off, the court applied the test laid down by Lord Diplock in *Erven Warnink BV v. Townend & Sons (Hull) Ltd.*¹⁰⁷ In this case, it was held that the plaintiff in a passing-off action was required to show, first, the existence of a misrepresentation; second, that was made by a trader in the course of trade; third, to prospective customers; fourth, that is calculated to injure the business or goodwill of another trader; and finally, that causes actual damage to a business or goodwill of the trader by whom the action is brought. In applying this test, the court found against the defendant for extended passing off and, accordingly, granted an order for an injunction and account of profits.

The factual matrix of the second case, *Maestro v. Chocosuisse*,¹⁰⁸ bears many similarities with the decision in *The Scotch Whisky Association*.¹⁰⁹ As mentioned earlier, the respondents, who were entities interested in the 'Swiss' GI when used in relation to chocolates or chocolate products, sued the appellants for using the name 'Maestro Swiss' on the packaging of their chocolates and chocolate-related products. In addition, the word 'Swiss' appeared in bold white colour against a red rectangular box emulating the white and red colours of the Swiss flag. The respondents argued that the appellants had deliberately used the word 'Swiss' together with the red and white colours to deceive or mislead the public into thinking that the appellants' products originated in Switzerland.¹¹⁰ At first instance, the trial judge rejected the market survey evidence conducted by the respondents, which indicated that there was confusion among members of the public that the words 'Maestro Swiss' denoted chocolates that originated in Switzerland. The reasons for the rejection were that the survey failed to represent a true cross-section of the chocolate-buying public in Malaysia, the questionnaire contained leading questions and the survey was conducted only four years after the filing of the action. The trial judge found that the appellants' use of the words 'Maestro Swiss' instead of 'Swiss chocolates' did not create any false

¹⁰⁷ *Erven Warnink BV v. Townend & Sons (Hull) Ltd* [1980] R.P.C. 31.

¹⁰⁸ *Maestro v. Chocosuisse* (FC).

¹⁰⁹ *The Scotch Whisky Association & Anor v. Ewein Winery (M) Sdn Bhd* [1999] 6 M.L.J. 280.

¹¹⁰ *Chocosuisse v. Maestro* (HC)] at 5–14 (particularly at 12).

impression that the chocolates were made in Switzerland.¹¹¹ In addition, the trial judge opined that the appellants' packaging was sufficiently distinctive so much so that no reasonable person would be led to think that the chocolates were made in Switzerland.¹¹² On appeal, the Court of Appeal, while agreeing that the court should be cautious in accepting survey evidence, held that the trial judge had erred in not giving any consideration at all to the results of the survey.¹¹³ Contrary to the trial judge's decision, the appellate court relied on the outcome of the survey and concluded that there was likelihood of confusion in the minds of some members of the public that the appellants' chocolates were made in Switzerland.¹¹⁴ This point on the admissibility of survey evidence was affirmed by the Federal Court. Importantly, the Federal Court emphasised that the case was one of extended passing off instead of passing off in its classical form because the respondents had misrepresented that their products were of the kind that enjoyed the reputation and goodwill attached to chocolates made in Switzerland.¹¹⁵ Unlike extended passing off, passing off in its classical form is concerned with the protection of the goodwill of a particular trader's business.

A final important point, which the Federal Court clarified, concerned the *locus standi* of the first respondent in bringing a passing-off action against the appellants. The first respondent was a trade association that, *inter alia*, had the responsibility of protecting the designation 'Swiss Chocolates' or words that indicated that the chocolates had Swiss origin. The trial judge held that since the first respondent neither sold nor manufactured chocolates, they did not have any goodwill in the chocolate business and, accordingly, did not have any *locus standi* to bring the passing-off action.¹¹⁶ However, the Court of Appeal overturned this finding and instead held that the first respondent, being a trade association, shared a common interest with its members in protecting the designation 'Swiss chocolate' and the goodwill associated with chocolates of Swiss origin.¹¹⁷ The court also found support from two earlier decisions, the English case of *Chocosuisse Union des Fabricants Suisse de Chocolat and Others v. Cadbury*¹¹⁸ and the above-mentioned case *The Scotch Whisky*

¹¹¹ *Id.* at 65. ¹¹² *Id.* at 56.

¹¹³ *Chocosuisse v. Maestro* (CA) at 48–58. On appeal, the Federal Court agreed with the Court of Appeal's findings in *Maestro v. Chocosuisse* (FC) at 59–62.

¹¹⁴ *Chocosuisse v. Maestro* (CA) at 64; *Maestro v. Chocosuisse* (FC) at 63.

¹¹⁵ *Chocosuisse v. Maestro* (CA) at 36; *Maestro v. Chocosuisse* (FC) at 37–57.

¹¹⁶ *Chocosuisse v. Maestro* (HC) at 30.

¹¹⁷ *Chocosuisse v. Maestro* (CA) at 24–28; *Maestro v. Chocosuisse* (FC) at 36.

¹¹⁸ *Chocosuisse Union des Fabricants Suisse de Chocolat & Others v. Cadbury* [1998] R.P.C. 117 at 149.

Association,¹¹⁹ which accepted without controversy, the *locus standi* of trade associations to bring passing-off actions to protect the interests of their members. The Federal Court disagreed with the Court of Appeal and found that the trial judge was correct in holding that the first respondent did not have any *locus standi* to commence the passing-off action because it did not have any business interest or goodwill which it was entitled to protect by way of passing off in Malaysia.¹²⁰ The position differs with regard to the action under the GIA 2000. The Federal Court agreed with the Court of Appeal that the first respondent qualified as an ‘interested person’ within section 11 of the GIA 2000 and fell within the categories of persons entitled to register a GI. Accordingly, the Court held that the first respondent had *locus standi* to bring an action under the GIA 2000.¹²¹

The importance of the law of passing off in resolving disputes that essentially are attempts to protect the geographical origins of products continues even after the enactment of the GIA 2000, as is evident from the case of *Maestro v. Chocosuisse*.¹²² Passing-off law prevents misrepresentation to be made to third parties in the course of trade as to the geographical origin of a product and, as such, is aptly suitable to be added as a cause of action in legal proceedings apart from that provided under the GIA 2000.

3.2.2 Protection under the Trade Marks Act 1976

There are provisions under the TMA 1976¹²³ that are sufficiently broad to offer some degree of protection of GIs, even though some of these were not enacted for the specific purpose of protecting such indications. Section 56 of the TMA 1976 provides that a mark is registrable as a certification mark if it is used in relation to goods or services for the purpose of distinguishing in the course of trade such goods or services in respect to origin, material, mode of manufacture, quality, accuracy or other characteristics from goods or services not so certified.¹²⁴ Certification marks thus indicate that the goods or services that use the marks have specific characteristics or originate from certain geographical regions.

Sections 14(1)(f) and 14(1)(g) were inserted by the Trade Marks (Amendment) Act 2000 in response to Malaysia’s obligations under the TRIPS Agreement to protect GIs.¹²⁵ Pursuant to section 14(1)(f), the registration of any trademark that contains or consists of a GI with respect to goods not

¹¹⁹ *The Scotch Whisky Association & Anor v. Ewein Winery (M) Sdn Bhd* [1994] 3 C.L.J. 509 at 4.

¹²⁰ *Maestro v. Chocosuisse* (FC) at 33.

¹²¹ *Chocosuisse v. Maestro* (CA) at 28; *Maestro v. Chocosuisse* (FC) at 36.

¹²² *Maestro v. Chocosuisse* (FC). ¹²³ Trade Marks Act 1976 (Act No. 175/1976) (Malay).

¹²⁴ *Id.* § 56(1). ¹²⁵ Trade Marks (Amendment) Act 2002 (Malay).

originating in the territory indicated is prohibited if its use in Malaysia is of such a nature as to mislead the public as to the true place of origin of the goods.¹²⁶ Section 14(1)(g) prohibits the registration of a mark for wines or spirits that do not originate in the place indicated by the GI even if the mark does not mislead the public.¹²⁷ Exceptions to section 14(1)(f) and section 14(1)(g) are made in the case of good-faith use or where the registration of the trademark took place either before the commencement of the GIA 2000 or before the GI was protected in the country of origin.¹²⁸

Apart from the above provisions, section 14(1)(a), which prohibits the registration of a trademark that is likely to deceive or cause confusion to the public, has also been successfully invoked to remove from the Register a registered trademark comprising a GI.¹²⁹ In *The Agricultural and Processed Food Products Export Development Authority of India (APEEDA) & Ors v. Syarikat Faiza Sdn Bhd*,¹³⁰ the respondent had applied for registration of the word 'Ponni' for rice prior to the coming into force of the GIA 2000. The application was successful and the word 'Ponni' was registered in the respondent's name. Subsequently, the applicants applied to expunge the respondent's trademark on the ground that 'Ponni' denoted a particular variety of rice cultivated in the Ponni region in Tamil Nadu, India. The rice is known for its benefits to diabetic patients. The court held that the word 'Ponni' was not a distinctive mark that denoted that the rice originated from any particular trader but rather was a word that denoted a particular variety of rice from the Tamil Nadu region. Accordingly, the court held that the respondent was not entitled to the registration of the 'Ponni' trademark.¹³¹ In addition, relying on section 14(1)(a) of the TMA 1976, the court held that the use of 'Ponni' as a trademark for rice not originating in the Tamil Nadu region was likely to mislead the public. The respondent's mark was held to be an entry wrongly made and wrongly remaining in the Register and, thus, was ordered to be removed from the Register.¹³²

3.2.3 Protection under the Trade Descriptions Act 2011

The TDA 2011 states that it is an offence to use false trade descriptions in relation to the supply of goods.¹³³ As a trade description is defined to include an indication of the place of production of any goods¹³⁴ and the TDA 2011

¹²⁶ Trade Marks Act 1976 (Act No. 175/1976) § 14(1)(f) (Malay). ¹²⁷ *Id.* § 14(1)(g).

¹²⁸ *Id.* § 14A. ¹²⁹ *Id.* § 14(1)(a).

¹³⁰ *The Agricultural and Processed Food Products Export Development Authority of India (APEEDA) & Ors v. Syarikat Faiza Sdn Bhd* [2011] 2 M.L.J. 768.

¹³¹ *Id.* at 26. ¹³² *Id.* at 25.

¹³³ Trade Descriptions Act 2011 (Act No. 730/2011) § 5(1)(b)–(c) (Malay). ¹³⁴ *Id.* § 6(1)(m).

makes it an offence to apply a false trade description to any goods,¹³⁵ the TDA 2011 is an additional mechanism to protect GIs.

3.2.4 Protection under the Consumer Protection Act 1999

Section 10(1)(l) of the CPA 1999 prohibits any person from making a false or misleading representation that concerns the place of origin of the goods.¹³⁶ A representation that a product originates from a geographical area when it does not is a criminal offence under section 25.¹³⁷ Nevertheless, in the light of the fact that the purpose of the Act is to protect consumers and not the producers of goods,¹³⁸ it would appear that the applicability of the CPA 1999 in the context of protection of GIs is of incidental relevance only.

4 IS THE SCOPE PROTECTION FOR GEOGRAPHICAL INDICATIONS IN MALAYSIA ADEQUATE?

As discussed above, the principal area of law that protects GIs is the GIA 2000, which provides for a registration system but does not make registration mandatory for protection in Malaysia. Nevertheless, GI registration is beneficial because only producers carrying on activities in the geographical area specified in the Register are entitled to exclusively use the GI in the course of trade. By the same token, producers of the same type of product from another geographical region are not permitted to use the same GI. Moreover, registration raises a presumption that the indication is a GI, thereby giving producers more confidence when using their distinguishing indicia as a marketing tool. Likewise, consumers can confidently place their trust in a product bearing a GI mark since they are assured of the geographical origin of the product. Further, registration is *prima facie* evidence that the registered GI is indeed a GI, which also means that in legal proceedings the burden lies with the party challenging the legitimacy of the GI to prove his case.

Overall, the framework of the GIA 2000 provides a satisfactory scope of protection for GIs in Malaysia, particularly with respect to the provisions regarding the types of GIs that may be registered, the persons who qualify to

¹³⁵ *Id.* § 5(1)(a). ¹³⁶ Consumer Protection Act 1999 (Act No. 599/1999) § 10(1)(l) (Malay).

¹³⁷ *Id.* § 25.

¹³⁸ *Id.* § 2. The Act will only apply in respect to all goods and services that are offered or supplied to one or more consumers in trade.

apply for registration, the rights acquired by the registered holder upon registration, the procedure for registration, the institution of legal proceedings for the unlawful use of a GI, the defences in an action for the infringement of a registered GI and the rectification of the Register. In fact, the framework closely mirrors the general layout of the other, more established intellectual property statutes, such as the TMA 1976,¹³⁹ the Patents Act 1983¹⁴⁰ and the Industrial Designs Act 1996.¹⁴¹

Be that as it may, it is suggested that there is scope for further improvements to the GIA 2000 in order to have in place a more robust regime for the protection of GIs in Malaysia.

First, as consumers have come to expect that GIs connote a certain level of product quality, it is proposed that provisions be inserted in the Act to preserve the producer-quality-geographical region link by requiring rightholders to maintain a minimum level of quality in their products. Second, rightholders should be required to ensure that at least a minimal level of commercial activity is carried out in relation to the registered GI. Third, pursuant to section 13 of the GIA 2000, in an application for registration, the Registrar is currently only required to conduct an examination of the formal requirements of the Act. The formal requirements are spelt out in section 12(1), and these include stating the particulars of the applicant,¹⁴² the GI and geographical area for which registration is sought,¹⁴³ the goods for which the GI applies,¹⁴⁴ the quality or other characteristic of the goods for which the GI is used¹⁴⁵ and any other particulars which may be prescribed by the Minister under section 32 of the Act.¹⁴⁶ If these requirements are complied with and the GI is not contrary to public order or morality, the Registrar shall advertise the application. In addition to this formal examination, it is recommended that the Registrar additionally conduct a substantive examination of the application, particularly to ensure that the indication applied for meets the definition of a GI and genuinely embodies the characteristics claimed for a product originating from the geographical region. This may require the assistance of expert assessors, which may be costly. However, a substantive examination is increasingly important to guarantee the actual quality and quality control of the GI-denominated products. Also, through a substantive examination, the examiner should check for possible conflict with existing trademarks, whether registered or not.

¹³⁹ Trade Marks Act 1976 (Act No. 175/1976) (Malay).

¹⁴⁰ Patents Act 1983 (Act No. 291/1983) (Malay).

¹⁴¹ Trade Descriptions Act 2011 (Act No. 730/2011) (Malay).

¹⁴² Geographical Indications Act 2000 (Act No. 602/2000) § 12(1)(a) (Malay).

¹⁴³ *Id.* § 12(1)(b) and (c). ¹⁴⁴ *Id.* § 12(1)(d). ¹⁴⁵ *Id.* § 12(1)(e). ¹⁴⁶ *Id.* § 12(1)(f).

Fourth, under the TMA 1976, there are provisions for border enforcement measures to combat trademark-counterfeiting activities at the borders of the country through the seizure of counterfeit goods.¹⁴⁷ A parallel system could be put in place for GI protection for the same purpose. The final suggestion relates to an ambiguity that arises from a reading of section 3 of the GIA 2000. As mentioned earlier, section 3 states that protection under the GIA 2000 shall be given to a GI regardless of whether or not it is registered under the Act.¹⁴⁸ Yet, section 21(1), which spells out the exclusive right of a rightholder, states that '[i]n the case of registered geographical indications, only producers carrying on their activity in the geographical area specified in the Register shall have the right to use a registered geographical indication in the course of trade'.¹⁴⁹ This section is amenable to two possible interpretations: On the one hand, by section 3 extending the protection granted under the Act to all unregistered GIs, it may be argued that the exclusive right under section 21(1) applies equally to unregistered GIs. On the other hand, the opening words of section 21(1) appear to qualify the applicability of the section only to registered GIs, which would mean that only registered GIs enjoy the exclusive right under the section. This apparent ambiguity should be addressed by Parliament, which should clarify that only registered GIs enjoy the exclusive rights provided under the Act.

5 CONCLUSION

It is not an exaggeration to explicitly state that a GI is a singular marketing tool that encapsulates important information about the triple association that exists between a product, its quality or other unique characteristic, and its geographical origin. As GI products often command premium prices, they play an important role in the development of rural areas, which are usually the regions that produce such products and, by extension, are able to contribute to the social and economic development of a country. The valuable information embodied in a GI renders it a valuable commercial asset, which merits legal protection against the unauthorised use by third parties. The discussion above has examined the scope of protection of GIs in Malaysia, emphasising the *sui generis* protection under the GIA 2000 and outlining the protection under the common law of passing off as well as the statutory protection under the TMA 1976, the TDA 2011, and the CPA 1999. Based on the earlier

¹⁴⁷ Trade Marks Act 1976 (Act No. 175/1976) pt. XIVA (Malay).

¹⁴⁸ Geographical Indications Act 2000 (Act No. 602/2000) § 3 (Malay). ¹⁴⁹ *Id.* § 21(1).

discussion, it may be surmised that as a whole, the overall scope of protection for GIs in Malaysia creates a suitable environment for the protection of GIs. Nevertheless, as recommended above, there is room for improvement of the GIA 2000 in order to provide a more comprehensive scope of GI protection under the law in Malaysia.