

## **Legal Showdown: The Battle for 'Copper Chimney' Trademark Rights in Malaysia**

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An insight into the latest ruling regarding non-use of trademarks in Malaysia

Imagine you are a brand owner looking to enter the Malaysian market, only to find that your trademark has been registered by someone else! This is exactly what transpired in the recent January 2024 case of **Deluxe Caterers Pvt Ltd v Food Stack Concepts Pte Ltd [2024] 9 MLJ**.

The plaintiff, Deluxe Caterers Pvt Ltd ("Deluxe"), is the owner of the 'Copper Chimney' restaurant chain which originated in Bombay (now Mumbai) in 1972. Since then, around 20 Copper Chimney restaurants have opened in India, Dubai, UAE, the UK and Kuwait. Deluxe has also registered trademarks containing the word 'Copper Chimney' in those countries and in Australia.

When exploring the idea of expanding to Malaysia, to their dismay, Deluxe discovered that a third party, Food Stack Concepts Pte Ltd ("Food Stack"), had already registered the "COPPER CHIMNEY" trademark (Registration No. 2014007985) in Class 43 for '*Services for providing food and drink; temporary accommodation; all included in Class 43*'.

This naturally threw a spanner in the works. To remedy the situation, Deluxe filed an application at the Malaysian High Court to:

- (i) revoke the trademark registration on the grounds of non-use under Section 46 of the Trademarks Act 2019 ("the Act");
- (ii) invalidate the trademark registration under Section 47 of the Act).

Deluxe was unsuccessful in its invalidation application and this article will focus on the successful non-use revocation application.

According to Section 46(1) of the Act, an aggrieved person may apply to the Court to revoke a trademark registration where:

- The trademark has not been used in good faith in Malaysia by the registered proprietor or with his consent, in relation to the goods or services for which the trademark is registered, within three years from the date of issuance of the notification of registration, and there are no proper reasons for non-use [Section 46(1)(a)];
- Use of the goods/services bearing the trademark has been suspended for an uninterrupted of three years, and there are no proper reasons for non-use [Section 46(1)(b)]

Since both grounds are independent alternative grounds which are unrelated to each other, Deluxe sought to prove that there had been no use of the "COPPER CHIMNEY" trademark in good faith by Food Stack in Malaysia from 28 September 2015 to 27 September 2018, the former being the date of the Certificate of Registration, and there were no proper reasons for such non-use.

Using the second limb, Deluxe also sought to prove that use of goods/services under the “COPPER CHIMNEY” mark in Malaysia had been suspended for an uninterrupted period of three years from at least 26 July 2020 to 25 July 2023 and that there were no proper reasons for non-use of Food Stack’s mark. The latter date of 25 July 2023 was chosen because the court action was filed on 26 July 2023.

Food Stack tried to challenge whether Deluxe qualified as an ‘aggrieved person’ under Section 46, since it had not actually used its ‘Copper Chimney’ marks in Malaysia.

It was held that ‘an aggrieved person is someone who has used his mark as a trademark, or who has a genuine and present intention to use his mark as a trademark, in the course of a trade which is the same as or similar to the trade of the owner of the registered trademark that he wants to remove from the Register. The person must also have a legal and legal interest, right or legitimate expectation in its own mark and that it is substantially affected by the presence of the registered mark.’

The Court found that Deluxe satisfied this criterion, after proving it had used and possessed various ‘Copper Chimney’ trademark registrations in India, UK, Kuwait and UAE, and that there was intention to use the said trademark for their future restaurants in Malaysia.

The court did not accept the contention that prior use of the mark in Malaysia was a prerequisite of qualifying as an ‘aggrieved person’, since doing so would expose the said party (in this case Deluxe) to trademark infringement, which in itself would have deprived the party from regarding itself as an ‘aggrieved person’ and consequently relying on Section 46(1). Should the converse be true, a Catch-22 situation would arise, thus rendering Section 46 ‘redundant and unenforceable’, which ‘could never have been the Legislature’s intention, to have legislated in vain.’

Ultimately, Deluxe was successful in establishing both limbs of Section 46. Food Stack could only show use of the trademark in Singapore (where it operated 2 ‘Copper Chimney’ restaurants) but none in Malaysia. Deluxe also relied on Google search results for the keywords ‘Copper Chimney Malaysia’ which did not yield any results demonstrating use of the trademark nor any restaurant named ‘Copper Chimney’ in Malaysia. The “COPPER CHIMNEY” trademark (Registration No. 2014007985) was consequently removed from the Malaysian Trademark Register.

In addressing the question of use, the learned Judge Azlan Sulaiman JC reiterated that ‘one single act of use is sufficient to defeat an application to revoke a trademark for non-use.’ However, such use must be, *inter alia*:

- actual use and not token use;
- use that is consistent with the essential function of a trademark, namely, to distinguish one’s goods/services from others having another origin;
- by way of commercial exploitation of the mark on the market for those goods/services;
- publicly and outwardly



In summary, this case acts as a cautionary tale to registered trademark owners in Malaysia to put their trademarks to actual use locally or risk vulnerability to a non-use revocation action by a third party seeking to challenge the registration.