

## Malaysian Registered Designs:

### The “Must Match” Exclusion And Its Impact On Spare Part Registrations

#### An Update After *Veresdale v Doerwyn*

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#### **ABSTRACT**

The Malaysian High Court recently heard two cases, *Veresdale v Doerwyn 1* and *2*, whereby significant findings were made concerning the conditions for applicability of ‘must match’ design

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law, and the correctness of joining of the Registrar of Industrial Designs in expungement proceedings, respectively.

## **INTRODUCTION**

The recent High Court case of *Veresdale v Doerwyn*<sup>2</sup> (“*Veresdale v Doerwyn 1*”) concerned an application by the Plaintiff to seek a declaration from the court that certain automobile parts for which the Defendant had obtained registrations—namely the car hood, front bumper, rear bumper and car grill—were in fact not registrable as designs under the IDA’s ‘must match’ exclusion. In coming to its decision in the matter, the court set out the conditions for the applicability of the ‘must match’ exclusion under Malaysian design law.

Further, despite an agreement between the parties to abide by the court decision reached in *Veresdale v Doerwyn 1*, the Defendant subsequently appealed the High Court’s decision<sup>3</sup>. The Plaintiff promptly instituted a second suit for enforcement of the judgment in *Veresdale v Doerwyn 1*<sup>4</sup> (“*Veresdale v Doerwyn 2*”), and joined the Registrar of Industrial Designs in this second suit. This gave rise to a preliminary objection on the part of the Registrar to being joined, which the court dealt with accordingly.

The facts and considerations leading to the seminal decisions in both *Veresdale v Doerwyn 1* and 2 are set out below. This article will also consider the significant implications of these two cases on Malaysian design law.

## **VERESDALE V DOERWYN 1: FACTS AND DECISION**

The ‘must match’ exclusion in Section 3(1) of Malaysia’s Industrial Designs Act 1996 (“IDA”) prohibits the registration of a design where:

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<sup>2</sup> High Court, Originating Summons No. 24IP-24-10/2013 (as yet unreported).

<sup>3</sup> via Civil Appeal No. W-02(IPCV)(A)-235-02/2014, *Doerwyn v Veresdale*.

<sup>4</sup> *Veresdale Ltd v Doerwyn Ltd & Registrar of Industrial Designs, Malaysia* (High Court, Suit No. 22IP-26-05/2014)

- (i) its features of shape or configuration are dependent on another article; and
- (ii) it is intended to form an ‘integral part’ of that other article.

Section 3(1) of the IDA is *in pari materia* with Section 1(1)(b)(ii) of the United Kingdom’s Copyright, Designs and Patents Act 1988, as well as with Section 2(1) of Singapore’s Registered Designs Act 2005. Registration of articles which fall under the ‘must match’ exclusion is prohibited in both these jurisdictions just as is it prohibited in Malaysia. UK and Singapore case-law in this area of design law is therefore persuasive in guiding the Intellectual Property Corporation of Malaysia’s (“MyIPO”) decision-making process.

However, the lack of domestic judicial consideration regarding the ‘must match’ exclusion has long created a vacuum for the application of common law principles to Malaysia’s ‘must match’ design law. This has no doubt contributed to uncertainty in identifying the conditions to be met in order for the ‘must match’ exclusion to apply to design applications. In this context, it is perhaps unsurprising that MyIPO has in the past allowed the registration of designs that arguably fall under the exclusion, including registrations for car spare parts.

However, the recent High Court case of *Veresdale v Doerwyn 1* provided much guidance in this respect. Here, the court concluded that the automobile parts concerned—namely the car hood, front bumper, rear bumper and car grill—were not registrable by the Defendant.<sup>5</sup> In reaching its decision, the court made a number of important findings.

The court affirmed the applicability of the ‘must match’ exclusion to design applications in Malaysia. The court concluded that both limbs of the ‘must match’ exclusion were present in *Veresdale v Doerwyn 1* as the car parts in question were:

- (i) dependent on the automobile concerned; and
- (ii) intended to form an ‘integral part’ of said automobile.

The court noted in this case that the car/automobile parts formed an *integral part* of the particular automobile concerned, and that the parts concerned impacted and *depended* upon the shape

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<sup>5</sup> *Veresdale v Doerwyn* at para 20 per Azizah Nawawi, JC.

and appearance of the automobile as a whole<sup>6</sup>. It was common ground that the designer of the automobile parts had no choice or discretion as to the shape of those parts.<sup>7</sup>

In support of its decision, the court referred to the British case of *Ford Motor Company Limited and Iveco Fiat Spa's Design Application* [1993] RPC 339, where the 'must match' exclusion was held to apply to car parts such as body panels and bumpers satisfying the conditions to be met for the 'must match' exclusion to apply.

The Defendant in *Veresdale v Doerwyn 1* raised an interesting defence, namely that the initial, successful registration of the designs marked the validity of such registration(s). This implied that a registration granted could not be challenged in court regardless of the applicability of the 'must match' exclusion to, among others, the facts of the case.

The court however took a different view, holding that the issuance of a certificate of registration for an industrial design did not make such registration absolute, pursuant to sections 24 (Rectification of Register) and 27 (Revocation of Registration and Grant of Compulsory Licence) of the IDA. An applicant has the recourse to challenge a registration in court.

## **IMPACT OF VERESDALE V DOERWYN 1 ON MALAYSIAN DESIGN LAW**

As a result of *Veresdale v Doerwyn 1*, applicants seeking registration in Malaysia for designs that fall under the 'must match' exclusion, particularly excluded car hoods, front bumpers, rear bumpers and car grills, would most probably face rejection. Indeed, this case will likely dissuade MyIPO from granting registrations for any design which is:

- (i) dependent on another article; and
- (ii) intended to form an 'integral part' of that other article.

Also, as mentioned above, registrations of articles arguably falling under the 'must match' exclusion had previously been allowed by MyIPO on a case by case basis. This practice, no doubt

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<sup>6</sup> *Veresdale v Doerwyn* at para 8 per Azizah Nawawi, JC.

<sup>7</sup> *Veresdale v Doerwyn* at paras 7, 20 per Azizah Nawawi, JC.

resulting from the lack of common law guidance as to the applicability of the ‘must match’ exclusion, had resulted in confusion and uncertainty in Malaysian design law. However, as a result of *Veresdale v Doerwyn 1*, previously granted registrations which arguably fell under the ‘must match’ exclusion may now be open to invalidation actions. Indeed, the grant of such registrations is no longer evidence of their legitimacy. Such registrations in the future will now also be open to challenge.

## **VERESDALE V DOERWYN 2: FACTS AND DECISION**

Despite an agreement between the parties to abide by the court decision reached in *Veresdale v Doerwyn 1* above, the Defendant appealed the High Court’s decision<sup>8</sup>. The Plaintiff promptly instituted a second suit for enforcement of the judgment in *Veresdale v Doerwyn 1* and expungement of the relevant designs from the Register accordingly<sup>9</sup>.

In this second suit, *Veresdale v Doerwyn 2*, a resolution resulted between the Plaintiff and the First Defendant (Doerwyn Ltd), and the First Defendant’s appeal against the judgment in *Veresdale v Doerwyn 1* was also discontinued.

However, one more matter remained to be settled. The Registrar of Industrial Designs had been joined as a party to the proceedings in *Veresdale v Doerwyn 2* in order to give effect to the High Court’s order for expungement of the industrial designs from the Register of Industrial Designs accordingly. However, the Registrar raised a preliminary objection to being joined in the matter.

The Plaintiff supported its position on joining the Registrar as a party in the matter by relying, among others, on:

- (i) Order 15 Rule 6(2)(b) of the Rules of Court 2012. This order stipulated that persons could be joined in a matter:
  - (a) if their presence before the Court was necessary to ensure all matters in dispute are “effectually and completely determined and adjudicated upon”; or

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<sup>8</sup> via Civil Appeal No. W-02(IPCV)(A)-235-02/2014, *Doerwyn v Veresdale*.

<sup>9</sup>*Veresdale Ltd v Doerwyn Ltd & Registrar of Industrial Designs, Malaysia* (High Court, Suit No. 22IP-26-05/2014)

- (b) if there “may exist a question or issue arising out of or relating to or connected with any relief or remedy claimed” between them and a party to the action which, in the Court’s opinion, would be “just and convenient to determine as between him and that party as well as between the parties to the cause or matter”.
  
- (ii) the Supreme Court decision in *Tajjul Ariffin Bin Mustafa v. Heng Cheng Hong* (1993) 3 CLJ 117. Here, the court affirmed the application of Order 15 Rule 6(2)(b) above by determining that a party can be properly joined in an action where the Plaintiff considers that the remedy he is seeking involves that party.
  
- (iii) the case of *Ho Tack Sien & Ors vs Rotta Research Laboratorium, SpA* (2012) 8 CLJ 645. By analogy with trademark practice, this case was cited by the Plaintiff in support of their position. In this case, the Court of Appeal decided that any High Court order to cancel a trademark registration could not be valid without the Registrar of Trademarks being joined in the relevant action.

Given the above, the Plaintiff asserted that they had rightfully joined the Registrar as a party to the action.

The Registrar’s contentions against being joined were as follows:

- (i) this was a private matter between the Plaintiff and the First Defendant (Doerwyn Ltd);
- (ii) there was no arising question or issue relating to any relief claimed pursuant to Order 15 Rule 6 of the Rules of Court 2012;
- (iii) the trademark case of *Ho Tack Sien & Ors vs Rotta Research Laboratorium, SpA* (2012) 8 CLJ 645 relied on by the Plaintiff was distinguished and did not apply in this case;
- (iv) the Registrar was in any event statutorily bound to enforce the court order pursuant to the Industrial Designs Regulations 1999.

Upon reviewing the matter, the court dismissed the Registrar's preliminary objection. The court ordered the Registrar to comply with the court order made in *Veresdale v Doerwyn 1* and expunge the designs from the Register of Industrial Designs accordingly.

## **IMPACT OF VERESDALE V DOERWYN 2 ON MALAYSIAN DESIGN LAW**

In *Veresdale v Doerwyn 2*, the Registrar of Industrial Designs was clearly shown to be the appropriate party to enforce any court order granted by the court for the removal and expunging of designs from the Register of Industrial Designs. Regardless of being a statutory body, the Registrar was properly joined in the suit.

This decision is of note as it affirms a party's right to join a Registrar in a suit relating to industrial designs where the relief and remedies sought are intimately and closely connected to the Registrar, requiring the Registrar's direct action to enforce the same. In these circumstances, it is just and convenient to join the Registrar in the matter.

## **CONCLUSION**

The 'must match' exclusion, initially designed to prevent the creation of monopolies and to "preserve the benefits of competition"<sup>10</sup>, has been strongly affirmed by the Malaysian High Court in *Veresdale v Doerwyn 1*. An article need only be dependent on, and integral to, another article for the exclusion to apply. The court's decision confirms also that registrations granted in Malaysia do not equate to a finding that MyIPO conducted an exhaustive or conclusive consideration of legal requirements and precedents prior to making such grant.

By affirming the 'must match' exclusion and setting out the conditions for it to apply, *Veresdale v Doerwyn 1* has tightened Malaysia's design landscape immeasurably by providing a

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<sup>10</sup> Waelde, Charlotte et al. *Contemporary Intellectual Property: Law and Policy*. Oxford University Press. (3rd edition, 2013). p 335.

measure of security and consistency in domestic design law (while bringing it more in line with international design standards and expectations). Registrations for designs falling under the ‘must match’ exclusion—in particular car hoods, front bumpers, rear bumpers and car grills dependant on and integral to an automobile—are clearly not sacrosanct and are very much open to challenge. It is now an open question as to whether registrations already granted, and which fall under the exclusion, will maintain their validity in the face of challenge by interested parties.

Further, the court’s decision in *Veresdale v Doerwyn 2* has affirmed that the Registrar of Industrial Designs can be rightfully joined in an action for expungement of designs from the Register of Designs, as the Registrar is the party responsible for enforcing a court judgment for expungement of designs from the Register. In making its decision in *Veresdale v Doerwyn 2*, the Court has brought a measure of clarity and certainty to Malaysian industrial design practice by affirming that the Registrar of Industrial Designs, notwithstanding being a statutory body, enjoys no immunity at law from being joined as a party in industrial design expungement proceedings.

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2. Further to the Court’s decision approving the joining of the Registrar as a party in *Veresdale v Doerwyn 2*, the Registrar consented to be bound by the Court’s order to expunge the designs in accordance with part of the judgment in *Veresdale v Doerwyn 1*.
3. No appeals were recorded following the resolution of the expungement proceedings.