

**DALAM MAHKAMAH RAYUAN DI MALAYSIA
RAYUAN SIVIL NO: W-02-971-2003**

ANTARA

**ARENSI-MARLEY (M) SDN. BHD.
(No. Syarikat: 290592-A)**

... PERAYU

DAN

**MIDDY INDUSTRIES SDN. BHD.
(No. Syarikat 549717-T)**

... RESPONDEN

**(DALAM MAHKAMAH TINGGI MALAYA DI KUALA LUMPUR)
(Bahagian Dagang) D1-25-10-2002**

**Dalam Perkara Arensi-Marley (M) Sdn.
Bhd.**

Dan

**Dalam Perkara Seksyen 24(1) Akta
Rekabentuk Perindustrian 1996 (Akta
552)**

Dan

**Dalam Perkara Rekabentuk
Perindustrian Pendaftaran No. MY 01-
00372 yang didaftarkan atas nama
Middy Industries Sdn. Bhd. di 148-B,
Jalan TUDM, Kg. Subang, 40150 Shah
Alam, Selangor Darul Ehsan**

**ARENSI-MARLEY (M) SDN. BHD.
(No. Syarikat: 290592-A)**

... PEMOHON

DAN

**MIDDY INDUSTRIES SDN. BHD.
(No. Syarikat 549717-T)**

... RESPONDEN

KORAM:

**Tengku Baharudin Shah bin Tengku Mahmud, HMR
Zainun binti Ali, HMR
Abu Samah bin Nordin, HMR**

JUDGMENT OF THE COURT

In this appeal, issues of infringement of a design, its registrability and its mode for expungement, its newness or novelty within the meaning of the Industrial Designs Act, 1996, were all up for consideration.

Undisputed Facts

The appellant is the pioneer manufacturer of uPVC rainwater products and is the market leader in uPVC rainwater channeling industry in Malaysia.

The appellant's main product is the rainwater gutter system known as the Rainwater System. This consists of rain gutters and accessories which can be fitted together to form a complete gutter system for a house or building. Each gutter and gutter fittings are cleverly designed such that they fit nicely into each other.

The appellant was incorporated in 1994 and the said rain gutters in the Rainwater System have been manufactured and sold in Malaysia and according to the appellant, have been widely advertised in newspapers, trade journals, brochures and other promotional events.

The respondent was incorporated in June 2001 as a RM2 company. The respondent designed a rain gutter and had it registered as an industrial design under the Industrial Designs Act 1996, bearing the Registration No. MY 01-00372 (“Design 372”) on 16.7.2001.

It is the appellant’s contention that “Design 372” is identical to its uPVC rain gutters in its Rainwater System, save for the “non-closure’ of the two ends and longitudinal ribs along the respondent’s rain gutter.

Those are the agreed facts. The one non-agreed fact between the parties is this: whether the “non-closure of the two ends and longitudinal ribs along the rain gutter in “Design 372” are variations to the existing design of rain gutters which are either immaterial or are features commonly used in the trade. In other words, whether “Design 372” is “new” within the meaning of section 12(1) Industrial Design Act, 1996.

The Issue Before the Court

Thus the issue before this court is not so much whether the respondent’s design i.e. “Design 372” infringes the appellant’s non-

registered design, as much as whether the respondent's design as registered is valid as is represented on the Industrial Design Registration Certificate, in light of prior art.

In considering the issue of it being prior art or otherwise, regard might be had to the appellant's product, as well as third party products.

Thus the burden falls on the appellant to show that –

- (a) the respondent's "Design 372" was not new which was similar to their gutter design which was prior art;
- (b) any differences in the designs was only in immaterial details and in features commonly used in the trade.

According to the appellant, upon discovery by its sale representative in April 2002, of "infringed" copies of their gutter design (in 3 dimensional form being sold by respondent) where the offending gutters of the respondent were identical to their gutters in all respect, save for the "non-closure" of the two ends, the appellant commenced action against the respondent to –

- (a) invalidate the registration of "Design 372" and

(b) have the same expunged from the Register of Industrial Design, Malaysia.

The Appellant's Case

The appellant contends that its gutter design was authored by one Raja Hizaruddin when he was working for Sekisui (M) Sdn. Bhd. in 1970/1971. By reason thereof, copyright in the Gutter Design vested with Sekisui (M) Sdn. Bhd.

The appellant contended that it had expended a substantial amount of work and money to promote its Rainwater System by advertising it in newspapers and trade journals.

The appellant's strong contention is that since it had manufactured and sold its rain gutter ever since it was established in 1994, it was thus known to the public and by virtue of its prior sale, "Design 372" cannot be said to be a "new" design and is therefore unregistrable within the meaning of section 12(1) Industrial Design Act 1996.

As was disclosed, the respondent's application of the "Design 372" for rain gutters was only filed on 16.7.2001 and

registered on 20.3.2003. The priority date for “Design 372” is therefore 16.7.2001.

The appellant also submitted that the appellant’s design is prior art. This is crucial in determining the novelty of “Design 372”. The appellant undisputably had disclosed its design to the public in Malaysia through promotions and sales, advertisement in various publications and events since 1994 (prior to 16.7.2001).

The appellant contends that “Design 372” is certainly not novel. If at all it is a variant of the trade. In any case, it is the appellant’s view that the “special” features found in “Design 372” had been previously disclosed to the public (its design being prior art) and the fact that the difference was not substantial must also be minded and thus the said features could not, by any account be considered novel.

As explained by Russell-Clarke on Industrial Designs (7th Edition 2005):

“The question which has to be decided is whether the two appearances are substantially the same or not. That the eye, and the eye alone, is to be the judge of identity, and is to decide whether one design is or is not

an anticipation of another, has been consistently laid down. The design must be looked at as a whole, the question being whether an article made according to the design under consideration is substantially similar in appearance to an article made according to the alleged anticipation. The test is not only to look at the two designs side by side, but also apart, and a little distance away. The novelty should in other words be substantial, and it must be substantial having regard to the nature of the article, the extent of the prior art and the number of previous designs in the field in question.”

The appellant further contended that since the respondent had registered “Design 372” covering the entire gutter as a whole (and not just for the additional features), “Design 372” must therefore be viewed as a whole. If this is done, the appellant contends that the learned High Court judge had failed to perceive that “Design 372” is in fact, substantially similar in appearance to the appellant’s design. And in this, the learned judge had erred.

The appellant added further that the same author Russell-Clarke explained in his book on Industrial Design that –

“... design consists only of features which have eye appeal and functional features are excluded from being part of the design.”

Yet, the learned High Court judge, as claimed by the appellant, had alluded to the “functionality” of the non-closed ends of the rain gutters, which he said adds “newness” to the design. The appellant contends that this finding is clearly erroneous.

The appellant also contended that the learned judge had erred in failing to dismiss the additional features as immaterial differences or common variants in the trade, since “Design 372” is substantially identical to the appellant’s design.

It is this “similarity” that had caused confusion to the public, as evidenced by the supplies of the respondent’s gutters in two projects in Cyberjaya and Putrajaya, “passing off” as the appellant’s Rainwater System.

It was also contended by the appellant that the respondent’s “Design 372” was designed to only fit the appellant’s Rainwater System.

The Respondent's Case

The respondent's case is two-fold.

Firstly whether (i) the non-closure of the two ends of the side walls and

(ii) the longitudinal ribs on the two side walls and in the floor are differences that are immaterial details when compared with the appellant's and third party products. In other words, whether the design feature of "Design 372" are commonplace in the design field in question. This element would go towards consideration of the design's novelty or newness within the meaning of section 12 of the Act.

Secondly whether the appellant's application to the court under section 24(1) Industrial Designs Act 1996 to rectify the register and cancel the registration number MY-01-00372 is the correct and appropriate provision, when the more relevant and appropriate provision for this application is section 27 of the Act which expressly deals with expungement.

It would be useful to now look at the provisions of section 12, of the Industrial Design Act, 1996. It reads as follows:-

“12. Registrable industrial design

- (1) Subject to this Act, an industrial design shall not be registered unless it is new.
- (2) An industrial design for which an application for registration is made shall not be considered to be new if, before the priority date of that application, it or an industrial design differing from it only in immaterial details or in features commonly used in the relevant trade –
 - (a) was disclosed to the public anywhere in Malaysia; or
 - (b) was the subject matter of another application for registration of an industrial design filed in Malaysia but having an earlier priority date made by a different applicant in so far as that subject matter was included in a registration granted on the basis of that other application.”

Thus the essential elements in section 12 of the Act is that a registered design shall not be registered unless it is new. A registered design shall not be considered to be new if:

- (i) it differs from existing designs only in immaterial details; or
- (ii) it differs from existing designs only in features commonly used in the trade.

The learned High Court judge on 29.10.2003 dismissed the appellant's application and decided inter alia, that –

1. (i) "Design 372", having non-closure of the ends of the sides of the rain gutter; and

(ii) longitudinal ribs across the sides of the gutter,

renders "Design 372" new, within the meaning of section 12 of the Act.
2. The learned judge also observed that the said features are not merely functional; and
3. These were not immaterial features or common variants in the trade.

The Court's View

We agree with the learned High Court judge. In Malaysia, the law on novelty of industrial designs is governed by section 12 of the Act. Our observation is that, from reading the authorities cited and opinions of text book authors such as are found in The Modern Law of Copyright and Designs, it is the court's first visual impression that matters, though regard is had to the knowledge and experience of the relevant group, i.e. in this case, the contractors and manufactures of the rain gutters, not members of the public. (See case of **Household Article Limited's Registered Design**).

In fact the respondent had even adduced evidence from the trade through the affidavit of one Tan Kok Ming where he affirmed that the non-closure upper ends are deliberately designed for an overall visual impact and appeal of the rain gutter, by having concealed brackets when the rain gutter is affixed.

However what is important is that it is what the court sees and appraises.

The learned High Court judge had found from his first visual impression that the additional features of “Design 372” were new and that none of the prior publication of rain gutters showed non-closed ends at the terminal edge of the side walls and longitudinal ribs along the 3 sides. He said that looking at the design as a whole, these were the features that lend originality and newness to “Design 372”.

In other words, the respondent’s design must be looked at in its entirety and not by mere reference to its composite parts or features.

In this regard we found that the learned judge had taken the correct approach. He assessed the issue of novelty himself by carefully examining:-

- (i) the appellant’s Gutter Design (Exhibit WKF 18 Enclosure 7)
- (ii) the respondent’s registered design (Exhibit WKF 18 Enclosure 7)
- (iii) other rain gutters available in Malaysia (Exhibit WKF 18 Enclosure 7); and

- (iv) other rain gutters design registered in the United Kingdom (Exhibit CKP 3 Enclosure 6). (See page 21 of the Appeal Record).

After looking at all these designs in their entirety it was his first visual impression that “Design 372” with its non-closed ends and longitudinal ribs, was new. He found that none of the prior publications of rain gutters showed non-closed ends at the terminal edge of the side walls or longitudinal ribs along the three sides. In fact the learned judge observed that these features which the appellant was seeking to dismiss as immaterial differences or common variants in the trade, *“were the very features that attribute originality and newness to Design 372”*.

We agree with the learned trial judge. As observed by the learned authors of the Modern Law of Copyright and Design, page 1311, 2nd Edition 1995:-

“... In reality, of course, the court assesses novelty itself. Except in the most borderline of cases it is unlikely that the judge will defer to the opinion of witnesses where he has already come to view on novelty. Therefore normally it is the court’s first visual impression which counts.”

(See **Philips v Harbro Rubber Co [1920] 375 RPC 233**
and **Household Articles Limited's Registered Design**
[1998] FSR Vol. 25 676)

Contrary to the view expressed by the appellant, we are guided by the dicta of Laddie J. in **Household Articles Limited's Registered Design** (supra) at 683 that :-

“A design may be valid over prior art even though individual features are very similar. To the eye the impact of small differences may be considerable. Conversely differences may be substantial but the overall visual impact may be very similar. Language is not well suited to explaining why, in each case.”

Although “*no high standard of inventiveness is required to constitute novelty*” as expressed in **Vandevell and Co. v Lundberg & Sons [1916] 33 RPC 60** at 68, the learned trial judge found unequivocally that the presence of a non-closed end and longitudinal ribs was substantial enough to give “Design 372” the required novelty.

We see no reason to interfere with the learned trial judge's finding above.

As had been alluded to earlier the respondent had raised the issue of whether the appellant was correct in seeking to expunge “Design 372” under section 24(1) of the Act, instead of section 27 thereof. The respondent was of the view that the correct position is section 27 of the Act.

Basically section 24(1) of the Act deals with rectification of the register. The respondent contends that upon a plain and simple construction of section 24, it clearly shows that it deals only with amendments, corrections to or expungement of an “entry”.

Section 24 of the Act reads:

“Subject to the provisions of the Act –

- (a) The court may, on the application in the prescribed manner, of any person aggrieved by or interested in the non-inclusion in or omission from the register of any entry, or by or in any entry made in the Register without sufficient cause, or any entry wrongfully remaining in the Register, or any error or defect in any entry in the Register, make such order for including, making, expunging or varying any such entry or for correcting of any such error or defect as it deem fit...”.

Whereas section 27(1) of the Act reads as follows:

“At any time after the registration of on industrial design, any person may apply to the court –

- (a) for the revocation of the registration of the industrial design on the ground, subject to section 12, that the industrial design has been disclosed to the public prior to the priority date of the application for registration of the industrial design...”

Viewed in its plain and ordinary meaning, we agree with the learned judge that section 24 is limited to making, expunging or varying an “entry” in the register as opposed to section 27 which is concerned with the revocation of the registration of a design as a whole.

The appellant’s contention that section 24(1) of the Act is a *“wider provision which describes the exact remedy which the appellant seeks”* seems to be a contradiction in terms. If an “exact remedy” is what is sought by the appellant, an “exclusive” provision would be called for.

In any case, section 24(1) deals with rectification or correction of an entry, which is a part only of a registration but not the registration itself. (Emphasis added).

If the appellant or any person wishes to expunge or revoke the registration from the Register (as what the appellant had prayed for) then section 27(1) is the correct provision since it specifically deals with the expungement of the registration.

The fact that the appellant's application was founded on the appellant's belief that its design was prior art predating the priority date of the respondent's design strengthens the position that section 27 is the correct provision to be utilised.

Thus we agree with the learned judge that the appellant's application should have rightly been made under section 27 of the Act.

The overall result is that we found that the learned judge took the right approach and came to a proper conclusion that the appellant had failed to discharge the onus on them. "Design 372" was validly granted registration in Malaysia and as such, should be allowed to remain in the Register of Industrial Designs, Malaysia.

We therefore dismissed the appeal with costs and affirmed the Order of the High Court. The deposit is to be given to respondent to account for taxed costs.

Dated this 30th day April 2009

(DATUK ZAINUN BINTI ALI)
Judge
Court of Appeal
Malaysia.

Counsel For the Appellant: Datuk Ambiga Sreenevasan
(Chew Kherk Ying with her)

Solicitors For the Appellant: Messrs Wong & Partners

Counsel For the Respondent: S.F. Wong
(Sri Dev with him)

Solicitors For the Respondent: Messrs. Sri Dev & Naila