



BASKET OF BRANDS (BOB)

A practical approach to fight counterfeiting

Enforcement Division
Ministry of Domestic Trade,
Co-operatives & Consumerism (MDTCC)
MALAYSIA

Trade Descriptions Act 2011

-for the purpose of promoting good trade practices by prohibiting false trade descriptions & false or misleading statements, conduct and practices in relation to the supply of goods and services and to provide for matters connected therewith or incidental thereto

- came into force November 1, 2011,
- repealed the old Trade Descriptions Act, 1972.

On counterfeiting, TDA 2011 empowers officers:-

-to conduct search and seizure of premises suspected to be selling and supplying counterfeit goods.

(Sec.41 & 42)

-It also deems possession of counterfeit products to be an offence

(Sec.12)

What is counterfeit?

- ▶ practice of manufacturing goods often of inferior quality
- ▶ selling them under a brand name without the brand owner's authorization.
- ▶ goods sold under a trademark that is identical to or substantially indistinguishable from the brand owner's trademark
- ▶ without the approval or oversight of the trademark owner.

MDTCC actions on counterfeiting:- (upon complaints from TM owner)

- ▶ **Check and analyze documents**
- ▶ **raids and seizures**
- ▶ **verification & report from trademark owner**
- ▶ **Further investigation/gather evidences**
- ▶ **Refer to legal advisor**
- ▶ **Compound / prosecution/ NFA**
- ▶ **Disposal of exhibits**

MDTCC actions on counterfeiting:- (proactive actions)

- ▶ Raids and seizures
- ▶ Identify and search for TM owner
- ▶ Verification & report from TM owner
- ▶ Further investigation/gather evidences
- ▶ Refer to legal advisor
- ▶ Compound / prosecution/ NFA
- ▶ Disposal of exhibits

Problems faced by MDTCC

1. Lack of cooperation from TM owner:

- failure to do verifications as requested/on time**
- failure to submit verification reports**

2. Fails /difficulties to identify TM owner of some products/items

3. Cases could not proceed/ NFA

Basket of Brands (BOB)



Launched 15 July 2011

Objectives

- ▶ Agreement from registered Trademark Owner (TMO) / representative to cooperate /do verification in any actions relating to infringing registered trademark cases;
- ▶ create a data base relating to TMO /representative;
- ▶ taking proactive actions relating to Infringing registered trademark cases based on the BOB lists; and
- ▶ shorten the completion of the investigation for Infringing registered trademark cases

Advantages

1. Expedite investigations – verifications & reports
2. Concurrent & Uniform action – all branches in Malaysia
3. Proactive actions- without the need to submit proof of ownership
4. Database of TM owner/ Representative

Documents needed for joining BOB

i) Registered Trade Mark;

(ii) Trade Description Order;

(iii) Letter of Authorization and/or Power of Attorney from owner of the registered trademark if enclosed by the representatives of the owner of the registered trademark;

(iv) Consent Letter To Cooperate In The Investigation For Infringing Registered Trademark Cases duly signed by TMO/Representatives

A trade description order (“TDO”) is a court order obtained from the High court for a declaration that products bearing an infringing mark are a false trade description. A TDO is useful as conclusive proof that the use of a false trade description on a product is a use without authority.

The Importance Of IPR Protection

SAMPLE

IN THE HIGH COURT OF MALAYA AT SHAH ALAM
ORIGINATING SUMMONS NO. MT2-24-1835-98

TRANSLATION

In the Matter of Nokia Corporation,
a company incorporated under the
laws of Finland of Nokia House,
Keilalahdentie 4, Fin-02150 ESPOO,
Finland

AND

In the Matter of Section 16 of the
Trade Descriptions Act 1972

AND

In the matter of the Registered Trade
Mark No. 87/00163 “NOKIA” in Class 9

AND

In the matter of passing off the
trade marks “Nokia” and the logo

Nokia Corporation

Applicant

BEFORE THE HONOURABLE JUSTICE DATUK WIRA HAJI MOHD NOOR BIN
HAJI AHMAD
DATED THIS 3RD DAY OF MARCH 1999

IN CHAMBERS

ORDER

UPON THE APPLICATION of the Applicant abovenamed AND
UPON READING the Originating Summons dated 22nd day of
December 1998 and the Affidavit of Timo Toikkanen affirmed

BOB application process

- Complete application form [BOB APPLICATION FORM.doc](#)
- Attach all documents required
- Submit to MDTCC
- Applicant notified of approval

Basic commitments:-

MDTCC	TMO/Representative
Take action on complaints	Do verifications immediately/within 30 days
Proactive actions	Submit verification report within 30 days
Expedite investigation	Give full cooperation on all matters regarding investigations

TMO/Representatives & Brands Registered under BOB (until 31.12.2013) [LIST OF BOB MEMBERS.xls](#)

NUMBER OF TMO/REPRESENTATIVES

32

NUMBER OF BRANDS

214

Outcome after implementation?

Before BOB	After BOB
No Database on TMO/Representatives	Database on TMO/Representative
No consent/agreement from TMO/Representative to do verification/assist investigation	Written agreement from TMO/Representative to do verification/assist investigation
Proactive actions without knowing who TMO/Representative	Prioritized proactive actions
Investigations pending	Investigations proceed accordingly

Japanese Brands Registered Under BOB



EPSON Stylus NX400



BOB Goods Seized by MDTCC



Medicines, Spare parts, Cosmetics, Electrical, Liquors, Cigarettes, IT Products, Apparels, Watches, Leather goods, Ink Cartridges, Shoes, etc

Number of cases & Value of seizures on Counterfeiting in Malaysia 2011-2013

2011	2012	2013	TOTAL CASES VALUE (RM)
<p>1191 RM 12,740,000</p> <p>US\$ 4.05 Million</p>	<p>934 RM 14,544,000</p> <p>US\$ 4.6 Million</p>	<p>784 RM 8,000,000</p> <p>US\$ 2.5 Million</p>	<p>2909 RM 35,284,000</p> <p>US\$ 11.2 Million</p>

Penalties for counterfeiting cases

(Section 8 TDA 2011)

Individual	Body corporate
<p>1st offence- Fine not exceeding RM 10000 (US\$3175) for EACH goods bearing the infringing mark, or 3 years imprisonment, or BOTH</p>	<p>1st offence- Fine not exceeding RM 150000 (US\$4762) for EACH goods bearing the infringing mark</p>
<p>2nd & subsequent offence- Fine not exceeding RM 20000 (US\$6350) for EACH goods bearing the infringing mark, or 5 years imprisonment, or BOTH</p>	<p>2nd & subsequent offence- Fine not exceeding RM 30000 (US\$9524) for EACH goods bearing the infringing mark,</p>