

## THE ROLE OF INTELLECTUAL PROPERTY RIGHTS IN THE FASHION BUSINESS: A MALAYSIAN PERSPECTIVE

Over the past few years, Malaysia's fashion industry has experienced a significant transformation, establishing itself as a rising hub for fashion lovers around the world. Despite some businesses experiencing setbacks during the pandemic, the Malaysian fashion scene surged back, with new market players launching their fashion brands and existing players making a strong comeback. As the industry continues to evolve, intellectual property ("IP") rights have played a pivotal role in the growth of the highly competitive global fashion industry, underpinning greater reliance on IP protection.

One vivid example of the significance of IP rights in fashion is the extensive use of IP licensing. IP licensing allows fashion brands to expand their reach and generate revenue through collaborations with manufacturers, designers and retailers. A notable instance is the collaboration between the Malaysian scarf and apparel brand 'Duck' with an enduring cultural icon 'Mickey Mouse', offering a collection of scarves and ready-to-wear apparel that pays homage to both Mickey Mouse and the Roaring Twenties and Jazz Age in which he debuted.[1]

### **Understanding Intellectual Property Rights**

Malaysia's approach to protecting IP rights in the fashion industry primarily involves the following:

**(a) Industrial Design Law:** Specifically protects the visual and novel design of objects, including the aesthetic aspects of clothing and accessories through registration under the Industrial Designs Act 1996 ("IDA"). For example, the design of a bucket hat hijab or a swimsuit design.

**(b) Copyright Law:** Protects artistic works, including original fashion designs such as

drawings of traditional dress or designs of printed shawls. Governed under the Copyright Act 1987 (“CA”), copyright automatically applies upon the creation of the design and does not require registration. Nevertheless, the copyright owner may use Copyright Voluntary Notification mechanism to assist in providing *prima facie* evidence of ownership of its design.

**(c) Trademark Law:** Protects brands, logos and distinctive signs that define a brand's identity, ensuring that consumers can distinguish between different brands in the market. Trademark registration under the Trademarks Act 2019 (“TA”) is essential for brand identity protection.

**(d) Patent Law:** While not commonly associated with fashion, patents can protect novel aspects of products or processes, including innovative materials or mechanisms through registration under the Patents Act 1983 (“PA”). For example, a protective fabric for motorcyclist professional clothing with abrasion, cut and burst resistance.

### **Landmark Cases that have had an Impact on the Protection of IP in the Malaysian Fashion Industry**

There have been several interesting cases in Malaysia which have had an impact on the protection of IP in the Malaysian fashion industry.

#### **(a) Siti Khadijah Apparel Sdn. Bhd. v Ariani Textiles & Manufacturing (M) Sdn. Bhd. [2019] 7 MLJ 478**

Both ‘Siti Khadijah’ and ‘Ariani’ hold their impressive ground in the Muslim fashion industry in Malaysia. This case, involving the allegation of copyright infringement of *telekung* (a Muslim prayer outfit), centres on the copyrightability of designs of the *telekung*.

Even though the defendant argued that the *telekung* is ineligible for copyright under the CA due to its religious function (for prayers), the Court held that, the plaintiff indeed owns the copyright in the plaintiff’s *telekung* because all the conditions stipulated under the CA have been met.

Before this case, it was perceived that Malaysian law does not provide protection for an unregistered design, based on the basic understanding that:

(i) the types of works which are qualified for copyright protection under Section 7 of the CA[2] do not include designs in the fashion context; and

(ii) the definition of ‘artistic work’ under Section 3 of the CA is limited to graphic work, photograph, sculpture or collage, work of architecture for a building or a model for a building or a work of artistic craftsmanship.

However, as highlighted by Wong Kian Kheong J in this case, the definition of 'graphic work' in Section 3 of the CA uses the term 'includes' and not the word 'means'. The use of the word 'includes' in the definition of 'graphic work' has the effect of widening the scope of that definition.

Based on this, the Court found that the three two-dimensional drawings regarding the design of the plaintiff's *telekung* constitute a 'graphic work' as defined under Section 3(a) of the CA and the three-dimensional plaintiff's *telekung* (produced based on two-dimensional drawings), in itself, constitutes an 'artistic work' as defined under Section 3(a) of the CA.

Furthermore, the Court has stated that *"If Parliament has intended that a purely functional work is not protected by copyright, Parliament would have expressly provided as such in Section 7(2A) of the CA. The Legislature however has chosen not to do so in Section 7(2A) of the CA. Furthermore, Section 7(2A) of the CA provides that works shall be protected by copyright 'irrespective of ... the purpose for which they were created'".*

Therefore, the Court is of the view that Section 7(2A) of the CA does not bar copyright protection of an article of clothing on the ground that it is purely functional.

#### **(b) Mohammad Mubde Absi & Ors v Hyat Collections Sdn. Bhd. & Ors [2020] 10 MLJ 503**

In the present case, Mohammad Mubde Absi (one of the plaintiffs) alleged that the defendants had infringed Patent No MY-153705-A ("**Patent 705**") by distributing and selling 'Product Hyat' hijabs. In this regard, there were five claims in Patent 705 whereby the first claim consisted of the essential integers. The defendants had counterclaimed to invalidate Patent 705. The main issues for consideration were whether the plaintiffs' ready-to-wear and pinless hijab ("**Bokitta Hijab**") is an 'invention' under Section 12(1) of the PA, whether Bokitta Hijab was 'new' within the meaning of Section 14(1) of the PA and whether Bokitta Hijab involved an 'inventive step' as understood in Section 15(1) of the PA.

The Court dismissed the defendant's counterclaim to invalidate Patent 705 on the basis that they failed to discharge the onus to satisfy the court that Patent 705 should be invalidated, as further discussed below:

(i) the patentability of a ready-to-wear and pinless hijab was not barred by Section 13(1)(a)-(1)(d) of the PA. Further, a ready-to-wear and pinless hijab was an 'invention' within the literal meaning of Section 12(1) of the PA. This was because, based on 'The Shorter Oxford English Dictionary' – Volume 2, the online 'Meriam-Webster Dictionary', and the online 'Collins English Dictionary', the term 'technology' in Section 12(1) of the PA encompassed ideas regarding hijabs. In addition, Patent 705 constituted an 'idea' of the plaintiffs which permitted in practice the solution to various problems associated with the traditional hijabs. Alternatively, construed in a purposive manner, Patent 705 was an 'invention' as the purpose of PA was to protect the ideas of inventors;

(ii) the court also found that the invention of the Bokitta Hijab in Patent 705 was novel as understood in Sections 11 and 14(1) of the PA based on the evidence and reasons: (a) that there was no single document before the priority date ('prior art') which disclosed all the essential integers; (b) there was no evidence that a notional person ordinarily skilled in the art (POSITA) regarding Patent 705 was able to design the Bokitta Hijab based on the single piece of prior art which had disclosed all the essential integers; and (c) applying the 'reverse infringement test', there was no proof that the prior art constituted an infringement of Patent 705; and

(iii) applying the Windsurfing's test, the Court was satisfied that the invention in Patent 705 involved an inventive step within the meaning of Sections 11 and 15 of the PA.

This case is the first case of patent infringement in Malaysia involving an article of clothing and is thus likely to have an impact on future cases involving new fashion or creative clothing products. It is hoped that this decision will promote innovation and encourage people across all kinds of industries to explore patent protection in Malaysia, including those in the fashion industry.

### **The Future of IP Rights in the Malaysian Fashion Industry**

Despite the crucial role of IP rights, the fashion industry faces unique challenges in protecting its creations. For instance, in Malaysia, while industrial design law offers a source of protection for designs, it is often seen as a more expensive and time-consuming option compared to other forms of IP protection. The requirement for novelty can pose significant obstacles, particularly in an industry characterised by rapid trend cycles and the reiteration of classic designs.

Moreover, the short lifecycle of fashion products may not justify the financial and temporal costs involved in registration, making industrial design protection less appealing for many designers.

Despite the challenges associated with registration, the benefits, including granting exclusive rights to the use and commercial exploitation of the design, are substantial. This exclusivity prevents unauthorised copying or imitation in a crowded marketplace.

Furthermore, the protection of an industrial design should be viewed as an investment; it enhances the value of a design, making it a valuable asset that can be licensed or sold, thereby providing additional revenue streams.

Copyright law in Malaysia presents another challenge. It does not aim to protect or create a monopoly over an 'idea'[3] but rather the expression of that idea.

Since articles of clothing are often viewed as 'purely functional', copyright protection is

typically presumed not to apply. This understanding has led to significant frustration among designers, as copying designs remains a prevalent issue. The current legal framework makes it 'seemingly' difficult for designers to protect their work.

However, the Court's decision in Siti Khadijah's case<sup>[4]</sup> (as discussed earlier) is pivotal for designers, offering a beacon of hope that their creations can indeed be safeguarded against unauthorised copying and exploitation. With this case as a baseline, we may now see a growing reliance on copyright protection.

## **Conclusion**

IP law has been instrumental in shaping the fashion industry into the vibrant and rapidly evolving sector it is today. Landmark cases, as mentioned earlier, not only challenge the conventional understanding of extreme difficulties for designers to protect their work, but also encourage a more robust dialogue and reassessment of how IP laws can more effectively protect the intricate and unique expressions found in fashion design.

By providing legal mechanisms for protecting designs, brands and creations, IP law enables designers and fashion businesses to safeguard their work against infringement and unauthorised use, thereby encouraging creativity and innovation.

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1. Anil Prabha, "Malaysian brand Duck brings modest fashion flair to Disney collab" (Inside Retail, 12 October 2023) <<https://insideretail.asia/2023/10/12/malaysian-brand-duck-brings-modest-fashion-flair-to-disney-collab/>>
  2. Section 7 of the CA provides that literary works, musical works, artistic works, films, sound recordings and broadcasts are eligible for copyright.
  3. Copyright Act 1987, s 7(2A).
  4. Siti Khadijah Apparel Sdn Bhd v Ariani Textiles & Manufacturing (M) Sdn. Bhd. [2019] 7 MLJ 478.

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27 June 2024

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