

Wide order of injunction sought against online marketplace operator refused in the High Court: A & M Beauty Wellness v Shopee

E-commerce has become an indispensable part of the country's economy particularly with the Covid-19 pandemic. With its growing demand come legal challenges which are novel to Malaysia.

Recently, our Dispute Resolution Partners [K. Shanti Mogan](#) and [Lilien Wong](#) and legal associate, [Yiew De Quan](#), successfully acted for one of the largest e-commerce players in the country in resisting an interim interlocutory injunction requiring the defendant to, amongst others, prevent products to be sold by third parties on the Shopee e-commerce platform.

In the High Court decision of **A & M Beauty Wellness Sdn Bhd v Shopee Mobile Malaysia Sdn Bhd**, the Court acknowledged, amongst others, that:

- (a) Shopee provides a platform for users to facilitate the process of buying and selling of products on the platform. It was not a seller of the products in question.
- (b) The platform's reporting system ought to be availed of by complainant to raise any concerns it has in respect of listings on the Shopee platform.
- (c) A wide order of injunction to require Shopee to stop third party sellers from selling products undermines the operation of e-commerce platforms and should not be granted.

Interestingly, the case also discussed whether a manufacturer may preclude resellers from selling products at a price lower than the fixed resale price. The Court echoed the position of the Malaysia Competition Commission (MyCC), recognising that resale price maintenance may fall foul of section 4 of the **Competition Act 2010**.

This is one of the few cases involving competition law issues in commercial litigation which does not arise from the enforcement decision of the MyCC.

As online businesses grow, we are likely to see more disputes involving online marketplace operators or online business

Dispute Resolution Case Highlight

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owners. Issues such as consumer interest, competition law, intellectual property, contractual disputes will be very much relevant in the context. Legal developments in the online marketplace environment are a development that will court keen interest and is to be keenly followed.

Feel free to contact us for further information about this article or any other dispute resolution matters.



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