

IN THE HIGH COURT OF MALAYA AT KUALA LUMPUR
[COMMERCIAL DIVISION]
IN THE FEDERAL TERRITORY OF KUALA LUMPUR, MALAYSIA
SUIT NO.: 22IP-31-06/2015

BETWEEN

DORETTI RESOURCES SDN. BHD.
(Company No.: 1001491-U) ... PLAINTIFF

AND

1. FITTERS MARKETING SDN. BHD.
(Company No. : 401415-D)
2. PYRO-TECH SYSTEMS SDN. BHD.
(Company No. : 411757-X)
3. TEAMWARE SDN. BHD.
(Company No. : 484111-T)
4. MUETECH SDN. BHD.
(Company No. : 905321-A)
5. FOO SWEE KOON
(NRIC No. : 770921-14-5214)
(trading as VITON TRADING,
Business Registration No. : SA0231207-A) ... DEFENDANTS

(by original action)

BETWEEN

1. FITTERS MARKETING SDN. BHD.
(Company No. : 401415-D)
2. PYRO-TECH SYSTEMS SDN. BHD.
(Company No. : 411757-X) ... PLAINTIFF

AND

DORETTI RESOURCES SDN. BHD.
(Company No.: 1001491-U) ... DEFENDANT

(by counterclaim)

(Heard together with)

IN THE HIGH COURT OF MALAYA AT KUALA LUMPUR
[COMMERCIAL DIVISION]
IN THE FEDERAL TERRITORY OF KUALA LUMPUR, MALAYSIA
ORIGINATING SUMMONS NO.: 24IP-43-10/2015

BETWEEN

FITTERS DIVERSIFIED BHD. ... PLAINTIFF

AND

DORETTI RESOURCES SDN. BHD.
(Company No.: 1001491-U) ... DEFENDANT

JUDGMENT

(after trial)

A. Introduction

1. In Civil Suit No. 22IP-31-06/2015 (1st Suit) –

(1) the plaintiff is Doretti Resources Sdn. Bhd. (**Doretti**); and

(2) the five defendants are –

- (a) Fitters Marketing Sdn. Bhd. (**Fitters Marketing**);
- (b) Pyro-Tech Systems Sdn. Bhd. (**Pyro-Tech**);
- (c) Teamware Sdn. Bhd. (**Teamware**);
- (d) Muetech Sdn. Bhd. (**Muetech**); and
- (e) Mr. Foo Swee Koon trading as Viton Trading (**Viton**).

2. Fitters Diversified Bhd. (**Fitters Diversified**) has filed Originating Summons No. 24IP-43-10/2015 against Doretti (**2nd Suit**).
3. The 1st and 2nd Suits concern a combined trade mark “*PYRO*” (**PYRO Mark**) which is registered in the Register of Trade Marks (**Register**) with the registration no. 04018316 (**Registered Mark**) for goods in Class 6 (among others, locks, ironwork for doors and windows, padlocks, keys, door knobs and safes). The Registered Mark is annexed as Annexure A to this judgment.

B. Issues

4. The following questions arise in these 2 Suits:
 - (1) whether Fitters Marketing, Pyro-Tech and Fitters Diversified are aggrieved by Registered Mark so as to entitle them to apply to court under s 45(1) of the Trade Marks Act 1976 (**TMA**) to expunge the Registered Mark from the Register;
 - (2) who was the first user in the course of trade (**1st User**) of PYRO Mark? In this regard, what constitutes “*use*” of a mark in the course of trade under s 3(2)(a) and (b) TMA?;
 - (3) whether the original registration of Registered Mark by Mr. Ng Heng Sim (**Mr. Ng**) had been obtained by fraud under s 37(a) TMA. If the answer to this question is “yes”, how does it affect Mr. Ng’s assignment of Registered Mark;

- (4) whether the use of Registered Mark on the Doretti's goods (**Doretti's Goods**) is likely to deceive and/or confuse the public under s 14(1)(a) read with s 37(b) TMA so as to give a false impression to the public that Doretti's Goods originate from Fitters Marketing or is associated with goods bearing PYRO Mark sold by Fitters Marketing (**Fitters' Goods**);
- (5) whether the Registered Mark on 14.8.2015, date of filing of counterclaim in the 1st Suit by Fitters Marketing and Pyro-Tech [**Counterclaim (1st Suit)**], was "*inherently*" and "*factually*" distinctive of Doretti's Goods as understood in s 37(c) TMA read with s 10(2A), (2B)(a) and (b) TMA;
- (6) whether Fitters Marketing, Pyro-Tech, Teamware, Muetech and/or Viton have infringed Registered Mark under s 38(1)(a) TMA (**Trade Mark Infringement**). This raises a novel issue of whether the defence of prior use under s 40(1)(c) TMA is applicable in these 2 Suits;
- (7) assuming Doretti has proven Trade Mark Infringement, is Doretti barred from claiming for any remedy for Trade Mark Infringement solely on the ground that TMA is silent on remedies for Trade Mark Infringement?; and
- (8) if the court sets aside an *ex parte* Anton Piller order (**APO**) granted previously to Doretti against Fitters Marketing, Pyro-Tech and Teamware, should the court award compensatory and exemplary

damages against Doretti in favour of Fitters Marketing, Pyro-Tech and Teamware?

C. Legal proceedings

5. In the 1st Suit –

(1) Doretti had claimed that, among others, all the defendants in the 1st Suit had infringed the Registered Mark (**Doretti's Claim**);

(2) in Counterclaim (1st Suit), Fitters Marketing and Pyro-Tech had applied, among others, to expunge Registered Mark from the Register;

(3) on 17.8.2015, Doretti had obtained an *ex parte* APO against Fitters Marketing, Pyro-Tech and Teamware;

(4) Muetech and Viton had applied to strike out the 1st Suit and this was allowed by Azizah Nawawi J (**1st Striking Out Decision**); and

(5) Teamware's application to strike out the 1st Suit was allowed by me (**2nd Striking Out Decision**).

6. In the 2nd Suit, Fitters Diversified applied to expunge Registered Mark from the Register.

7. After the 1st and 2nd Striking Out Decisions –

- (1) Doretti, Fitters Marketing, Pyro-Tech and Fitters Diversified consented for the 1st and 2nd Suits to be tried together; and
 - (2) the trial of the 1st and 2nd Suits (**1st Trial**) had concluded and parties were in the midst of preparing their written submissions when the Court of Appeal reversed the 1st and 2nd Striking Out Decisions (**Court of Appeal's Decision**). Teamware, Muetech and Viton did not apply to the Federal Court for leave to appeal against the Court of Appeal's Decision.
8. In view of the Court of Appeal's Decision, the 1st Suit was reinstated as against Teamware, Muetech and Viton.
 9. Doretti, Fitters Marketing, Pyro-Tech and Fitters Diversified (parties in the 1st Trial) had consented to the following order, among others:
 - (1) the decision of the 1st Trial was postponed until the conclusion of the trial of the 1st Suit against Teamware, Muetech and Viton (**2nd Trial**); and
 - (2) after the 2nd Trial, this court would give one decision for the 1st and 2nd Suits.

D. Doretti's case

10. Doretti called the following witnesses:

- (1) in the 1st Trial -

- (a) Dato' See Soon Haur (**Dato' See**);
- (b) Encik Saripuddin bin Moleng (**Encik Saripuddin**);
- (c) Mr. Loh Yoon Meng (**Mr. Loh**); and
- (d) Mr. Ng; and

(2) in the 2nd Trial -

- (a) Dato' See; and
- (b) Encik Saripuddin.

11. Mr. Ng's witness statement stated, among others, as follows:

- (1) Mr. Ng claimed to have incorporated Kah Lock Marketing (M) Sdn. Bhd. (**Kah Lock Marketing**) with a "*partner*";
- (2) Mr. Ng alleged that he was the creator and first owner of PYRO Mark. Kah Lock Marketing had used PYRO Mark on Kah Lock's goods which had been sold to, among others, Fitters Marketing and Pyro-Tech. Mr. Ng referred to a "*Purchase Order*" (**PO**) dated 13.6.2003 from Pyro-tech to Kah Lock Marketing regarding "*door selectors*" bearing PYRO Mark;
- (3) Mr. Ng left Kah Lock Marketing due to a dispute with his partner. Subsequently, Mr. Ng incorporated Solid Kah (M) Sdn. Bhd. (**Solid Kah**);
- (4) Mr. Ng applied to the Registrar of Trade Marks (**Registrar**) to register PYRO Mark and this registration was obtained on

25.11.2004. TM5 Form is the application form to register a trade mark as provided in reg. 18(1) of the Trade Marks Regulations 1997 (**TMR**) and the Second Schedule to TMR. Row 11 of Mr. Ng's TM5 Form to register PYRO Mark (**Mr. Ng's TM5 Form**) stated that the Registered Mark was proposed to be used by Mr. Ng [in response to "*Date of first use of the trade mark in Malaysia (if any)*"]. Mr. Ng claimed that this answer was given because Kah Lock Marketing had first used PYRO Mark and he had no document to prove his own use of PYRO Mark;

- (5) Solid Kah had used the Registered Mark on its goods (**Solid Kah's Goods**). Around 2007, Solid Kah faced financial difficulties and could not supply Solid Kah's Goods. Hence, Mr. Ng marketed goods bearing Registered Mark through Grand Carpenter (M) Sdn. Bhd. (**Grand Carpenter**) with the assistance of Mr. Lim Yong Seng (**Mr. Lim**);
- (6) on 21.7.2008, Mr. Ng assigned Registered Mark to Mr. Lim. Mr. Lim then assigned Registered Mark to Mr. Yeo Chong Soon (**Mr. Yeo**) on 27.12.2010. Mr. Yeo used Registered Mark through Mr. Yeo's company, Stylish Remark Sdn. Bhd. (**Stylish Remark**);
- (7) the Registered Mark was assigned by Mr. Yeo to Doretti on 25.7.2012; and
- (8) Mr. Ng had worked as Doretti's marketing manager from 2012 to 2014.

12. Dato' See testified as follows, among others, in the 1st and 2nd Trials:

- (1) Dato' See is an executive director of Doretti which is incorporated on 9.5.2012;
- (2) Doretti manufactures and trades in locks and doors. The Registered Mark was assigned to Doretti to enable Doretti to take over the business of supplying goods bearing the Registered Mark. As such, after the assignment of Registered Mark to Doretti, Doretti had sold Doretti's Goods bearing Registered Mark to only Fitters Marketing and Pyro-Tech;
- (3) Fitters Marketing and Pyro-Tech did not object to Doretti's sale of Doretti's Goods bearing Registered Mark;
- (4) Doretti's Goods have obtained "*Test Verification of Conformity*" from Intertek Testing Services Shenzhen Ltd. in China (**Intertek's Test Verification**);
- (5) Fitters Marketing and Pyro-Tech have committed Trade Mark Infringement by –
 - (a) buying "*infringing goods*" bearing Registered Mark from Teamware, Muetech and Viton Viton (**Alleged Infringing Goods**); and
 - (b) reselling Alleged Infringing Goods at a profit to customers of Fitters Marketing and Pyro-Tech;

- (6) Teamware, Muetech and Viton have committed Trade Mark Infringement by supplying Alleged Infringing Goods to Fitters Marketing and Pyro-Tech;
- (7) Doretti had complained about Trade Mark Infringement to the Ministry of Domestic Trade, Co-operatives and Consumerism (**Ministry**). On 4.6.2015, the Ministry's officers raided the warehouse of Fitters Marketing and Pyro-Tech (**Ministry's Raid**). Dato' See and representatives of Doretti were present at the Ministry's Raid;
- (8) during the Ministry's Raid –
 - (a) a large quantity of Alleged Infringing Goods had been identified by Doretti's representatives and seized by the Ministry (**Ministry's Seizure**); and
 - (b) PO's and "*Delivery Orders*" (**DO's**) regarding Alleged Infringing Goods had been discovered which showed that Fitters Marketing and Pyro-Tech had obtained the Alleged Infringing Goods from Teamware, Muetech and Viton; and
- (9) Doretti applied for and obtained the *ex parte* APO against Fitters Marketing, Pyro-Tech and Teamware. By executing the APO on the offices and warehouses of Fitters Marketing, Pyro-Tech and Teamware, Doretti had obtained PO's, DO's and invoices regarding the purchase and sale of Alleged Infringing Goods. Dato' See

stated that if this court allows Doretti's Claim, Doretti would appoint an accountant to quantify Doretti's loss due to the Trade Mark Infringement.

13. Encik Saripuddin is an investigating officer of the Ministry. Encik Saripuddin gave evidence in the 1st and 2nd Trials regarding the Ministry's Raid and Ministry's Seizure (which was not disputed in these 2 Suits).

14. Mr. Loh is Doretti's Finance and Administration Manager. Mr. Loh's evidence was similar to Dato' See's testimony.

E. Case for Fitters Marketing, Pyro-Tech and Fitters Diversified

15. The following witnesses testified for Fitters Marketing, Pyro-Tech and Fitters Diversified in the 1st Trial:

- (1) Mr. Kum Eu Wah (**Mr. Kum**);
- (2) Mr. Liew Kok Foo (**Mr. Liew**);
- (3) Dato' Wong Swee Yee (**Dato' Wong**);
- (4) Mr. Ng Meng Yuen (**NMY**); and
- (5) Encik Fiezan Izmar bin Che Ali (**Encik Fiezan**).

16. Mr. Kum testified as follows, among others, in his witness statement:

- (1) Mr. Kum was first employed on 16.10.1996 by Armatrade Sdn. Bhd. (**Armatrade**), a subsidiary of Fitters Diversified and part of the Fitters Group of Companies (**Fitters Group**). On 1.3.1999, Mr. Kum was transferred to be a manager of Fitters Marketing;

- (2) Fitters Marketing, Pyro-Tech and other companies in the Fitters Group had used PYRO Mark since 2002. Mr. Kum relied on, among others, the following evidence –
- (a) “*PYRO Door Selectors*” brochures in 2002 and 2003 which stated PYRO Mark. During cross-examination, Mr. Kum admitted that the brochures did not state the years in which the brochures were published;
 - (b) Fitters Marketing’s invoice dated 5.6.2002 to Ng Chong Puan Furniture Sdn. Bhd. (**NCP Furniture**) regarding Fitters Marketing’s sale of PYRO door selectors; and
 - (c) Fitters Marketing’s DO dated 6.6.2002 regarding PYRO door selectors purchased by NCP Furniture;
- (3) Fitters Marketing, Pyro-Tech and other companies in the Fitters Group had used on Fitters’ Goods the word “*PYRO*” and other marks, namely “*PYRODOR*”, “*PYROHINGE*”, “*PYROLITE*” and “*PYROSTRIP*”; and
- (4) Fitters Marketing, Pyro-Tech and other companies in the Fitters Group had business relationships with the following entities -
- (a) Kah Lock Marketing and Solid Kah were customers and contract manufacturers of Fitters’ Goods bearing PYRO Mark. Kah Lock Marketing and Solid Kah had dealt with Fitters

Marketing, Pyro-Tech and other companies in the Fitters Group through Mr. Ng;

(b) Mr. Lim acted on behalf of Grand Carpenter in business dealings with Fitters Marketing, Pyro-Tech and other companies in the Fitters Group; and

(c) Stylish Remark dealt with Fitters Marketing, Pyro-Tech and other companies in the Fitters Group through Mr. Yeo.

17. Mr. Liew testified in the 1st Trial as follows, among others:

(1) Mr. Liew was the former Managing Director (**MD**) of SW Resources Sdn. Bhd. (**SW Resources**); and

(2) Mr. Liew confirmed that he had signed on invoices issued by SW Resources to Pyro-Tech for the purchase of hinges and screws bearing PYRO Mark. The earliest invoice issued by SW Resources to Pyro-Tech dated 15.12.2003.

18. Dato' Wong's testimony is as follows, among others:

(1) Dato' Wong is the founder and MD of Fitters Diversified which is listed on Bursa Malaysia. Fitters Diversified is the holding company of Fitters Marketing and Pyro-Tech;

(2) Fitters Group started fire protection and prevention services in 1970s. Through the years, Fitters Marketing has gained

recognition as a “*one-stop*” fire protection specialist which manufactures and supplies fire-fighting equipment and fire protection products. Since 1970s, Fitters Marketing has provided fire protection products and services under PYRO Mark and the following marks –

- (a) PYRODOR mark has been registered by Fitters Diversified for goods in Class 19 (fire door panels made of non-metal);
- (b) Fitters International had applied to register a combined PYROLITE mark for goods in Class 9 (emergency light and signaling panel) but such an application was subsequently abandoned;
- (c) Fitters Sdn. Bhd. had filed an application to register a verbal PYROLITE mark for goods in Class 9 but this application was later abandoned;
- (d) Fitters Holdings Sdn. Bhd. had applied to register a combined “*PYROSUIT*” mark for goods in Class 25 (protective clothing for fireman and workend uniform for oil/gas industries, chemical plants and factories of high fire or flash fire risk). This application was subsequently abandoned;
- (e) Pyro-Tech has registered PYROSTRIP mark for goods in Class 19;

- (f) PYROHINGE mark has been registered by Fitters Diversified for goods in Class 6; and
 - (g) Fitters Sdn. Bhd. had registered a combined “*PYROLINE*” mark for goods in Class 17 (fire-hose) but such a registration was later abandoned;
- (3) Dato’ Wong created PYRO Mark from the Greek word “*pyr*” (which means fire). Since Fitters Group’s products are related to fire, Dato’ Wong was of the view that a foreign word for fire would be appropriate to be the brand for Fitters Group. That is why all of Fitters Group’s fire-fighting door system has the word “*PYRO*” attached to it. PYRO Mark was the “*root*” mark for all other trade marks of Fitters Group, such as PYRODOR, PYROSTRIP and PYROLINE;
- (4) since 1990s, Pyrodor Sdn. Bhd. (**PSB**), a member of Fitters Group, manufactured and sold fire resistant doors under PYRODOR trade mark. Fire resistant doors are made of a combination of materials such as the door, door frame, lockset, lockcase, hinges and strike plate. In 2001, PSB’s business and operations were transferred to Pyro-Tech. Pyro-Tech then used PYRO Mark on locks and ironmongeries to be installed on fire resistant doors bearing PYRODOR trade mark. As such, Doretti and other third parties have been engaged by Fitters Marketing and Pyro-Tech to manufacture and supply locks and ironmongeries with PYRO Mark;

- (5) Pyro-Tech had spent about RM500,000.00 with SIRIM QAS Sdn. Bhd. (**SIRIM**) and the Malaysian Fire and Rescue Department to examine and certify Fitters' Goods bearing PYRO Mark;
- (6) as a result of extensive sales of Fitters' Goods bearing PYRO Mark and their excellent quality, the relevant trade and public have associated PYRO Mark with Fitters Marketing;
- (7) Doretti had been engaged by Pyro-Tech to manufacture lock set and ironmongeries bearing PYRO Mark. Doretti's related company, Doretti Marketing Sdn. Bhd, would purchase from Pyro-Tech fire resistance doors (which had been installed lock set or ironmongeries bearing PYRO Mark) bearing PYRODOR trade mark for subsequent re-sale to the public;
- (8) Mr. Ng has actual knowledge that Fitters Group owns PYRO Mark because of the business dealings regarding Fitters' Goods bearing PYRO Mark between Kah Lock Marketing and Solid Kah (represented by Mr. Ng) on the one part and Pyro-Tech and Fitters Group on the other part;
- (9) Mr. Lim (through Grand Carpenter) and Mr. Yeo (through Stylish Remark) knew about Fitters Group's first use of PYRO Mark as Grand Carpenter and Stylish Remark had dealt with Fitters' Goods bearing PYRO Mark as customers and contract manufacturers of Fitters Group; and

(10) the 1st Users of PYRO Mark was Fitters Marketing and Pyro-Tech. Fitters Marketing and Pyro-Tech did not know that Mr. Ng had registered PYRO Mark until June 2015 (when 1st Suit was filed by Doretti). Fitters Group did not apply to register PYRO Mark because Fitters Group thought “*PYRO*” is a generic word which cannot be registered as a trade mark.

19. NMY gave the following evidence, among others:

- (1) NMY is a director of NCP Furniture. NCP Furniture is incorporated by NMY’s father, Mr. Ng Chong Puan;
- (2) NCP Furniture has been a long-standing customer of Fitters Marketing and Fitters Group;
- (3) as early as 2001, NCP Furniture has purchased goods bearing PYRO Mark from Fitters Group. NMY referred to the following documents –
 - (a) Fitters Marketing’s invoice dated 5.6.2002 to NCP Furniture for PYRO door selectors; and
 - (b) Fitters Marketing’s DO dated 6.6.2002 regarding PYRO door selectors which showed that Fitters Marketing had delivered Fitters Goods bearing PYRO Mark to NCP Furniture’s customer, Tan Ngee Hong Construction Sdn. Bhd. (**Tan Ngee Hong Construction**), on 6.6.2002. During cross-examination, NMY admitted that he did not have personal knowledge of

Fitters Marketing's delivery of Fitters Goods bearing PYRO Mark to Tan Ngee Hong Construction. NMY clarified during re-examination that –

- (i) Fitters Marketing's DO dated 6.6.2002 had a signature and stamp from Tan Ngee Hong Construction confirming Tan Ngee Hong Construction's acceptance of Fitters Goods bearing PYRO Mark from Fitters Marketing; and
- (ii) if Tan Ngee Hong Construction did not receive Fitters Goods bearing PYRO Mark from Fitters Marketing, Tan Ngee Hong Construction would have notified NMY; and

(4) NMY associates PYRO Mark with Fitters Group.

20. Encik Fiezan's witness statement stated, among others, as follows:

- (1) Encik Fiezan was initially employed by Armatrade on 19.6.1997 as a "*Site Supervisor*". Encik Fiezan was first transferred to PSB and then to Pyro-Tech be its "*Quality Manager*"; and
- (2) Pyro-Tech has sent Fitters' Goods bearing PYRO Mark to SIRIM for "*fire resistance tests*". Encik Fiezan referred to SIRIM's reports dated 12.5.2001, 25.5.2001, 31.10.2002 and 28.2.2003 (**SIRIM's Test Reports**) regarding SIRIM's fire resistance tests on Fitters' Goods bearing PYRO Mark.

F. Case for Teamware, Muetech and Viton

21. In the 2nd Trial –

- (1) Teamware called Mr. Thoo Chee Yoon (**Mr. Thoo**) to testify on its behalf; and
- (2) Mr. Liew and Mr. Foo Yoke Choong (**Mr. Foo**) gave evidence for Muetech and Viton respectively.

22. Mr. Thoo gave the following evidence, among others:

- (1) Mr. Thoo is a director of Teamware since 1999. Teamware is in the ironmongery business which includes supplying architectural products, lockset security products and cylinders;
- (2) Mr. Thoo oversees Teamware's daily operations. Mr. Thoo supervises business transactions between Teamware on the one part and Fitters Marketing and Pyro-Tech on the other part. Teamware would supply goods bearing PYRO Mark to Fitters Marketing and Pyro-Tech based on PO's placed by Fitters Marketing and Pyro-Tech;
- (3) there was no reason for Teamware to anticipate that PYRO Mark might be owned by a third party because –
 - (a) Pyro-Tech is well known in the industry to sellers of goods bearing PYRO Mark; and

(b) Pyro-Tech's name itself contains the "PYRO" word; and

(4) Teamware did not sell or offer to sell goods bearing PYRO Mark to the public.

23. Mr. Liew is a director of Muetech. Mr. Foo was the General Manager of Viton from 14.8.2014 to 7.5.2015. On 10.2.2016, Mr. Foo took over as the sole proprietor of Viton's business. According to the testimonies of Mr. Liew and Mr. Foo, among others -

(1) at all material times, Muetech and Viton were only suppliers of goods bearing PYRO Mark ordered by Fitters Marketing and Pyro-Tech based on PO's issued by Fitters Marketing and Pyro-Tech;

(2) Muetech and Viton would obtained goods bearing PYRO Mark from China to be supplied to Fitters Marketing and Pyro-Tech;

(3) there was no reason for Viton to question or doubt the authority of Fitters Marketing and Pyro-Tech to place PO's with Viton; and

(4) Viton did not offer to sell, sell or supply any goods bearing PYRO Mark to any third party. As such, Viton cannot be liable to Doretti for any loss of profit arising from the sale of goods bearing PYRO Mark.

G. Credibility of witnesses

24. I find as a fact that NMY is a credible witness for the following reasons:

- (1) NMY's oral evidence is supported by Fitters Marketing's invoice dated 5.6.2002 and DO dated 6.6.2002. Both these documents contained the same quantity and details regarding the nature of Fitters' Goods to be sold by Fitters Marketing. Furthermore, Fitters Marketing's invoice dated 5.6.2002 stated the exact number of Fitters Marketing's DO dated 6.6.2002. It is therefore improbable for Fitters Marketing's invoice dated 5.6.2002 and DO dated 6.6.2002 to have been fabricated; and
 - (2) NMY, Ng Chong Puan Furniture and Tan Ngee Hong Construction have no interest in the outcome of these 2 Suits. As such, NMY is an impartial witness who has no motive under s 8(1) of the Evidence Act 1950 (**EA**) to give false evidence in these 2 Suits against Doretti.
25. It is a finding of fact of this court that Mr. Ng is not a witness of truth. This finding is premised on the following evidence and reasons:
- (1) Fitters Marketing's invoice dated 5.6.2002 and DO dated 6.6.2002 clearly showed that Fitters Marketing (not Mr. Ng) was the 1st User of PYRO Mark in the course of trade in Malaysia for goods in Class 6 [please see Part I(3) below]. In the Federal Court case of **Tindok Besar Estate Sdn Bhd v Tinjar Co** [1979] 2 MLJ 229, at 234, Chang Min Tat FJ decided that it is "*safer*" to rely on contemporaneous documents than a witness' oral testimony;
 - (2) Mr. Ng's TM5 Form had expressly stated that he had "*proposed*" to use PYRO Mark. Such a statement by Mr. Ng was untrue because

even after the registration of the Registered Mark, there was no documentary evidence regarding Mr. Ng's own use of PYRO Mark in the course of trade;

(3) Mr. Ng asserted that he had incorporated Kah Lock Marketing with a "*partner*". I attach no weight to this bare assertion because Mr. Ng had not adduced any evidence regarding the following –

(a) who was Mr. Ng's "*partner*" in Kah Lock Marketing;

(b) what were the terms and conditions of the alleged "*partnership*" regarding Kah Lock Marketing;

(c) how much money had been contributed by Mr. Ng as a "*partner*" of Kah Lock Marketing to Kah Lock Marketing's share capital; and

(d) what was the dispute between Mr. Ng and his "*partner*" which caused Mr. Ng to leave Kah Lock Marketing;

(4) due to the reasons explained in the above sub-paragraph 25(3), Mr. Ng had failed to prove that he was the controller, *alter ego* or the "*directing mind and will*" of Kah Lock Marketing. Accordingly, Kah Lock Marketing is a legal entity which is separate from Mr. Ng according to the then applicable s 16(5) of the Companies Act 1965. Presently, s 20(a) of the Companies Act 2016 provides that a company has a legal personality which is separate from the company's shareholders. As Kah Lock Marketing is a legal

personality which is separate from Mr. Ng, Mr. Ng cannot therefore claim that Kah Lock Marketing's use of PYRO Mark constitutes Mr. Ng's own use of that mark;

- (5) the deed of assignment dated 15.7.2008 (**1st Assignment**) stated that Mr. Ng had assigned all the "*property, right, title and interest*" in the Registered Mark to Mr. Lim for only RM10.00! If Mr. Ng was indeed the true, equitable and beneficial owner of the Registered Mark, Mr. Ng would not have assigned the valuable Registered Mark for a mere RM10.00. In **GS Yuasa Corp v GBI Marketing Malaysia Sdn Bhd** [2017] 8 MLJ 166, at paragraph 35(a), I have decided that an assignment of 2 valuable trade marks for only RM10.00 was a sham. The decision in **GS Yuasa Corp** has been affirmed on appeal by the Court of Appeal; and
- (6) Mr. Ng claimed to have invented PYRO Mark and yet, he did not give any credible evidence on how he was inspired to have created that mark. Significantly, Mr. Ng did not even know the origin and meaning of the word "*PYRO*".

H. Whether Fitters Diversified, Fitters Marketing and Pyro-Tech are aggrieved by 2 Registered Trade Marks

26. Section 45(1) TMA provides as follows:

"s 45 ***Rectification of the Register***

(1) ***Subject to the provisions of this Act –***

(a) ***the Court may on the application in the prescribed manner of any person aggrieved by the non-insertion***

in or omission from the Register of any entry or by any entry made in the Register without sufficient cause or by any entry wrongfully remaining in the Register, or by any error or defect in any entry in the Register, make such order for making, expunging or varying such entry as if thinks fit; ...”

(emphasis added).

27. In these 2 Suits, Fitters Marketing, Pyro-Tech and Fitters Diversified (**3 Companies**) sought to expunge the Registered Mark from the Register under s 45(1)(a) TMA. Accordingly, the 3 Companies have the evidential burden under ss 103 and 106 EA to prove that the 3 Companies are “*aggrieved*” by the Registered Mark under s 45(1)(a) TMA. This is because firstly, the 3 Companies had alleged a “*particular fact*” that the 3 Companies are aggrieved by the Registered Mark within the meaning of s 103 EA. Secondly, whether the 3 Companies are aggrieved or not by the Registered Mark is “*especially within the knowledge*” of the 3 Companies as provided in s 106 EA.
28. In deciding whether the 3 Companies are aggrieved by the Registered Mark under s 45(1)(a) TMA, I am bound by the following 2 tests laid down by the Federal Court:
- (1) in **McLaren International Ltd v Lim Yat Meen** [2007] 7 MLJ 581, at paragraph 22, Abdul Aziz FCJ has decided as follows -

“[22] *We understand that passage as laying down the principle that a person aggrieved is a person who has used his mark as a trademark - or who has a genuine and present*

intention to use his mark as a trademark - in the course of a trade which is the same as or similar to the trade of the owner of the registered trademark that the person wants to have removed from the register.”

(emphasis added).

The above 2 limbs of the meaning of aggrieved person in **McLaren International** has been affirmed by the Federal Court in –

- (a) the judgment of Zulkefli CJ (Malaya) in **LB (Lian Bee) Confectionary Sdn Bhd v QAF Ltd** [2012] 4 MLJ 20, at paragraph 14;
 - (b) Azahar Mohamed FCJ’s decision in **Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, interested party)** [2015] 6 MLJ 465, at paragraph 28; and
 - (c) Balia Yusof Hj Wahi FCJ’s judgment in **Liwayway Marketing Corporation v Oishi Group Public Company Ltd** [2017] 5 CLJ 133, at paragraph 11; and
- (2) Azahar Mohamed FCJ held as follows in **Mesuma Sports**, at paragraph 28 –

“[28] ... The person must be someone who has some element of legal interest, right or legitimate expectation in its own mark which is being substantially affected by the presence of the

registered trademark. The interest and right must be legal or lawful.

(emphasis added).

The above meaning of aggrieved person in **Mesuma Sports** has been approved in **Liwayway Marketing Corporation**, at paragraph 13.

29. I am satisfied that Fitters Marketing and Pyro-Tech have discharged the evidential onus to prove that Fitters Marketing and Pyro-Tech are aggrieved by the Registered Mark as understood in s 45(1)(a) TMA. This decision is based on the following evidence and reasons:

- (1) Fitters Marketing and Pyro-Tech had adduced evidence of their use of PYRO Mark on Fitters' Goods in the course of trade (the same trade as that of Doretti's). Accordingly, Fitters Marketing and Pyro-Tech are aggrieved by the Registered Mark as understood in the first limb of the meaning of aggrieved person as laid down in **McLaren International Ltd**;
- (2) in the 1st Suit, Doretti has claimed that Fitters Marketing and Pyro-Tech have committed Trade Mark Infringement under s 38(1)(a) TMA. As such, the "*legal interest, right or legitimate expectation*" of Fitters Marketing and Pyro-Tech in PYRO Mark is adversely and substantially affected by the Registered Mark as explained in **Mesuma Sports**; and

(3) as elaborated in Part I(3) below, Fitters Marketing was the 1st User of PYRO Mark in the course of trade in Malaysia for goods in Class 6. Consequently, Fitters Marketing is the Common Law proprietor of PYRO Mark for goods in Class 6. Fitters Marketing is therefore aggrieved by the Registered Mark because Fitters Marketing's Common Law ownership of PYRO Mark has been adversely and substantially affected by the Registered Mark as stated in **Mesuma Sports**.

30. In deciding that Pyro-Tech is aggrieved by the Registered Mark, I have not considered the fact that Pyro-Tech is the owner of the registered trade mark PYROSTRIP. This is because PYROSTRIP trade mark is different from the Registered Mark and is registered for goods in Class 19 (the Registered Mark concerns goods in Class 6). In other words, the registered trade mark PYROSTRIP is not relevant in these 2 Suits.

31. I find as a fact that Fitters Diversified is not aggrieved by the Registered Mark within the meaning of s 45(1)(a) TMA. This decision is based on the following evidence and reasons:

(1) there is no evidence that Fitters Diversified has used or "*has a genuine and present intention*" to use PYRO Mark on Fitters' Goods as understood in both limbs of the meaning of aggrieved person (as explained in **McLaren International Ltd**);

(2) there is no "*legal interest, right or legitimate expectation*" of Fitters Diversified which is adversely and substantially affected by the Registered Mark (as explained in **Mesuma Sports**). In fact, Doretti

has not filed an action against Fitters Diversified for infringement of the Registered Mark; and

(3) although the 3 Companies are in the Fitters Group, the 3 Companies are legal entities which are separate from each other. No evidence has been adduced by the 3 Companies to persuade this court to treat the 3 Companies as a single corporate entity as explained by Edgar Joseph Jr J in the High Court case of **Tan Guan Eng v Ng Kweng Hee & Ors** [1992] 1 MLJ 487, at 502. Accordingly, the fact that Fitters Marketing and Pyro-Tech are aggrieved by the Registered Mark (please see the above paragraph 29) does not *ipso facto* mean that Fitters Diversified is aggrieved by the Registered Mark. If otherwise, this will create a wholly undesirable precedent wherein holding companies of subsidiary companies which are aggrieved by registered trade marks, can apply to expunge those trade marks under s 45(1)(a) TMA.

32. In deciding that Fitters Diversified is not aggrieved by the Registered Mark under s 45(1)(a) TMA, I have not taken into account the fact that Fitters Diversified is the proprietor of 2 registered trade marks, namely PRYODOR and PYROHINGE. This is because both PRYODOR and PYROHINGE trade marks are different from the Registered Mark. Furthermore, PRYODOR trade mark concerns goods in Class 19 (the Registered Mark concerns goods in Class 6).

33. As Fitters Diversified is not aggrieved by the Registered Mark under s 45(1)(a) TMA, this means that Fitters Diversified has no *locus standi* to

file the 2nd Suit. On this ground alone, the 2nd Suit is dismissed with costs.

I. Who was 1st User of PYRO Mark?

34. The Federal Court has decided in **Mesuma Sports**, at that the 1st User of a mark is the Common Law proprietor of the mark and is thereby entitled to apply to the Registrar to register the mark under s 25(1) TMA. Section 25(1) TMA provides as follows:

“s 25 **Registration**

(1) **Any person claiming to be the proprietor of a trade mark used or proposed to be used by him may make application to the Registrar for the registration of that mark in the Register in the prescribed manner.”**

(emphasis added).

I(1). Burden of proof

35. By reason of s 36 TMA, the fact that Doretti is registered as proprietor of the Registered Mark shall be *prima facie* evidence of the validity of the original registration of the Registered Mark by Mr. Ng and of all subsequent assignments from Mr. Ng, Mr. Lim and Mr. Yeo (**3 Assignments**). Doretti can also rely on s 37 TMA which provides that the Registered Mark shall be conclusive after the expiry of 7 years from the date of Mr. Ng’s original registration of the Registered Mark unless one of the following circumstances can be proven:

- (1) the original registration of the Registered Mark by Mr. Ng had been obtained by fraud [s 37(a) TMA];
 - (2) the Registered Mark offends s 14 TMA [s 37(b) TMA]; or
 - (3) the Registered Mark was not, at the commencement of the Counterclaim (1st Suit), distinctive of Doretti's Goods [s 37(c) TMA]
- please see the judgment of James Foong JCA (as he then was) in **Bata Ltd v Sim Ah Ba & Ors** [2006] 3 CLJ 393, at paragraphs 20, 21 and 23.

36. In view of the application of ss 36 and 37 TMA, Fitters Marketing and Pyro-Tech have the legal and evidential burden to prove on a balance of probabilities that either Fitters Marketing or Pyro-Tech was the 1st User of PYRO Mark - **GS Yuasa Corp**, at paragraph 20.

I(2). What constitutes “use” of a mark under TMA?

37. Section 3(2)(a) and (b) TMA are reproduced below -

“3(2) *In this Act -*

(a) references to the use of a mark shall be construed as references to the use of a printed or other visual representation of the mark;

(b) references to the use of a mark in relation to goods shall be construed as references to the use thereof upon, or in physical or other relation to, goods; ...”

(emphasis added).

38. For the purpose of deciding who is the 1st User of a mark, I am of the view that the court may consider the following 4 ways in which a mark may be used in the course of trade:

(1) the mark is represented in print or visual form [in s 3(2)(a) TMA].
The following cases are relevant -

(a) in the High Court case of **Acushnet Company v Metro Golf Manufacturing Sdn Bhd** [2006] 7 CLJ 557, at paragraphs 78 and 79, Ramly Ali J (as he then was) held that an invoice bearing a mark may be considered as use of the mark in the course of trade; and

(b) in **Ooi Siew Bee & Ors v Zhu Ge Kong Ming Sdn Bhd & Anor** [2017] 2 AMR 161, at sub-paragraph 64(7)(b), I have decided as follows -

“64(7)(b) ... If this Court gives credence to invoices which do not specifically refer to any trade mark, this will give rise to spurious claims of 1st User of trade marks based on invoices which may be issued for any goods (other than for the goods for which the trade marks are claimed).”

(emphasis added);

- (2) the mark is used “*upon*” goods [s 3(2)(b) TMA];
- (3) the mark is used “*in physical*” relation to goods [s 3(2)(b) TMA]; and
- (4) the mark is used in “*other relation to*” goods [s 3(2)(b) TMA].

The following appellate cases have held that the mark should be used within Malaysian territory:

- (a) the judgment of Zulkefli Makinudin CJ (Malaya) in the Federal Court case of **Yong Teng Hing B/S Hong Kong Trading Co & Anor v Walton International Ltd** [2012] 6 CLJ 337, at paragraph 14;
- (b) **Mesuma Sports**, at paragraphs 40 and 41;
- (c) the Court of Appeal’s decision delivered by Mahadev Shankar JCA in **Lim Yew Sing v Hummel International Sports & Leisure A/S** [1996] 3 MLJ 7, at 12-13; and
- (d) Richard Malanjum JCA’s (as he then was) judgment in the Court of Appeal case of **Meidi (M) Sdn Bhd v Meidi-Ya Co Ltd, Japan & Anor** [2008] 6 MLJ 433, at paragraph 42.

I(3). Fitters Marketing was 1st User of PYRO Mark

39. I find as a fact that Fitters Marketing has succeeded to discharge the burden to prove on a balance of probabilities that Fitters Marketing was

the 1st User of PYRO Mark. This finding is based on the following evidence and reasons:

- (1) Fitters Marketing's invoice dated 5.6.2002 and DO dated 6.6.2002 clearly showed Fitters Marketing's 1st User of PYRO Mark (before Mr. Ng registered the Registered Mark on 25.11.2004); and
- (2) NMY's oral testimony supported Fitters Marketing's invoice dated 5.6.2002 and DO dated 6.6.2002. As explained in the above paragraph 24, this court finds NMY to be a credible witness.

40. This court is unable to accept that Mr. Ng was the 1st User of the Registered Mark because –

- (1) Mr. Ng had not adduced any documentary evidence to prove his own use of the Registered Mark in the course of trade;
- (2) Mr. Ng's TM5 Form had admitted that Mr. Ng had not previously used PYRO Mark before the registration of Registered Mark. As explained in the above sub-paragraphs 25(3) and (4), Mr. Ng cannot rely on Kah Lock Marketing's use of PYRO Mark. In any event, there was no documentary evidence that Kah Lock Marketing had used PYRO Mark before Fitters Marketing's 1st User (by way of Fitter Marketing's invoice dated 5.6.2002 to NCP Furniture);
- (3) for reasons elaborated in the above paragraph 25, this court has found that Mr. Ng is not a reliable witness;

- (4) Mr. Ng could not rely on Solid Kah's use of the Registered Mark because Solid Kah was only incorporated on 9.10.2004 (after Fitters Marketing's 1st User of PYRO Mark on 5.6.2002); and
- (5) Mr. Ng could not rely on Grand Carpenter's use of the Registered Mark because Grand Carpenter is a legal entity which is separate from Mr. Ng.

41. In deciding who was the 1st User of PYRO Mark, I have disregarded the following evidence:

- (1) PYRO Door Selectors brochures which did not state the dates in which the brochures were published;
- (2) SIRIM's Test Reports did not state that Fitters' Goods had been used in the course of trade. Goods bearing a mark may be tested and yet, may not been used in the course of trade; and
- (3) Intertek's Test Verification had been conducted by Doretti after Fitters Marketing's 1st User of PYRO Mark on 5.6.2002. Furthermore, Intertek's Test Verification did not show use of PYRO Mark within Malaysian territory as required by Malaysian case law [please see the above sub-paragraph 38(a) to (d)].

J. Whether Registered Mark had been obtained by Mr. Ng's fraud

42. It is not disputed that Fitters Marketing and Pyro-Tech bear the legal and evidential burden under ss 101(1), (2) and 102 EA to prove that the original registration of Registered Mark had been obtained by Mr. Ng's

fraud under s 37(a) TMA – please see **Lim Teck Lee (M) Sdn Bhd v Longcane Industries Sdn Bhd** [2017] MLJU 620, at paragraph 20.

43. In the Federal Court case of **Sinnaiyah & Sons Sdn Bhd v Damai Setia Sdn Bhd** [2015] 7 CLJ 584, at paragraphs 48-52, Richard Malanjum CJ (Sabah & Sarawak) has decided that fraud need only be proven on a balance of probabilities and not beyond all reasonable doubt. As such, Fitters Marketing and Pyro-Tech are required to prove on a balance of probabilities that Mr. Ng had obtained the original registration of Registered Mark by fraud under s 37(a) TMA - **Lim Teck Lee (M) Sdn Bhd**, at paragraph 21.
44. This court finds as a fact that Fitters Marketing and Pyro-Tech have succeeded to prove on a balance of probabilities that the original registration of Registered Mark had been obtained by fraud by Mr. Ng under s 37(a) TMA. This finding is based on the following evidence and reasons:
- (1) as explained in the above Part I(3), Fitters Marketing was the 1st User and the Common Law proprietor of PYRO Mark. As such, Mr. Ng could not claim to be the 1st User and owner of PYRO Mark under s 25(1) TMA and was not therefore entitled to apply to register the Registered Mark;
 - (2) Mr. Ng had actual knowledge of Fitters Marketing's 1st User of PYRO Mark because Mr. Ng had acted for Kah Lock Marketing and Solid Kah in dealing with, among others, Fitters Marketing; and

(3) when Mr. Ng applied to register the Registered Mark under s 25(1) TMA with the actual knowledge of Fitters Marketing's prior use of PYRO Mark on Fitters Goods, Mr. Ng had defrauded the Registrar within the meaning of s 37(a) TMA. In **Lim Teck Lee (M) Sdn Bhd**, at sub-paragraph 21(3), I have relied on the following High Court cases regarding the scope and effect of s 37(a) TMA –

(a) in **Hai-O Enterprise Bhd v Nguang Chan @ Nguang Chan Liquor Trader** [1992] 2 CLJ (Rep) 436, at 454-455, Mahadev Shankar J (as he then was) decided as follows -

"I say this because the fraud that is here referred to is not just the fraud on the foreign manufacturer. It is the fraud on the Registrar and through the Registrar on other traders and the Malaysian public. ...

... It seems to me that the object of s. 37(a) (b) and (c) is directed to a consideration of the integrity of the mark. Does it tell a lie about itself? Kerly ("Kerly") deals with this matter at para 11-04 p. 178 where the author says that what is meant by fraud in this section has not been precisely defined but goes on to say it might be fraud for a person to procure the registration of a trade mark of which he knows he is not entitled to claim the exclusive use - for instance if he knows that it is in use by another trader. ... Kerly further states on the authority of Bentley v. Lagonda [1947] 64 RPC 33 that unless actual deception is alleged it is not possible to contend that the registration was obtained by fraud. Shanahan p. 248 is very much more trenchant. He refers to Williams J. in Farley's Case at p. 493 and then says this:

*Presumably, a false claim to proprietorship involving a breach of s. 40 could receive the protection of s. 61 only if the claim were made innocently in ignorance of the prior use of the mark by another. **Where the claim is made with knowledge of the prior rights of another this should amount to fraud on the Register and fall within the exception.***

...

The scheme of the Act imposes a duty on the applicant to disclose truthfully who the proprietor of the mark is. By s. 25 [TMA] only the person claiming to be the proprietor can apply in the prescribed manner. In a nutshell Hai-O misled the Registrar on a point which went to the root of the matter. I hold that in that sense a fraud was committed on the Registrar. ...”

(emphasis added);

- (b) in **Luk Lamellen Und Kupplungsbau GmbH v South East Asia Clutch Industries Sdn Bhd** [1997] 2 MLJ 724, at 733 and 734, Abdul Aziz J (as he then was) held as follows -

“... In making the application, they must have claimed that the trade mark belonged to them because, by s 25 of the Act, they had to claim that they were the proprietors of the trade mark in order to qualify to apply. Since they were not, it was a false claim made for a dishonest purpose, which was to become the registered proprietors of a trade mark that belonged to somebody else. It was a falsehood

practised on the registrar to achieve a result that was adverse to the interests and rights of the applicants as the lawful proprietors of the trade mark. ...

... The primary reason why the applicants claimed that the respondents' registration of the trade mark had been obtained by fraud was because in applying for registration, the respondents falsely claimed they were the proprietors of the trade mark. It was fraud directly on the registrar, and indirectly on the applicants and the public as well."

(emphasis added); and

- (c) Azizah Nawawi JC (as she then was) decided as follows in **Wieland Electric GmbH v Industrial Automation (M) Sdn Bhd & Anor** [2014] 10 MLJ 445, at paragraph 40 –

"[40] Bearing in mind that the plaintiff is the rightful proprietor of the subject trademark, the first defendant has misled and misrepresented itself to the registrar by claiming to be the rightful proprietor of the Wieland trademark via the said statutory declaration affirmed on 6 October 2005. This is clearly a fraud as the first defendant has merely been an importer and/or the agent and/or distributor of the plaintiff in Malaysia at all material times. Therefore this amounts to a fraud committed on the registrar of trademarks."

(emphasis added).

K. Validity of 3 Assignments

45. The above finding that Mr. Ng had obtained the original registration of Registered Mark by fraud under s 37(a) TMA, in my view, will invalidate the 3 Assignments because –

- (1) Mr. Ng could not lawfully assign the Registered Mark to Mr. Lim by way of the 1st Assignment;
- (2) Mr. Lim was not in a legal position to assign the Registered Mark to Mr. Yeo (**2nd Assignment**); and
- (3) Mr. Yeo could not have legally assigned the Registered Mark to Doretti (**3rd Assignment**).

46. The above finding that the 3 Assignments are null and void, is further supported by the following evidence and reasons:

- (1) the 1st Assignment was a sham because -
 - (a) if Mr. Ng had created PYRO Mark and was its 1st User, it did not make any commercial sense for Mr. Ng to assign the Registered Mark to Mr. Lim for only RM10.00;
 - (b) there was no evidence that Mr. Lim had used the Registered Mark in the course of trade; and

(c) Doretti did not call Mr. Lim to testify in these 2 Suits. Nor did Doretti offer any reason why Mr. Lim could not be subpoenaed to give evidence in these 2 Suits. Accordingly, this court draws an adverse inference under s 114(g) EA against Doretti for suppressing Mr. Lim's material evidence in these 2 Suits – please see the Supreme Court's judgment delivered by Mohd. Azmi SCJ in **Munusamy v Public Prosecutor** [1987] 1 MLJ 492, at 494;

(2) the 2nd Assignment is dubious for the following reasons –

- (a) it is inconceivable for a valuable trade mark to be assigned for a mere RM10.00;
- (b) there was no evidence that Mr. Yeo had used the Registered Mark in the course of trade; and
- (c) Mr. Ng alleged that Mr. Yeo's company, Stylish Remark, had used the Registered Mark. Surprisingly, Stylish Remark's records with Suruhanjaya Syarikat Malaysia (**SSM**) showed that Stylish Remark's nature of business was one of "*General Trading*"; and
- (d) Mr. Yeo was not called by Doretti to give evidence in these 2 Suits. Nor did Doretti give any reason why Mr. Yeo could not be subpoenaed to testify in these 2 Suits. As such, the court is constrained to make an adverse inference under s 114(g) EA

against Doretti for suppressing Mr. Yeo's material evidence in these 2 Suits – please see **Munusamy**, at p. 494; and

- (3) the *bona fides* of the 3rd Assignment may be doubted on the following grounds -
- (a) the 3rd Assignment concerned 2 registered trade marks (including the Registered Mark). In the 3rd Assignment, Doretti paid only RM10.00 to Mr. Yeo for “*ALL the property, right, title and interest*” in 2 registered trade marks “*including all common law rights associated therewith TOGETHER with the goodwill of the business relating to the goods*” in respect of the 2 registered trade marks! It is difficult to accept the 3rd Assignment to be a transaction at arm's length when the Registered Mark is effectively worth only RM5.00 (after excluding the “*value*” of the other registered trade mark);
 - (b) there was no evidence of any negotiations between Doretti and Mr. Yeo before the conclusion of the 3rd Assignment;
 - (c) Doretti had not adduced any documentary evidence to prove Doretti's payment of RM10.00 to Mr. Yeo as valuable consideration for the 3rd Assignment; and
 - (d) upon the filing of the Counterclaim (1st Suit) to expunge the Registered Mark from the Register, Doretti did not put Mr. Yeo on notice regarding the Counterclaim (1st Suit). More importantly, Doretti did not apply to court for a subpoena to

compel Mr. Yeo to testify in this court. Furthermore, if the 3rd Assignment was genuine, Doretti would have informed Mr. Yeo in writing of the Counterclaim (1st Suit) and Doretti would reserve all its rights against Mr. Yeo if the 3rd Assignment is subsequently invalidated by the court.

47. Doretti's learned counsel, Encik Dony bin Abdullah (**Encik Dony**), had contended that Fitters Marketing and Pyro-Tech should have cited Mr. Ng, Mr. Lim and Mr. Yeo (**3 Assignors**) as co-defendants with Doretti in the Counterclaim (1st Suit). I am not able to accede to this submission for the following reasons:

- (1) the Counterclaim (1st Suit) is filed pursuant to a statutory remedy of expungement of registered trade marks under ss 37(a) read with 45(1)(a) TMA. Under ss 37(a) and 45(1)(a) TMA, it is sufficient for Fitters Marketing and Pyro-Tech to cite Doretti (the present proprietor of the Registered Mark) as the only defendant in the Counterclaim (1st Suit). Needless to say, Fitters Marketing and Pyro-Tech are at liberty to cite the 3 Assignors as co-defendants in the Counterclaim (1st Suit); and
- (2) if I have erred in deciding that it suffices for Fitters Marketing and Pyro-Tech to cite only Doretti in the Counterclaim (1st Suit), there is therefore a non-joinder of the 3 Assignors (**Non-Joinder**). The Non-Joinder in itself does not defeat the Counterclaim (1st Suit) and notwithstanding the Non-Joinder, this court may still decide the merits of the Counterclaim (1st Suit). This is clear from O 15 r 6(1) of the Rules of Court 2012 (**RC**) which provides as follows –

“A cause or matter shall not be defeated by reason of the misjoinder or non-joinder of any party, and the Court may in any cause or matter determine the issues or questions in dispute so far as they affect the rights and interests of the persons who are parties to the cause or matter.”

(emphasis added).

O 15 r 6(1) RC is identical to the previous O 15 r 6(1) of the Rules of High Court 1980 (**RHC**). In the Court of Appeal case of **Yeap Nah Khe & Ors v Tye Cho Chun & Anor** [1997] 2 CLJ 726, at 730, Shaik Daud Ismail JCA applied O 15 r 6(1) RHC on the ground that the non-joinder of a party had not affected the issue in that case. Similarly, I am of the view that the Non-Joinder has no bearing on this court’s decision that Mr. Ng had obtained the original registration of Registered Mark by fraud under s 37(a) TMA and this finding in itself has invalidated the 3 Assignments.

L. Is Registered Mark likely to deceive and/or confuse public?

48. I cite the relevant part of s 14(1)(a) TMA as follows:

“s 14 ***Prohibition on registration***
(1) ***A mark or part of a mark shall not be registered as a trade mark -***
 (a) if the use of which is likely to deceive or cause confusion to the public or would be contrary to law; ...”

(emphasis added).

49. The Registered Mark can be expunged from the Register under s 14(1)(a) read with s 37(b) TMA if there is a likelihood that the public will be deceived or confused that Doretti's Goods bearing Registered Mark originate from Fitters Marketing or is associated with Fitters' Goods bearing PYRO Mark.
50. In the Federal Court case of **Ho Tack Sien & Ors v Rotta Research Laboratorium SpA & Anor, Registrar of Trade Marks (Intervener) & Another Appeal** [2015] 4 CLJ 20, at paragraph 29, Zulkefli Makinudin CJ (Malaya) has decided that Fitters Marketing bears the burden prove that there is a real likelihood of deception or confusion of the public regarding the use of Registered Mark on Doretti's Goods and the use of PYRO Mark on Fitters' Goods.
51. I am satisfied that there is a real likelihood that the public will be deceived and/or confused that Doretti's Goods bearing Registered Mark originate from Fitters Marketing and/or is associated with Fitters' Goods bearing PYRO Mark. This decision is premised on the following evidence and reasons:
- (1) in accordance with the Court of Appeal's judgment in **Bata Ltd**, at paragraph 26, I visually compare the Registered Mark with PYRO Mark. An ocular examination of the Registered Mark and PYRO Mark shows that the Registered Mark is identical to PYRO Mark;
 - (2) a phonetic comparison between the Registered Mark and PYRO Mark, should be undertaken according to the following 2 Court of Appeal cases –

- (a) **Bata Ltd**, at paragraph 26; and

- (b) in **Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors** [2004] 3 CLJ 815, at 823-824, Nik Hashim JCA (as he then was) adopted the House of Lords case of **Aristoc Ltd v Rysta Ltd & Anor** [1945] 1 All ER 34 in deciding whether there was phonetic confusion or not.

When the Registered Mark and PYRO Mark are pronounced, the real likelihood of deception and/or confusion is clear;

- (3) in the English High Court case of **Re Ladislav Jellinek** (1946) 63 RPC 59, at 70, Romer J (as he then was) considered the nature, characteristics, composition, purpose and use of Doretti's Goods and Fitters' Goods to ascertain whether there is a similarity of description between Doretti's Goods and Fitters' Goods. I find that there is a similarity of description between Doretti's Goods and Fitters' Goods. Furthermore, both Doretti's Goods and Fitters' Goods fall within the same Class 6;

- (4) in the Privy Council case of **Solavoid Trade Mark** [1977] RPC 1, at 31, an appeal from New Zealand, Lord Fraser has explained the importance of how a mark has been applied on or in relation to the goods in question. The Registered Mark is applied on the Doretti's Goods in the same manner as how PYRO Mark is applied on Fitters' Goods;

- (5) as decided in **Solavoid Trade Mark**, at p. 30, I should consider whether there is a similarity of idea or concept between the Registered Mark and PYRO Mark. There is clearly a similarity of idea and concept between the Registered Mark and PYRO Mark; and
- (6) in the Federal Court case of **MI & M Corporation & Anor v A Mohamed Ibrahim** [1964] 1 MLJ 392, at 394, Thomson LP applied the imperfect recollection test, namely whether a reasonable customer of Doretti's Goods, with an imperfect recollection of the precise details of Registered Mark, is likely to be confused or deceived into believing that Doretti's Goods bearing Registered Mark originate from Fitters Marketing or is associated with Fitters' Goods bearing PYRO Mark. Applying the imperfect recollection test, this court is satisfied that a reasonable customer of Doretti's Goods, with an imperfect recollection of the precise details of Registered Mark, is likely to be confused and/or deceived into believing that Doretti's Goods bearing Registered Mark originate from Fitters Marketing and/or is associated with Fitters' Goods bearing PYRO Mark.

M. Whether Registered Mark is distinctive of Doretti's Goods

52. I reproduce below the relevant part of s 10(2A) and (2B) TMA:

"s 10 Registrable trade marks

...

10(2A) For the purposes of this section, "distinctive", in relation to the trade mark registered or proposed to be registered in respect of

goods or services, means the trade mark must be capable of distinguishing goods or services with which the proprietor of the trade mark is or may be connected in the course of trade from goods or services in the case of which no such connection subsists, either generally or, where the trade mark is registered or proposed to be registered, subject to conditions, amendments, modifications or limitations, in relation to use within the extent of the registration.

(2B) In determining whether a trade mark is capable of distinguishing as aforesaid, regard may be had to the extent to which -

- (a) the trade mark is inherently capable of distinguishing as aforesaid; and*
- (b) by reason of the use of the trade mark or of any other circumstances, the trade mark is in fact capable of distinguishing as aforesaid.”*

(emphasis added).

53. To challenge the validity of the Registered Mark under s 37(c) TMA, Fitters Marketing has to discharge the legal burden to prove on a balance of probabilities that the Registered Mark was not distinctive of Doretti's Goods on 14.8.2015 [date of filing of Counterclaim (1st Suit)] – please see **Hai-O Enterprise Bhd**, at p. 456.

54. I find that Fitters Marketing has successfully proven on a balance of probabilities that the Registered Mark was not distinctive of Doretti's Goods on 14.8.2015 within the meaning of s 37(c) TMA. This finding is supported by the following evidence and reasons:

(1) the following 2 Court of Appeal cases have explained the meaning of a mark's distinctiveness -

(a) in **Lim Yew Sing**, at p. 19, Mahadev Shankar JCA held as follows –

“What emerges from s 12 is that, to be a trade mark, the mark has to be distinctive of the goods of its proprietor. That distinctiveness has to be gauged by the extent to which the trade mark is adapted to distinguish the goods with which its proprietor is connected in the course of trade goods with which no connection subsists. For the purpose of establishing distinctiveness, therefore, one must look to the use of the mark in the course of trade.”

(emphasis added); and

(b) it was decided in **Bata Ltd**, in paragraph 46, as follows –

“2nd Issue: Whether At The Commencement Of The Proceedings, The Respondents’ Trade Mark Is Not Distinctive Of The Goods Of The Respondents

[46] Lockhart J in the Australian case of Dodds Family Investments Pty Ltd (formerly Solar Tint Pty Ltd) v. Lane Industries Pty Ltd and Others 25 IPR 197 explained the meaning of ‘distinctive’:

'Distinctive' means distinctive in the sense that the mark distinguishes the registered proprietor's goods or services from others of the same type in that market, though it does not mean that the goods or services must specifically identify the plaintiff as the source of those goods or services. Often the identity of the supplier will be unknown, but what is important is that a significant number of consumers in the relevant market identify the plaintiff's goods or services as coming from one trade source: see Johnson & Johnson at FCR 336 and the other references there cited."

(emphasis added).

In this case, there is sufficient documentary evidence (PO's and DO's of Fitters Marketing) and NMY's testimony to prove that PYRO Mark is distinctive of Fitters' Goods. Furthermore, Doretti has admitted that Doretti has only 2 customers for Doretti's Goods, namely Fitters Marketing and Pyro-Tech (which applied to expunge Registered Mark from the Register and did not admit that the Registered Mark was distinctive of Doretti's Goods). In other words, there is no customer of Doretti who can vouch that the Registered Mark is distinctive of Doretti's Goods; and

- (2) I have decided as follows in **Lim Teck Lee (M) Sdn Bhd**, at subparagraph 27(2) -

“... for a mark to be registrable, the mark has to be “distinctive” within the meaning of s 10(2A), (2B)(a) and (b) TMA. I am of the view that the meaning of the word “distinctive” in s 37(c) TMA should be the same as that provided for the same word in s 10(2A), (2B)(a) and (b) TMA. This is because if the registration of a mark requires its distinctiveness, the registration of that mark can and should be expunged on the lack of that mark’s distinctiveness.

In Kraft Foods Schweiz Holding GmbH v Pendaftar Cap Dagangan [2016] 11 MLJ 702, at paragraphs 41-47, I have interpreted s 10(2A), (2B)(a) and (b) TMA based on English cases which have construed the then s 9(2), (3)(a) and (b) of the Trade Marks Act 1938 of the United Kingdom [TMA 1938 (UK)]. Section 9(2), (3)(a) and (b) TMA 1938 (UK) are similar to our s 10(2A), (2B)(a) and (b) TMA.

It was decided in Kraft Foods as follows:

- (a) based on Lord Simonds LC’s judgment in the House of Lords case of Yorkshire Copper Works Ltd v Registrar of Trade Marks [1954] 1 All ER 570, at 571-572, the word “may” in s 10(2B) TMA is construed to be mandatory in the sense that both the “inherent distinctiveness” requirement [s 10(2B)(a) TMA] and “factual distinctiveness” requirement [s 10(2B)(b) TMA] should be considered cumulatively; and**
- (b) a mark is inherently distinctive under s 10(2B)(a) TMA if other traders are not likely, in the ordinary course of their business and without any improper motive, to desire to use the same mark or some mark nearly resembling it, upon or in connection with their own**

goods – please see Lord Parker’s decision in the House of Lords in Re W & G Du Cros Ltd’s Application [1913] AC 624, at 634-635.”

(emphasis added).

Firstly, I find that the Registered Mark was not inherently distinctive of Doretti’s Goods on 14.8.2016 as understood in s 10(2A) and (2B)(a) read with s 37(c) TMA. This is because other traders (such as Fitters Marketing) are likely, “*in the ordinary course of their business and without any improper motive*”, to desire to use PYRO mark. I rely on the following 2 House of Lords cases –

- (a) Lord Parker’s decision in **Re W & G Du Cros Ltd’s Application** [1913] AC 624, at 634-635; and
- (b) Lord Diplock’s judgment in **Smith Kline & French Laboratories Ltd v Sterling-Winthrop Group Ltd** [1975] 2 All ER 578, at 585-586.

Secondly, I am of the view that the Registered Mark was not factually distinctive of Doretti’s Goods on 14.8.2016 because the Registered Mark was not “*in fact capable of distinguishing*” Doretti’s Goods from Fitters’ Goods within the meaning of s 10(2A) and (2B)(b) read with s 37(c) TMA.

N. Whether court should expunge Registered Mark from Register

55. In **Ho Tack Sien**, at paragraph 25, the Federal Court has decided that once a ground for the expungement of a registered trade mark has been established, the Court has no discretion but to remove the trade mark from the Register in accordance with s 45(1)(a) TMA. In these 2 Suits, Fitters Marketing has succeeded to prove all the 3 grounds in s 37(a) to (c) TMA so as to remove the Registered Mark from the Register.

56. Even if it is assumed that the court has a discretion under s 45(1)(a) TMA not to expunge the registration of a trade mark, nevertheless, this court should exercise its discretion to expunge the Registered Mark from the Register. This exercise of discretion is based on the following reasons:

- (1) Fitters Marketing has succeeded to establish all 3 grounds under s 37(a) to (c) TMA to invalidate the Registered Mark; and
- (2) for the reasons elaborated in the above paragraph 46, the 3 Assignments are dubious.

O. Can Doretti claim for Trade Mark Infringement?

57. Section 38(1)(a) TMA provides as follows:

“Infringement of a trade mark

s 38(1) A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or registered user of the trade mark using by way of permitted use, uses a mark which is identical with it or so

nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods or services in respect of which the trade mark is registered in such a manner as to render the use of the mark likely to be taken either -

***(a) as being use as a trade mark;
...***

(emphasis added).

58. As Fitters Marketing has succeeded to remove the Registered Mark from the Register under s 45(1)(a) TMA, Doretti cannot claim for Trade Mark Infringement under s 38(1)(a) TMA. Accordingly, Doretti's Claim against Fitters Marketing, Pyro-Tech, Teamware, Muetech and Viton is dismissed with costs on this ground alone. This is because "*registered trade mark*" in s 38(1) TMA, in my view, must necessarily mean a registered trade mark which still lawfully remains on the Register and has not been expunged under s 45(1)(a) TMA.

59. There is another ground to dismiss Doretti's Claim. Fitters Marketing and Pyro-Tech may rely on the defence of prior use in s 40(1)(c) TMA. The relevant part of s 40(1)(c) TMA is reproduced below:

"s 40. Acts not constituting infringement

(1) Notwithstanding anything contained in this Act, the following acts do not constitute an infringement of a trade mark -

...

(c) the use by a person of a trade mark in relation to goods or services in respect of which he has by himself or his predecessors in business, continuously used the trade mark from a date before –

(i) the use of the registered trade mark by the registered proprietor, by his predecessors in business or by a registered user of the trade mark; or

(ii) the registration of the trade mark, whichever is the earlier; ...”

(emphasis added).

60. I am not able to find any previous Malaysian case which has interpreted s 40(1)(c) TMA. My research reveals that s 40(1)(c) TMA is similar (not identical) to s 7 of the repealed United Kingdom’s (UK) Trade Marks Act 1938 [**TMA 1938 (UK)**]. Section 7 TMA 1938 (UK) provided as follows -

“7. Nothing in this Act shall entitle the proprietor or a registered user of a registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods in relation to which that person or a predecessor in title of his has continuously used that trade mark from a date anterior –

(a) to the use of the first-mentioned trade mark in relation to those goods by the proprietor or a predecessor in title of his; or

(b) to the registration of the first-mentioned trade mark in respect of those goods in the name of the proprietor or a predecessor in title of his;

whichever is the earlier, or to object (on such use being proved) to that person being put on the register for that identical or nearly resembling trade mark in respect of those goods under subsection (2) of section twelve of this Act.”

(emphasis added).

61. Section 11(3) of the present UK’s Trade Marks Act 1994 [**TMA 1994 (UK)**] is materially different from our s 40(1)(c) TMA. Section 11(3) TMA 1994 (UK) reads as follows -

“11(3) A registered trade mark is not infringed by the use in the course of trade in a particular locality of an earlier right which applies only in that locality.

For this purpose an “earlier right” means an unregistered trade mark or other sign continuously used in relation to goods or services by a person or a predecessor in title of his from a date prior to whichever is the earlier of -

- (a) the use of the first-mentioned trade mark in relation to those goods or services by the proprietor or a predecessor in title of his, or*
- (b) the registration of the first-mentioned trade mark in respect of those goods or services in the name of the proprietor or a predecessor in title of his;*

and an earlier right shall be regarded as applying in a locality if, or to the extent that, its use in that locality is protected by virtue of any rule of law (in particular, the law of passing off).”

62. I am of the view that Fitters Marketing and Pyro-Tech may rely on s 40(1)(c) TMA as a complete defence to Doretti’s Claim because –

- (1) the opening words in s 40(1) TMA (*Notwithstanding anything contained in this Act*) clearly shows the intention of Parliament for s 40(1)(c) TMA to prevail over all other provisions in the TMA, including trade mark infringement under s 38(1)(a) TMA;
 - (2) Mr. Ng had not used the Registered Mark. As explained in the above sub-paragraphs 25(3) and (4), Kah Lock Marketing is a legal entity which is separate from Mr. Ng. It could not be said that Kah Lock Marketing was Mr. Ng's predecessor in business as understood in s 40(1)(c)(i) TMA. Hence, s 40(1)(c)(i) TMA does not apply in these 2 Suits;
 - (3) Fitters Marketing had used PRYO Mark as early as 5.6.2002 (Fitters Marketing's invoice dated 5.6.2002 to NCP Furniture). Pyro-Tech had also used PYRO Mark as early as 15.12.2003 (SW Resources' invoice and DO to Pyro-Tech, both dated 15.12.2003). It is clear that Fitters Marketing and Pyro-Tech had used PYRO Mark before the registration of the Registered Mark (25.11.2004); and
 - (4) Fitters Marketing and Pyro-Tech had "*continuously used*" PYRO Mark before the registration of the Registered Mark within the meaning of s 40(1)(c) TMA.
63. For reasons explained in the above paragraph 62, Fitters Marketing and Pyro-Tech can rely on the defence of prior use s 40(1)(c) TMA. Consequently, in respect of all dealings between Fitters Marketing and Pyro-Tech on the one part and Teamware, Muetech and Viton on the

other part (regarding Fitters' Goods bearing PYRO Mark), Teamware, Muetech and Viton cannot be liable to Doretti for Trade Mark Infringement. It would be an absurdity for Fitters Marketing and Pyro-Tech to be absolved from Trade Mark Infringement [by reason of s 40(1)(c) TMA] but Teamware, Muetech and Viton are instead liable to Doretti for Trade Mark Infringement.

64. Encik Dony had relied on the following 2 Australian cases:

- (1) Moshinsky J's decision in the Federal Court in **Playgro Pty Ltd v Playgro Art & Craft Manufactory Ltd & Anor** (2016) 335 ALR 144; and
- (2) the High Court's judgment in **E & J Gallo Winery v Lion Nathan Australia Pty Ltd** (2010) 265 ALR 645.

It is to be noted that the apex court in Australia is the High Court (not the Federal Court). With respect, **Playgro** and **E & J Gallo Winery** can be easily distinguished from these 2 Suits on either one or both of the following grounds:

- (a) the registered trade marks in the above 2 Australian cases have not been invalidated (unlike the removal of the Registered Mark in these 2 Suits); and
- (b) the defence of prior use was not applicable in the above 2 Australian cases (unlike these 2 Suits).

P. Can court grant remedy for Trade Mark Infringement?

65. In the event that this court has erred in dismissing Doretti's Claim and assuming Doretti has succeeded to prove Trade Mark Infringement, I shall now discuss whether Doretti should be entitled to the relief sought by Doretti regarding Trade Mark Infringement.
66. Learned counsel for Muetech and Viton, Mr. Wilson Lim Mao Shen (**Mr. Wilson Lim**), had made a bold submission that Doretti should not be granted any remedy for Trade Mark Infringement because TMA is silent on remedies which may be granted by the court in respect of Trade Mark Infringement. According to Mr. Wilson Lim, unlike TMA, s 60(1) and (2) of the Patents Act 1983 as well as s 35(1) of the Industrial Designs Act 1996 have expressly provided for, among others, the remedies of damages and injunctions in respect of patent infringement and infringement of registered industrial designs.
67. With respect, I am unable to accept Mr. Wilson Lim's above contention for the following reasons:
- (1) liability for Trade Mark Infringement is tortious in nature (dependent on case law) and does not depend on TMA. I cite the judgment of Richard Malanjum CJ (Sabah & Sarawak) in the Federal Court case of **Taiping Poly (M) Sdn Bhd v Wong Fook Toh & Ors** [2011] 3 CLJ 837, at paragraphs 15 and 19, as follows -

"[15] The current potential civil remedy against an infringer of an intellectual property right is either an assessment of the profit made by the infringer or an award of damages representing the lost profit suffered by the originator. And in an

*action for infringement of a trade mark and passing off it is trite law that the same principle applies when considering the award of damages. (See: **Dormeuil Freres SA v. Feraglow** [1900] RPC 449).*

...

[19] *Damages for the infringement of intellectual property rights are tortious in nature. Their objective is to restore the claimant to the position he would have been in had the defendant not infringed. ...*

(emphasis added);

- (2) the court has the discretionary power to grant prohibitory and mandatory injunctions for Trade Mark Infringement under –
- (a) ss 50, 51(2), 52(1), (3) and 53 of the Specific Relief Act 1950 (**SRA**). Illustration (t) to s 52 SRA has expressly provided that an owner of a trade mark may obtain an injunction to restrain an infringement of the trade mark. In the Privy Council case of **Mahomed Syedol Ariffin v Yeoh Ooi Gark** [1916] 2 AC 575, at 581 (an appeal from the Straits Settlements), Lord Shaw has decided that an illustration to a statutory provision is “*helpful in the working and application of the statute*”; and
 - (b) O 29 r 1(1) RC (*An application for the grant of an injunction may be made by any party to a cause or matter ... after the trial of the cause or matter*);

- (3) TMA is not a code of law which is intended to be comprehensive. This is clear from the title to TMA (*An Act to make better provisions in the law relating to trade marks and for other matters connected therewith*). As such, the fact that TMA is silent on remedies for Trade Mark Infringement, does not mean that the court has no power to grant such remedies; and
- (4) if I have accepted Mr. Wilson Lim's contention, this means that there will be not be any remedy for Trade Mark Infringement. Such an outcome is unjust, undesirable and in the words of Lord Denning MR in the English Court of Appeal case of **Wallersteiner v Moir (No 2)** [1975] 1 All ER 849, at 857 (concerning a derivative suit by a company's minority shareholder), the law would have failed in its purpose because injustice would be committed without any redress.

Q. Whether court should award compensatory and exemplary damages in setting aside APO

68. The *ex parte* APO had been executed by Doretti on –

- (1) the common premises of Fitters Marketing and Pyro-Tech; and
- (2) Teamware's office and warehouse.

69. As Doretti's Claim has been dismissed, the APO should be set aside. Consequently, this court should order an inquiry of compensatory damages to be paid by Doretti to Fitters Marketing, Pyro-Tech and Teamware in respect of all loss and damage suffered by Fitters Marketing, Pyro-Tech and Teamware which had been caused by the execution of the *ex parte* APO (**Inquiry**) – please see the judgment of

Richard Malanjum JCA (as he then was) in the Court of Appeal case of **Arthur Anderson & Co v Interfood Sdn Bhd** [2005] 6 MLJ 239, at paragraph 51. The Inquiry is ordered pursuant to Doretti's undertaking to court when Doretti obtained the *ex parte* APO. Accordingly, I order the Inquiry to be conducted by the learned Registrar.

70. I exercise my discretion to order Doretti to pay 2 sets of exemplary damages in the sum of RM50,000.00 each (**2 Sets of Exemplary Damages**) to –

- (1) Fitters Marketing and Pyro-Tech; and
- (2) Teamware.

The 2 Sets of Exemplary Damages are awarded because Doretti's conduct in this matter had been calculated by Doretti to make a profit for Doretti which might exceed any compensation payable by Doretti to Fitters Marketing, Pyro-Tech and Teamware – please see Lord Devlin's judgment in the House of Lords case of **Rookes v Barnard** [1964] 1 All ER 367, at 410-411. I rely on the following conduct of Doretti to support the 2 Sets of Exemplary Damages:

- (a) Doretti's dubious conduct in respect of the 3rd Assignment – please see the above sub-paragraph 46(3);
- (b) Doretti had an active and amicable business relationship with Fitters Marketing and Pyro-Tech. In fact, Doretti's only 2 customers for Doretti's Goods bearing Registered Mark were Fitters Marketing and Pyro-Tech. Doretti could have easily inquired from Fitters

Marketing and Pyro-Tech regarding who was the 1st User and Common Law proprietor of PYRO Mark;

- (c) before filing the 1st Suit, Doretti did not even send a written demand to Fitters Marketing and Pyro-Tech regarding the alleged infringement of Registered Mark. If Doretti had issued such a written demand, Fitters Marketing and/or Pyro-Tech would have easily explained why Doretti should not have launched the 1st Suit; and
- (d) the Ministry had raided the warehouses of Fitters Marketing and Pyro-Tech. Doretti could have easily subpoenaed the relevant officer of the Ministry to produce in these 2 Suits the Alleged Infringing Goods seized by the Ministry. In fact, Doretti had subpoenaed Encik Saripuddin to testify and to tender the Alleged Infringing Goods in these 2 Suits. There was therefore no necessity for Doretti to have obtained an *ex parte* APO against Fitters Marketing and Pyro-Tech.

R. Court's decision

71. In summary –

- (1) Fitters Marketing and Pyro-Tech are aggrieved by Registered Mark and are thereby entitled to apply to expunge the Registered Mark from the Register under s 45(1)(a) TMA;

- (2) Fitters Diversified is not aggrieved by Registered Mark within the meaning of s 45(1)(a) TMA. On this ground alone, the 2nd Suit is dismissed with costs;
- (3) contemporaneous documents and NYM's testimony proved that Fitters Marketing was the 1st User of PYRO Mark and is therefore its Common Law proprietor;
- (4) the original registration of Registered Mark by Mr. Ng had been obtained by fraud under s 37(a) TMA and this will invalidate the 3 Assignments;
- (5) the use of Registered Mark on Doretti's Goods is likely to deceive and/or confuse the public under s 14(1)(a) read with s 37(b) TMA so as to give a false impression to the public that the Doretti's Goods originate from Fitters Marketing and/or is associated with Fitters Goods bearing PYRO Mark;
- (6) on 14.8.2015 [date of filing of Counterclaim (1st Suit)], the Registered Mark was not inherently and factually distinctive of Doretti's Goods within the meaning of s 37(c) read with s 10(2A), (2B)(a) and (b) TMA;
- (7) Doretti's Claim is dismissed because -
 - (a) the Registered Mark is removed from the Register pursuant to any one or more of the 3 grounds in s 37(a) to (c) read with s 45(1)(a) TMA; **and/or**

- (b) Fitters Marketing, Pyro-Tech, Teamware, Muetech and Viton can rely on the defence of prior use in s 40(1)(c) TMA; and
- (8) Fitters Marketing, Pyro-Tech and Teamware should be awarded compensatory and exemplary damages when the APO is set aside pursuant to the dismissal of Doretti's Claim.

72. Premised on the above evidence and reasons, the following order is made:

- (1) in the 1st Suit -
 - (a) Doretti's Claim is dismissed;
 - (b) the APO is set aside;
 - (c) all documents and real evidence seized by Doretti pursuant to the APO shall be returned by Doretti to Fitters Marketing, Pyro-Tech and Teamware;
 - (d) Inquiry shall be conducted by the Registrar;
 - (e) 2 sets of costs of Inquiry shall be assessed by the Registrar and shall each be paid by Doretti to –
 - (i) Fitters Marketing and Pyro-Tech; and
 - (ii) Teamware;

- (f) interest at the rate of 5% per annum shall be imposed on the sum of compensatory damages assessed by the Registrar at the Inquiry (**Compensatory Damages**) and shall be paid by Doretti to Fitters Marketing, Pyro-Tech and Teamware from the date of first execution of the *ex parte* APO until the date of full payment of the Compensatory Damages;
- (g) Doretti shall pay 2 Sets of Exemplary Damages to –
- (i) Fitters Marketing and Pyro-Tech; and
 - (ii) Teamware;
- (h) interest at the rate of 5% per annum shall be imposed on the 2 Sets of Exemplary Damages and shall be paid by Doretti to Fitters Marketing, Pyro-Tech and Teamware from 26.4.2017 (date of oral decision of these 2 Suits) until the date of full payment of the 2 Sets of Exemplary Damages;
- (i) Counterclaim (1st Suit) is allowed with the following order –
- (i) a declaration that Fitters Marketing is the 1st User and the Common Law proprietor of PRYO Mark;
 - (ii) the Registrar shall remove the Registered Mark from the Register (**Removal**); and
 - (iii) the Registrar shall publish the Removal in the Gazette;

(j) Doretti shall pay 1 set of costs to each of the following –

- (i) Fitters Marketing and Pyro-Tech;
- (ii) Teamware; and
- (iii) Muetech and Viton

[Costs (1st Suit)];

(k) interest at the rate of 5% per annum shall be imposed on each set of Costs (1st Suit) from 26.4.2017 until the date of full payment of Costs (1st Suit); and

(l) an allocatur fee shall be imposed on each set of Costs (1st Suit); and

(2) the 2nd Suit is dismissed with –

(a) costs to be paid by Fitters Diversified to Doretti (**Doretti's Costs**);

(b) interest at the rate of 5% per annum shall be imposed on Doretti's Costs to be paid by Fitters Diversified to Doretti from 26.4.2017 until the date of full payment of Doretti's Costs; and

(c) an allocatur fee shall be imposed on Doretti's Costs.

WONG KIAN KHEONG
Judicial Commissioner
High Court (Commercial Division)
Kuala Lumpur

DATE: 15 JUNE 2017

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