

IN THE HIGH COURT OF MALAYA IN KUALA LUMPUR
(COMMERCIAL DIVISION)
IN THE FEDERAL TERRITORY OF MALAYSIA
ORIGINATING SUMMONS NO: 24IP-48-12/2015

BETWEEN

GS YUASA CORPORATION ... PLAINTIFF

AND

GBI MARKETING MALAYSIA SDN BHD ... DEFENDANT

JUDGMENT

(Court enclosure no. 1)

A. Introduction

1. In this originating summons (**OS**), the plaintiff company (**Plaintiff**) applied to expunge the trade mark with the registration no. 05005790 for goods in Class 9 (**Defendant's Registered Trade Mark**) in the name of the defendant company (**Defendant**) from the Register of Trade Marks (**Register**). The Defendant's Registered Trade Mark is annexed as Annexure A to this judgment.

2. The Plaintiff has used the trade mark, “GS” (**Plaintiff’s Trade Mark**). Additionally, the Plaintiff has the following 2 trade marks registered in its name:

(1) trade mark with the registration no. 98013472 for goods in Class 9 (**Plaintiff’s 1st Registered Trade Mark**). The Plaintiff’s 1st Registered Trade Mark is annexed as Annexure B to this judgment; and

(2) trade mark with the registration no. 00005524 for goods in Class 9 (**Plaintiff’s 2nd Registered Trade Mark**). The Plaintiff’s 2nd Registered Trade Mark is annexed as Annexure C to this judgment.

The Plaintiff’s 1st and 2nd Registered Trade Marks are collectively referred in this judgment as the Plaintiff’s Registered Trade Marks.

B. Issues

3. The following issues, among others, arise in this OS:

(1) whether the Plaintiff who has the Plaintiff’s Registered Trade Marks and the Plaintiff’s Trade Mark, is a “*person aggrieved*” by the Defendant’s Registered Trade Mark under s 45(1)(a) TMA so as to entitle the Plaintiff to file this OS;

(2) whether the Plaintiff can expunge the Defendant’s Registered Trade Mark on the following grounds -

- (a) whether the original registration of the Defendant's Registered Trade Mark by Osima Batteries Ind Sdn. Bhd. (**OBI**) had been obtained by fraud under s 37(a) of the Trade Marks Act 1976 (**TMA**);
 - (b) whether the use of the Defendant's Registered Trade Mark on the Defendant'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 the false impression to the public that the Defendant's goods originate from or is associated with the Plaintiff; and
 - (c) whether the Defendant's Registered Trade Mark on the date of the filing of This OS (2.12.2015), was distinctive of the Defendant's goods as understood in s 37(c) TMA;
- (3) in deciding this OS, should this Court give any weight to the decision dated 21.1.2015 of the Supreme Court of the Republic of Indonesia (**Indonesian Supreme Court's Decision**) which has allowed the Plaintiff to expunge a trade mark similar to the Defendant's Registered Trade Mark in Indonesia;
- (4) whether this Court should draw an adverse inference under s 114(g) of the Evidence Act 1950 (**EA**) against the Plaintiff for refusing to disclose information regarding the pricing of the Plaintiff's goods; and

- (5) whether the Defendant can oppose this OS by relying on the defence of the use of a substantially identical Defendant's Registered Trade Mark as provided in s 40(1)(f) TMA.

C. Plaintiff's case

4. The Plaintiff is a joint venture between 2 old Japanese companies in 2004, namely –

- (1) Japan Storage Battery Co. Ltd. (**JSB**); and

- (2) Yuasa Corporation (**YC**).

5. The Plaintiff –

- (1) is a public listed company in Japan;

- (2) is in the business of researching, developing, manufacturing, exporting, distributing, supplying, selling and offering for sale, a wide range of batteries for various applications;

- (3) is one of the largest battery manufacturers in the world which employs about 13,560 employees and generates about ¥349 billion for the financial year of 2014; and

- (4) has manufacturing plants and sales offices in 16 countries.

6. JSB's founder, Mr. Genzo Shimadzu (**GS**), started to manufacture Japan's first lead-acid storage battery in 1895. Since then, JSB expanded its production and business to include, among others, automotive storage batteries (in 1919), glass mercury rectifiers (in 1933), alkaline batteries (in 1938), ultra-high pressure mercury lamps (in 1940) and lithium-ion batteries (in 1993).

7. According to the Plaintiff's first affidavit (**Plaintiff's 1st Affidavit**) affirmed by Mr. Yoshiaki Matsuda (**YM**), the Assistant Manager of the Intellectual Property Division for GS Yuasa International Ltd., a wholly owned subsidiary of the Plaintiff –
 - (1) the Plaintiff's Trade Mark was coined by the adoption of the first alphabets of the name of JSB's founder, GS;
 - (2) the Plaintiff's Trade Mark was first used in Japan in relation to the Plaintiff's storage batteries in 1908;
 - (3) through the years, JSB had created extensions and/or variations of the Plaintiff's Trade Mark for use in Japan and worldwide; and
 - (4) after the merger of JSB and YC, the Plaintiff decided to use the name of "GS YUASA" as its corporate name which represents a combination of the Plaintiff's Trade Mark and the corporate name of YC (YUASA).

8. The Plaintiff's 1st Affidavit averred, among others, as follows:

- (1) since 1960s, JSB was the first user of the Plaintiff's Trade Mark in Malaysia when JSB's subsidiary located in Thailand, Siam GS Battery Company Ltd. (**Siam GS**), sold the Plaintiff's storage batteries bearing the Plaintiff's Trade Mark for cars and motorbikes to a Malaysian distributor, Syarikat Winsome Battery (**Winsome**), based in Kuala Lumpur. Siam GS's invoices which had been exhibited in the Plaintiff's 1st Affidavit (**Siam GS's Invoices**), had been redacted by the Plaintiff in respect of the quantities and the prices;

- (2) besides Winsome, from 1970s until now, Siam GS also sold the Plaintiff's products bearing the Plaintiff's Trade Mark to motorbike assemblers, manufacturers and/or dealers in Malaysia, namely –
 - (a) Makenta Engineering Sdn. Bhd. (**Makenta**); and

 - (b) Hong Leong Yamaha Motor Sdn. Bhd. (**Hong Leong**);

- (3) for the East Malaysian market, JSB's subsidiary in Indonesia, PT GS Battery, through its distributor, PT Astra Otoparts (**PT Astra**), exported and supplied the Plaintiff's products bearing the Plaintiff's Trade Mark to various customers in East Malaysia. PT Astra's invoices which had been exhibited in the Plaintiff's 1st

Affidavit (**PT Astra's Invoices**) had been redacted by the Plaintiff in respect of the quantities and the prices;

- (4) JSB has exported and sold directly the Plaintiff's products bearing the Plaintiff's Trade Mark to Malaysian car manufacturers or assemblers, such as UMW Engineering Sdn. Bhd.;
- (5) JSB through its affiliated company in Malaysia, Yuasa Battery (M) Sdn. Bhd., has sold batteries bearing the Plaintiff's Trade Mark to Tan Chong Assemblers Sdn. Bhd.;
- (6) the Plaintiff's 1st and 2nd Registered Trade Marks were originally registered in the name of GS Yuasa Industry Ltd. (**GSYI**) on 21.11.1998 and 4.5.2008 respectively. GSYI assigned the Plaintiff's Registered Trade Marks to the Plaintiff. The Plaintiff's 1st and 2nd Registered Trade Marks have been registered in the Plaintiff's name on 4.7.2007 and 7.8.2008 respectively;
- (7) the Plaintiff had applied for and obtained registration of the Plaintiff's Registered Trade Marks with their variations and/or extensions in approximately 103 countries;
- (8) from 1960s until now, JSB, its subsidiaries and affiliated companies, together with the Plaintiff, have jointly and/or severally invested substantial amounts of money, time and effort to promote the Plaintiff's products bearing the Plaintiff's Registered

Trade Marks and Plaintiff's Trade Mark in Malaysia. Photographs depicting the Plaintiff's Registered Trade Marks and Plaintiff's Trade Mark being displayed prominently in the premises of the Plaintiff's dealers in Malaysia, had been exhibited in the Plaintiff's 1st Affidavit;

(9) the total sales value of the Plaintiff's products bearing the Plaintiff's Registered Trade Marks and Plaintiff's Trade Mark in Malaysia from 1994 to 2013 had been disclosed in the Plaintiff's 1st Affidavit;

(10) the Defendant is part of an "*international conspiracy*" which has fraudulently applied for and obtained registration of trade marks in Malaysia and Indonesia for storage batteries which are deceptively and/or confusingly similar to the Plaintiff's Registered Trade Marks and Plaintiff's Trade Mark. This allegation is based on the following –

(a) an Indonesian company, PT Gramitrama Battery Indonesia (**PT Gramitrama**) had registered a composite mark in Indonesia [**Registered Trade Mark (Indonesia)**] which was similar to the Defendant's Registered Trade Mark, Plaintiff's Registered Trade Marks and Plaintiff's Trade Mark;

- (b) PT Gramitrama is a party related to the Defendant because both companies have a common director, Mr. Agus Wijaya (**AW**); and
 - (c) the Plaintiff had applied to expunge the Registered Trade Mark (Indonesia) and this application had been allowed in the Indonesian Supreme Court's Decision;
- (11) the Defendant's Registered Trade Mark was registered on 18.4.2005. The Plaintiff averred -
 - (a) the Defendant's Registered Trade Mark was copied from the Plaintiff's Registered Trade Marks;
 - (b) OBI had applied for the registration of –
 - (i) the Defendant's Registered Trade Mark; and
 - (ii) a trade mark, "*GSI Premium High Power*", in application no. 05005791 (**OBI's Application No. 05005791**);
 - (c) the Registrar of Trade Marks (**Registrar**) had given notice to OBI by way of a letter dated 19.1.2007 that the Defendant's Registered Trade Mark could deceive or confuse the consumer under s 14(1)(a) TMA in view of the Plaintiff's

Registered Trade Marks (**Registrar's Letter dated 19.1.2007**); and

(d) OBI's Application No. 05005791 was subsequently abandoned by OBI;

- (12) the use of the Defendant's Registered Trade Mark on the Defendant's goods is likely to deceive and/or confuse the public to have the false impression that the Defendant's goods originate from or is associated with the Plaintiff;
- (13) on 2.12.2015 (date of filing of this OS), the Defendant's Registered Trade Mark is not distinctive of the Defendant's goods;
- (14) in April 2015, the Plaintiff had employed a firm of private investigators (**PI**) to investigate the Defendant's products in the Klang Valley. The PI had visited "*Loong Sheng Battery & Parts Enterprise*" (**Loong Sheng**) and purchased the Defendant's goods affixed with the Defendant's Registered Trade Mark on 14.4.2015 but Loong Sheng issued an invoice stating that "GS YB4LB" (Plaintiff's product) was purchased (**Loong Sheng's Invoice**). Loong Sheng's Invoice should have stated that the Defendant's goods, namely "*GiSi*", was purchased by the PI;

- (15) the Plaintiff's solicitors had sent a demand dated 12.5.2015 to the Defendant (**Plaintiff's Demand**). The Plaintiff's Demand stated, among others –
- (a) the Plaintiff had commenced the use of the Plaintiff's Registered Trade Marks in Malaysia since 1970s;
 - (b) the Defendant's Registered Trade Mark was "*uplifted*" from the Plaintiff's get-up;
 - (c) the Defendant had filed the Defendant's Registered Trade Mark with an intention to deceive the Registrar; and
 - (d) the Defendant had manufactured or cause to be manufactured automotive, vehicle and motorcycle batteries bearing the Defendant's Registered Trade Mark through PT Gramitrama in Indonesia. The Plaintiff had successfully invalidated the Registered Trade Mark (Indonesia); and
- (16) the Defendant's solicitors replied to the Plaintiff's Demand by way of a letter dated 9.6.2015 (**Defendant's Reply**). According to the Defendant's Reply, among others –
- (a) the Defendant disputed the Plaintiff's claim that the Plaintiff had used the Plaintiff's Registered Trade Marks in Malaysia since 1970s;

- (b) the Plaintiff's Registered Trade Marks were distinctively different from the Defendant's Registered Trade Mark. As such, there was no likelihood of deception or confusion arising from the use of the Defendant's Registered Trade Mark; and
- (c) if the Plaintiff maintains that the Registered Trade Mark is "*almost identical and/or substantially similar*" to the Plaintiff's Registered Trade Marks, the Defendant reserves the "*right to seek all necessary actions to expunge*" the Plaintiff's Registered Trade Marks and to seek "*appropriate damages*" from the Plaintiff.

9. The Plaintiff's second affidavit affirmed by YM (**Plaintiff's 2nd Affidavit**) stated, among others:

- (1) the redacted information in Siam GS's Invoices and PT Astra's Invoices (**Redacted Information**) constituted confidential information;
- (2) the total sales value of the Plaintiff's products in Malaysia bearing the Plaintiff's Registered Trade Marks and Plaintiff's Trade Mark for 2014 and 2015, had been given in the Plaintiff's 2nd Affidavit; and

(3) the Indonesian Trade Mark Office had executed the Indonesian Supreme Court's Decision by deleting the Registered Trade Mark (Indonesia) from Indonesia's Register of Trade Marks.

D. Defendant's case

10. The Defendant's first affidavit to oppose this OS (**Defendant's 1st Affidavit**) had been affirmed by Mr. Ganesh Gimson Rahman a/l Packirisamy (**GGR**). The Defendant's 1st Affidavit, averred, among others, as follows:

- (1) the Defendant's Registered Trade Mark had been assigned by OBI to the Defendant by way of an assignment dated 1.9.2010 (**Assignment**). Pursuant to the Assignment, the Defendant's Registered Trade Mark had been transferred to the Defendant on 4.12.2012;
- (2) OBI and the Defendant are separate entities. The Defendant did not know why OBI abandoned OBI's Application No. 05005791;
- (3) the Defendant's Registered Trade Mark is different from the Plaintiff's Registered Trade Marks visually and phonetically. There is no likelihood of deception or confusion to the public in respect of the use of the Defendant's Registered Trade Mark. The Defendant's Registered Trade Mark is distinctive of the Defendant's goods;

- (4) the Defendant disputed that the Plaintiff had used the Plaintiff's Trade Mark and the Plaintiff's Registered Trade Marks in the 1960s. The Defendant instead alleged that exhibit A in the Plaintiff's 1st Affidavit only showed that the Plaintiff's products were first sold in 2002;
 - (5) records of "*Suruhanjaya Syarikat Malaysia*" (**SSM**) showed that Makenta and Hong Leong were incorporated on 23.5.1994 and 23.4.1979 respectively. It was therefore impossible for the Plaintiff to have sold its products through Makenta and Hong Leong in the 1970s;
 - (6) the Defendant's solicitors had requested for the Plaintiff's solicitors to supply the Redacted Information but to no avail; and
 - (7) the Indonesian case concerned trade marks which were different from the Defendant's Registered Trade Mark. Furthermore, the appeal in the Indonesian case was still pending. Exhibited in the Defendant's 1st Affidavit were documents regarding the Indonesian case (**Defendant's Exhibits Regarding Indonesian Case**).
11. Mr. Ng Koon On (**NKO**) is a manager at Loong Sheng. NKO affirmed an affidavit for the Defendant (**Defendant's 2nd Affidavit**) which stated, among others, as follows:
- (1) NKO's wife is the sole proprietor of Loong Sheng but Loong Sheng's business and management is wholly handled by NKO; and

(2) at all material times, there is no confusion between the Plaintiff's products bearing the Plaintiff's Registered Trade Marks with the Defendant's goods bearing the Defendant's Registered Trade Mark. This is because the Defendant's Registered Trade Mark is different from the Plaintiff's Registered Trade Marks visually and phonetically.

12. GGR affirmed the third affidavit for the Defendant which stated, among others, that the Defendant's Exhibits Regarding Indonesian Case had been given by PT Gramitama to the Defendant.

E. Relevant provisions in TMA

13. The following provisions in the TMA are considered in this OS:

“Registrable trade marks

10(1) ***In order for a trade mark (other than a certification trade mark) to be registrable, it shall contain or consist of at least one of the following particulars:***

- (a) the name of an individual, company or firm represented in a special or particular manner;*
- (b) the signature of the applicant for registration or of some predecessor in his business;*
- (c) an invented word or words;*
- (d) a word having no direct reference to the character or quality of the goods or services not being, according to its ordinary meaning, a geographical name or surname;*
or

(e) any other distinctive mark.

(2) A name, signature or word which is not described in paragraph (1)(a), (b), (c) or (d) is not registrable unless it is by evidence shown to be distinctive.

(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.

...

Prohibition on registration

14(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;*

...

Identical trade marks

19(1) **No trade mark shall be registered in respect of any goods or description of goods -**

- (a) *that is identical with a trade mark belonging to a different proprietor and entered in the Register in respect of the same goods or description of goods or in respect of services that are closely related to those goods; or*
- (b) *that so nearly resembles such a trade mark as is likely to deceive or cause confusion.*

...

Registration

25(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.**

...

Registration prima facie evidence of validity

36 **In all legal proceedings relating to a registered trade mark (including applications under section 45) the fact that a person is registered as proprietor of the trade mark shall be prima facie evidence of the validity of the original registration of the trade mark and of all subsequent assignments and transmissions thereof.**

Registration conclusive

37 **In all legal proceedings relating to a trade mark registered in the Register (including applications under section 45) the original registration of the trade mark under this Act shall, after the**

expiration of seven years from the date thereof, be taken to be valid in all respects unless it is shown –

- (a) that the original registration was obtained by fraud;**
- (b) that the trade mark offends against section 14; or**
- (c) that the trade mark was not, at the commencement of the proceedings, distinctive of the goods or services of the registered proprietor,**

except that this section shall not apply to a trade mark registered under the repealed Ordinances and incorporated in the Register pursuant to subsection 6(3) until after the expiration of three years from the commencement of this Act.

Acts not constituting infringement

40(1) Notwithstanding anything contained in this Act, the following acts do not constitute an infringement of a trade mark –

...

- (f) the use of a trade mark, which is one of two or more registered trade marks which are substantially identical, in exercise of the right to the use of that trade mark given by registration as provided by this Act..**

...

Rectification of the Register

45(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)

F. Whether Plaintiff is a “*person aggrieved*” by Defendant’s Registered Trade Mark?

14. It is not disputed that the Plaintiff has the legal burden to prove that the Plaintiff is a “*person aggrieved*” by the Defendant’s Registered Trade Mark within the meaning of s 45(1)(a) TMA – please see **X1R Global Holdings Sdn Bhd & Anor v Y-Teq Auto Parts (M) Sdn Bhd** [2016] 5 MLRH 41, at paragraph 39.
15. In **McLaren International Ltd v Lim Yat Meen** [2009] 4 CLJ 749, at paragraph 22, Abdul Aziz Mohamad FCJ held as follows in the Federal Court:

“[22] We understand that passage as laying down the principle that a person aggrieved is a person who has used his mark as a trade mark – or who has a genuine and present intention to use his mark as a trade mark – in the course of a trade which is the same as or similar to the trade of the owner of the registered trade mark that the person wants to have removed from the register.”

(emphasis added).

16. **McLaren International** has been followed in the following Federal Court cases:

(1) by Zulkefli Makinudin CJ (Malaya) in **LB (Lian Bee) Confectionery Sdn Bhd v QAF Ltd** [2012] 3 CLJ 661, at paragraphs 14, 15 and 17; and

(2) by Azahar Mohamed FCJ in **Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, interested party)** [2015] 6 MLJ 465, at paragraphs 27 and 28.

17. This Court has no hesitation to hold that the Plaintiff is a “*person aggrieved*” by the Defendant’s Registered Trade Mark under s 45(1)(a) TMA for the following evidence and reasons:

(1) the Plaintiff has used and is still using the Plaintiff’s Trade Mark and Plaintiff’s Registered Trade Marks in the course of trade for goods in Class 9, the same class of goods for which the Defendant’s Registered Trade Mark is used. Hence, the Plaintiff’s business in respect of the Plaintiff’s goods bearing the Plaintiff’s Trade Mark and Plaintiff’s Registered Trade Marks, is adversely affected by the use of the Defendant’s Registered Trade Mark; and

(2) as elaborated subsequently in this judgment, the Plaintiff is the first user of the Plaintiff’s Trade Mark for goods in Class 9 in the course of

trade in Malaysia. As such, the Plaintiff is the Common Law proprietor of the Plaintiff's Trade Mark and Plaintiff's Registered Trade Marks for goods in Class 9 in Malaysia. For reasons explained below, the Defendant's Registered Trade Mark is likely to deceive and/or confuse the public to think that the Defendant's goods bearing the Defendant's Registered Trade Mark originate from or is associated with the Plaintiff. Accordingly, the Defendant's use of the Defendant's Registered Trade Mark causes grievance to the Plaintiff.

G. Who is first user of "GS" trade mark?

18. The Federal Court has decided as follows in **Mesuma Sports**, at paragraphs 32, 37, 38, 46 and 47:

"[32] The issue raised and argued by both sides turned upon this fundamental question: who can rightfully claim to be proprietor of a trademark under s 25(1) [TMA]. ...

...

[37] We agree with the submissions of learned counsel for the defendant to this extent. Whilst the creator or designer of an indicator as a trademark or source identifier may well be the copyright owner or registered design owner, the person is not automatically the trade mark owner. He may enforce his copyright or industrial design right but not necessarily his trademark rights. There is a clear distinction between the creator of a mark and user of a mark. To put the point differently, common law proprietorship is not based on who first designed or created the trademark or source identifier in question. The common law

ownership to a trademark requires the claimant establishing its entitlement to it not by showing that it is the creator of the identifier but rather, by reason of its use as a trademark on goods in the course of its trade.

[38] To be more specific, in the context of the present case, it is not the law that by it having created the tiger stripes design and irrespective of its activities, the plaintiff was automatically the common law owner it created as a trademark. The fact that the plaintiff had created the said design did not of itself give it the right to the design as a trademark. It must be borne in mind that the assertion of who conceptualised the tiger stripes design was initially put forth with a view of supporting the plaintiff's contest for copyright ownership of the same. The plaintiff subsequently dropped its copyright ownership claim. This point has been made earlier but deserves to be reiterated. That aspect of intellectual property right is separate and distinct from common law ownership of the tiger stripes as a trademark, the latter of which is determined by first 'user' of the tiger stripes design in a distinctive way as a trademark in the course of trade.

...

[46] Thus, the well-settled legal requisites necessary for the acquisition of common law trademark rights over an indicator and identifier for the commencement of any passing off cause of action has always been premised on a factual requirement for the distinctive use of the indicator or identifier in a trademark sense in the course of trade.

[47] So we would hold that he who first uses a trademark owns the said trademark under common law and that such common law ownership would in turn entitle him to file for trademark application as a bona fide applicant, pursuant to s 25(1) [TMA].”

(emphasis added).

19. Based on **Mesuma Sports**, the person who has used a trade mark in the course of trade for the first time in Malaysia (**1st User**) is the Common Law proprietor of the trade mark and is thereby entitled to apply for the registration of the trade mark under s 25(1) TMA.
20. As this OS has been filed by the Plaintiff, the Plaintiff has the legal burden to prove on a balance of probabilities that the Plaintiff was the 1st User of the Plaintiff's Trade Mark – please see **Huan Schen Sdn Bhd v SRAM LLC** [2016] AMEJ 1724, at paragraph 35.
21. I am of the view that the Plaintiff has succeeded to prove on a balance of probabilities that the Plaintiff was the 1st User of the Plaintiff's Trade Mark. This finding is premised on the following evidence and reasons:
 - (1) Siam GS's invoice dated 26.7.1996 to Winsome, exhibited in the Plaintiff's 1st Affidavit (**Siam GS's Invoice dated 26.7.1996**), constituted documentary evidence of the Plaintiff's 1st User of the Plaintiff's Trade Mark in Malaysia. Siam GS's Invoice dated 26.7.1996 stated that GS Siam had exported “*GS Automotive Batteries*” to

Winsome in Kuala Lumpur. The significance of Siam GS's Invoice dated 26.7.1996 is explained as follows -

- (a) Mahadev Shankar J (as he then was) held in the High Court case of **Hai-O Enterprise Bhd v Nguang Chan** [1992] 2 CLJ (Rep) 436, at 444, as follows -

“Generally speaking it is the manufacturer of goods who is entitled to be registered as the owner of any mark he attaches to identify his goods, not the person who imports these goods into this country.”

(emphasis added).

Based on **Hai-O Enterprise**, generally, the Plaintiff as the manufacturer and exporter of goods bearing the Plaintiff's Trade Mark to Malaysia, is the Common Law proprietor of the Plaintiff's Trade Mark; and

- (b) invoices bearing a trade mark can be considered as use of the trade mark in the course of trade – please see Ramly Ali J's (as he then was) judgment in the High Court case of **Acushnet Company v Metro Golf Manufacturing Sdn Bhd** [2006] 7 CLJ 557. It was decided in **Acushnet Company**, at paragraphs 78 and 79, as follows -

“[78] ... Furthermore, the defendant also used the “TITLEIST” mark on its delivery orders and invoices when issuing the same to third parties.

[79] In Cheetah Trade Mark [1993] FSR 263 Mr. Morrit J held when granting the plaintiff’s relief sought in their summary judgment application that:

- (1) use of a registered trade mark on invoices and delivery notes was just as much an infringement as stamping the mark on a container for the goods.***
- (2) use of a registered trade mark on an invoice, even if rendered long after sale and delivery, was still a use in the course of trade.”***

(emphasis added);

- (2) the Defendant had not exhibited any documentary evidence to prove OBI’s first use of the Defendant’s Registered Trade Mark. Nor is there any letter from the Defendant to OBI to seek documentary evidence regarding OBI’s first use of the Defendant’s Registered Trade Mark. I will elaborate further on this omission later in this judgment; and
- (3) reg. 18(1) of the Trade Marks Regulations 1997 (**TMR**) provides that an application to register a trade mark shall be in Form TM5. According to reg. 4(1) TMR, the forms referred in TMR are contained in the Second Schedule to TMR (**2nd Schedule**). The 2nd Schedule provides for the contents of, among others, Form TM5. In row no. 11 of TM5, an applicant has to fill up details, if any, regarding the “*Date of first use of*

the trade mark in Malaysia (if any)". It is significant to note that row no. 11 in OBI's Form TM5 to register the Defendant's Registered Trade Mark, was blank. Such an omission by OBI in Form TM5 clearly shows that OBI could not be the 1st User of the Defendant's Registered Trade Mark. I will discuss further regarding this omission in this judgment.

H. Effect of ss 36 and 37 TMA

22. In this OS, according to s 36 TMA, the fact that the Defendant is registered as the owner of the Defendant's Registered Trade Mark, shall be *prima facie* evidence of the validity of the original registration of the Defendant's Registered Trade Mark. More importantly, the Defendant's Registered Trade Mark has been valid for more than 7 years from the date of its original registration (18.4.2015) and this attracts the application of s 37 TMA wherein the Defendant's Registered Trade Mark shall be taken to be valid unless the Plaintiff can prove any one or more of the 3 exceptions in s 37(a), (b) or (c) TMA (**3 Exceptions**). I refer to the following 2 Court of Appeal cases:

- (1) James Foong JCA's (as he then was) judgment in **Bata Ltd v Sim Ah Ba & Ors** [2006] 3 CLJ 393, at paragraph 21; and
- (2) the decision of Gopal Sri Ram JCA (as he then was) in **Microsoft Corporation v Yong Wai Hong** [2008] 3 MLJ 309, at paragraph 6.

23. The 3 Exceptions do not refer to s 19 TMA. As such, the Plaintiff cannot rely on s 19 TMA to invalidate the Defendant's Registered Trade Mark in this case.

I. **Whether original registration of Defendant's Registered Trade Mark had been obtained by fraud**

24. The Defendant's learned counsel, Mr. Soh Chien Hao (**Mr. Soh**), had relied on the judgment of Kamalanathan Ratnam JC (as he then was) in the High Court case of **Tiga Gajah Cho Heng Sdn Bhd v Majuperak Tepung Beras Sdn Bhd** [1997] 4 MLJ 504, at 520 (**Tiga Gajah's Case**), as follows:

"... What therefore emerges from these cases is the crystallization of three elements to co-exist in establishing fraud in respect of s 37 of the TMA 1976.

For fraud to subsist, there must be:

- (1) an actual deception and intention to deceive;*
- (2) an actual injury or possible injury by means of deceit; and*
- (3) actual knowledge that the act was calculated to injure one's neighbour."*

(emphasis added).

25. According to Mr. Soh, the Plaintiff had failed to prove the 3 elements of fraud under s 37(a) TMA as laid down in **Tiga Gajah's Case** because –

(1) there was no proof of the Defendant's actual deception and intention to deceive the Registrar;

(2) there was no evidence of an actual injury or possible injury by means of deceit; and

(3) the Defendant had no actual knowledge that the act was calculated to injure one's neighbour.

26. In **Huan Schen**, at paragraphs 48-49, I have followed the following decisions in construing s 37(a) TMA:

(1) the Federal Court's judgment delivered by Richard Malanjum CJ (Sabah & Sarawak) in **Sinnaiyah & Sons Sdn Bhd v Damai Setia Sdn Bhd** [2015] 7 CLJ 584, at paragraphs 48-52;

(2) **Hai-O Enterprise**, at p. 69-70;

(3) Abdul Aziz J's (as he then was) decision in the High Court in **Luk Lamellen Und Kupplungsbau GmbH v South East Asia Clutch**

Industries Sdn Bhd [1997] 2 MLJ 724, at 733 and 734 (**Luk Lamellen’s Case**);

(4) **Tiga Gajah’s Case**; and

(5) Ramly Ali J’s (as he then was) judgment in the High Court case of **ELBA SpA v Fiamma Sdn Bhd** [2008] 3 MLJ 713, at paragraphs 37-38.

27. It was decided in **Huan Schen**, at paragraph 50, as follows:

“Based on Malaysian cases, I am of the following view regarding fraud under s 37(a) TMA:

(1) *whether a registered proprietor of a trade mark (X) has committed fraud on the Registrar depends on whether there is evidence of actual dishonesty on X’s part to deceive the Registrar, traders and the public in respect of X’s application and registration of the trade mark - Hai-O Enterprise Bhd, Luk Lamellen’s Case and Tiga Gajah’s Case;*

(2) *X would have defrauded the Registrar, traders and the public if –*

(a) *X has actual knowledge that X is not -*

(i) *entitled to apply for registration of the trade mark - Luk Lamellen’s Case; or*

(ii) *entitled to use the trade mark - Hai-O Enterprise Bhd; and*

(b) *X has actual knowledge that another person has –*

- (i) **Common Law proprietorship of the trade mark - Luk Lamellen's Case;**
 - (ii) **prior right to the trade mark - Luk Lamellen's Case; or**
 - (iii) **prior use of the trade mark - Hai-O Enterprise BhdLuk and Lamellen's Case;**
- (3) **case law on other branches of law [not under s 37(a) TMA] has identified the following 4 kinds of constructive "knowledge" or "notice" -**
- (a) **"wilfully shutting one's eyes to the obvious" (Wilful Blindness).** Wilful Blindness is also known as "Nelsonian knowledge", "Wilful Ignorance" and "Contrived Ignorance";
 - (b) **wilfully and recklessly failing to make such inquiries as an honest and reasonable person would have made (Recklessness);**
 - (c) **knowledge of circumstances which would indicate the facts to an honest and reasonable person (Knowledge of Circumstances); and**
 - (d) **knowledge of circumstances which would put an honest and reasonable person on inquiry (Duty to Inquire).**

I do not think that s 37(a) TMA envisages Knowledge of Circumstances or Duty to Inquire on X's part. However, I am in favour of finding actual fraud on X's part under s 37(a) TMA if there is Wilful Blindness or Recklessness on the part of X in respect of the first user or the Common Law proprietor of the trade mark. If X

—

- (i) **is wilfully blind; or**

(ii) reckless

- in respect of the first user or the Common Law proprietor of a trade mark, X would have actually defrauded the Registrar, traders and the public under s 37(a) TMA when X nevertheless proceeds to apply and obtain the registration of that trade mark; and

(4) whether X has committed fraud under s 37(a) TMA in a particular case is a question of fact which is dependent on the evidence adduced in that case. Accordingly, cases on s 37(a) TMA are not binding precedents from the view point of the doctrine of stare decisis.”

(emphasis added).

I(1). Should Court lift corporate veil of OBI and Defendant?

28. The Defendant has contended that OBI and the Defendant are separate legal entities in law.

29. To lift or pierce the corporate veil of OBI and the Defendant, 3 Federal Court judgments require the Plaintiff to fulfil the following 2 cumulative conditions (**2 Conditions**):

(1) the piercing or lifting of a corporate veil is in the interest of justice; **and**

- (2) there exists special circumstances to pierce or lift the corporate veil of OBI and the Defendant, such as -
- (a) there has been commission of actual fraud or Common Law fraud against the Plaintiff;
 - (b) equitable fraud or constructive fraud has been committed against the Plaintiff;
 - (c) to prevent the evasion of obligation or liability; **or**
 - (d) to prevent an abuse of corporate personality.

I rely on the following 3 Federal Court judgments which have laid down the 2 Conditions –

- (i) Hasan Lah FCJ's judgment in **Solid Investment Ltd v Alcatel Lucent (M) Sdn Bhd** [2014] 3 CLJ 73, at 92;
- (ii) the decision of Richard Malanjum CJ (Sabah & Sarawak) in **Gurbachan Singh s/o Bagawan Singh & Ors v Vellasamy s/o Pennusamy & Ors** [2015] 1 MLJ 773, at paragraphs 96-99; and
- (iii) the judgment of Richard Malanjum CJ (Sabah & Sarawak) in **Giga Engineering & Construction Sdn Bhd v Yip Chee Seng & Sons Sdn Bhd & Anor** [2015] 9 CLJ 537, at paragraphs 39, 44 and 45.

30. In **KTL Sdn Bhd & Anor v Leong Oow Lai & other cases** [2014] AMEJ 1458, at paragraphs 66 and 67, I have followed Staughton LJ's judgment in the English Court of Appeal case of **Atlas Maritime Co SA v Avalon Maritime Ltd (The Coral Rose) (No. 1)** [1991] 4 All ER 769, at 779, regarding the following difference between the lifting of a corporate veil and its piercing:

- (1) the corporate veil of a company is pierced when the rights, liabilities and/or activities of a company are considered or deemed by the Court to be the rights, liabilities and/or activities of the controller or *alter ego* of the company; and
- (2) a company's corporate veil is lifted when the Court does not consider the separate legal personality of the company in ascertaining the true factual position in relation to the company.

31. This Court decides to lift the corporate veil of OBI and the Defendant to show that both companies constitute one single corporate entity as explained by Edgar Joseph Jr J High Court's case of **Tan Guan Eng v Ng Kweng Hee & Ors** [1992] 1 MLJ 487, at 502. This decision is based the following evidence and reasons:

- (1) based on SSM's records, OBI and the Defendant -
 - (a) has the same registered address and business address;

- (b) has the same business;
 - (c) has common directors and shareholders, namely Mr. Lim Kim Lai (**LKL**) and Mr. Lim Bok Seng (**LBS**); and
 - (d) has the same company secretary, namely Ms. Loh Mee Lan;
- (2) by way of the Assignment, OBI purportedly assigned 2 registered trade marks, including the Defendant's Registered Trade Mark (**2 Registered Trade Marks**), to the Defendant for only RM10.00! More importantly –
- (a) the Assignment was signed by LKL on behalf of OBI;
 - (b) the Assignment was signed by LBS on behalf of the Defendant;
 - (c) both signatures of LKL and LBL were witnessed by the same person, namely one "*Sumathy*", "*IP Manager*"; and
 - (d) the same address for both OBI and the Defendant (PT7262-7264, Ground Floor, Putra Point, Jalan BBN 1/2B, 71800 Nilai, Negeri Sembilan) was stated in the Assignment;
- (3) the 2 Conditions are fulfilled in this case because –

- (a) this OS had alleged the original registration of the Defendant's Registered Trade Mark had been obtained by fraud under s 37(a) TMA; and
 - (b) it is in the interest of justice to lift the corporate veil of OBI and the Defendant to ascertain the true factual position of this case; and
- (4) if OBI and the Defendant are separate legal entities, upon the service of this OS, the Defendant's solicitors would have requested from OBI to furnish the Defendant with documentary evidence regarding –
- (a) how OBI created, acquired or adopted the Defendant's Registered Trade Mark; and
 - (b) OBI's first use of the Defendant's Registered Trade Mark.

I(2). Whether Defendant's Registered Trade Mark had been obtained by fraud on Registrar

32. As explained in the above Part I(1), upon the lifting of the corporate veil of OBI and the Defendant, both companies shall be considered by this Court as one single corporate entity.

33. I find as a fact that the Plaintiff has succeeded to prove on a balance of probabilities that the original registration of the Defendant's Registered Trade Mark on 18.4.2005 had been obtained by fraud on the Registrar

under s 37(a) TMA. This finding is premised on the following evidence and reasons:

(1) as elaborated in the above Part G, the Plaintiff was the 1st User and the Common Law proprietor of the Plaintiff's Trade Mark. Furthermore, the blank row no. 11 in OBI's Form TM5 clearly showed that OBI could not be the 1st User of the Defendant's Registered Trade Mark. Accordingly, when OBI applied to register the Defendant's Registered Trade Mark -

(a) OBI must have actual knowledge that OBI was not the Common Law owner of the Defendant's Registered Trade Mark under s 25(1) TMA; and

(b) OBI had the dishonest intention to deceive the Registrar to believe that OBI was the Common Law proprietor of the Defendant's Registered Trade Mark under s 25(1) TMA

- please see **Luk Lamellen's Case**, at p. 733 and 734;

(2) I accept the contention of the Plaintiff's learned counsel, Mr. Brian Law Yew Foo (**Mr. Brian Law**), that OBI had copied or uplifted the Defendant's Registered Trade Mark from the Plaintiff's Trade Mark affixed on the Plaintiff's products. The Plaintiff's 1st Affidavit, in paragraph 36, had clearly demonstrated how this copying was done by OBI;

- (3) OBI had actual knowledge of the Plaintiff's Registered Trade Marks by way of the Registrar's Letter dated 19.1.2007. In fact, OBI's Application No. 05005791 had been subsequently abandoned by OBI. Despite the Registrar's Letter dated 19.1.2007, OBI's trade mark agent sent a letter dated 14.3.2007 to the Registrar which dishonestly stated in paragraph 27 that OBI had used the Defendant's Registered Trade Mark "*for a long time in Malaysia*". No documentary evidence of OBI's use of the Defendant's Registered Trade Mark in Malaysia had been adduced in this case; and
- (4) OBI's registration of the Defendant's Registered Trade Mark was not co-incidental with the registration of the Registered Trade Mark (Indonesia). I accept Mr. Brian Law's submission that OBI, Defendant and PT Gramitrama had conspired to register trade marks in Malaysian and Indonesia which are deceptively and/or confusingly similar to the Plaintiff's Trade Mark and Plaintiff's Registered Marks. Such a finding is supported by the following evidence and reasons –
- (a) the Defendant and PT Gramitrama have a common director, AW; and
- (b) when the Plaintiff's 1st Affidavit alleged about an "*international conspiracy*" between Defendant and PT Gramitrama, the Defendant's 1st Affidavit falsely averred that the appeal in Indonesia was still pending. Furthermore, the Defendant's 1st

Affidavit exhibited the Defendant's Exhibits Regarding Indonesian Case. If the Defendant was a legal entity which is independent of PT Gramitrama, the Defendant –

- (i) would not have any knowledge of the Indonesian case, let alone had the audacity to claim that the appeal in the Indonesian case was still pending;
- (ii) would not have falsely alleged in the Defendant's 1st Affidavit that the appeal in the Indonesian case was still pending when the Indonesian Supreme Court's Decision had conclusively ruled in respect of the Registered Trade Mark (Indonesia); and
- (iii) would not have access to the Defendant's Exhibits Regarding Indonesian Case.

34. If I have erred in lifting the corporate veil of OBI and the Defendant –

- (1) as explained in the above sub-paragraphs 33(1) and (2), this Court maintains its decision that the original registration of the Defendant's Registered Trade Mark had been procured by fraud perpetrated by OBI on the Registrar; and
- (2) there is no affidavit filed on behalf of OBI to rebut the Plaintiff's averments regarding fraud committed by OBI in registering the

Defendant's Registered Trade Mark (**Plaintiff's Fraud Allegations**). The Plaintiff's Fraud Allegations could not be rebutted by the Defendant, especially when the Defendant was only incorporated (on 29.4.2009) after the registration of the Defendant's Registered Trade Mark on 18.4.2005. Accordingly, the Plaintiff's Fraud Allegations stand unrebutted in this case.

35. In any event, this Court finds that the Assignment is a sham for the following reasons:

- (1) if the 2 Trade Marks were genuine and had valuable goodwill, it did not make commercial sense for OBI to assign absolutely the 2 Trade Marks to the Defendant for a mere RM10.00;
- (2) there was no evidence of any negotiations between OBI and the Defendant before the Assignment was executed;
- (3) there was no documentary evidence to prove the Defendant's payment of RM10.00 to OBI as valuable consideration for the Assignment; and
- (4) the Assignment was executed on 1.9.2010 but the transfer of the Defendant's Registered Trade Mark on the Register was only effected on 4.12.2012. There was therefore an inordinate delay of more than 2 years and 3 months for the Assignment to be recorded in the Register.

No explanation on affidavit evidence had been given by the Defendant for such an unreasonable delay.

J. Whether Defendant's Registered Trade Mark is likely to deceive and/or confuse public

36. 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 the Plaintiff bears the legal burden prove that there is a real likelihood of deception or confusion of the public regarding the use of the Defendant's Registered Trade Mark.

37. Mr. Soh had submitted that the use of the Defendant's Registered Trade Mark on the Defendant's goods is not likely to deceive and/or confuse the public so as to give the false impression that the Defendant's goods originate from or is associated with the Plaintiff. According to Mr. Soh, among others –

(1) the Plaintiff's Trade Mark and Plaintiff's Registered Trade Marks have no logo. The Defendant's Registered Trade Mark is a combination of words and a logo which consists of -

(a) a vertical slanting line after the words "*G/IS*";

(b) the word “*Premium*” in white colour with the background in dark colour; and

(c) the words “*High Power*” with a white background.

The Defendant’s logo distinguishes the Defendant’s Registered Trade Mark from the Plaintiff’s Trade Mark and Plaintiff’s Registered Trade Marks;

(2) a visual comparison of the Defendant’s Registered Trade Mark with the Plaintiff’s Trade Mark and Plaintiff’s Registered Trade Marks, reveals the following differences –

(a) there is an alphabet “*I*” between the alphabet “*G*” and the alphabet “*S*” in the Defendant’s Registered Trade Mark;

(b) there is another alphabet “*I*” after the alphabet “*S*” in the Defendant’s Registered Trade Mark;

(c) there is a vertical slanting line after the words “*G/IS/*” in the Defendant’s Registered Trade Mark;

(d) the Defendant’s Registered Trade Mark has the words “*Premium*” and “*High Power*”; and

- (e) the Plaintiff's 2nd Registered Trade Mark has the words "*Plus One*" which is not found in the Defendant's Registered Trade Mark;
- (3) aurally, the Defendant's Registered Trade Mark has 7 syllables, namely – "*GI-SI PRE-MIUM HIGH PO-WER*". The Plaintiff's 1st Registered Trade Mark has only 2 syllables ("G-S") while the Plaintiff's 2nd Registered Trade Mark has 4 syllables (*G-S Plus One*). The pronunciation of the Defendant's Registered Trade Mark, Plaintiff's Trade Mark and Plaintiff's Registered Trade Marks is totally different and the customers will not be deceived or confused;
- (4) NKO had affirmed the Defendant's 2nd Affidavit to confirm that there was no confusion between the Defendant's goods bearing the Defendant's Registered Trade Mark on the one part with the Plaintiff's products with the Plaintiff's Trade Mark and/or Plaintiff's Registered Trade Marks on the other part; and
- (5) the following cases had been cited in support of the above submission –
- (a) Parker J's (as he then was) decision in the English High Court case of **Re Pianotist Co Ltd** (1906) 23 RPC 774;
- (b) the judgment of Mohd. Yusoff Mohamed SCJ in the Supreme Court case of **Tohtonku Sdn Bhd v Superace (M) Sdn Bhd** [1992] 1 CLJ (Rep) 344; and

(c) Ramly Ali J's (as he then was) decision in the High Court in **Consitex SA v TCL Marketing Sdn Bhd** [2008] 8 CLJ 444.

38. I have considered Mr. Soh's meticulous submission regarding all the differences between the Plaintiff's Trade Mark and Plaintiff's Registered Trade Marks on the one part and the Defendant's Registered Trade Mark on the other part. However, I make a finding of fact that the Plaintiff has succeeded to discharge the legal burden to prove on a balance of probabilities that the use of the Defendant's Registered Trade Mark on the Defendant's products is likely to deceive and/or confuse the public to think erroneously that the Defendant's goods originate from or is associated with the Plaintiff. This finding is based on the following evidence and reasons:

(1) the most important proof of likelihood of deception and/or confusion is Loong Sheng's Invoice which mistakenly stated that the Plaintiff's product had been purchased by the PI when the PI had in fact bought the Defendant's goods. I have duly considered the Defendant's 2nd Affidavit affirmed by NKO which averred that NKO was not confused between the Plaintiff's goods bearing the Plaintiff's Registered Trade Marks with the Defendant's goods bearing the Defendant's Registered Trade Mark. When there is a conflict between documentary evidence, especially contemporaneous ones, with oral evidence or allegations in an affidavit, I should accept the former – please see Siti Norma Yaakob JCA's (as she then was) judgment in the

Court of Appeal case of **Guan Teik Sdn Bhd v Hj Mohd Noor Hj Yakob & Ors** [2000] 4 CLJ 324, at 330. Furthermore, NKO did not even refer to Loong Sheng's Invoice in the Defendant's 2nd Affidavit, let alone explain how Loong Sheng's Invoice had been erroneously issued;

- (2) as explained by Romer J (as he then was) in the English High Court case of **Re Ladislav Jelinek** (1946) 63 RPC 59, at 70, I have to consider the nature, characteristics, composition, purpose and use of the Plaintiff's goods and the Defendant's goods. Such a consideration reveals a similarity of description between the Plaintiff's goods and the Defendant's goods. In fact, both the Plaintiff's goods and the Defendant's goods are in the same Class 9;
- (3) I will now consider the nature of the customers, end users, consumers and purchasers of the Plaintiff's goods and the Defendant's goods (**Customers**). In **Tohtonku**, at p. 347, the Supreme Court applied **Re Pianotist Co Ltd** and took into account the nature of the Customers. I find that the Customers of the Plaintiff's goods and the Defendant's goods are the same;
- (4) it was held in **Re Ladislav Jelinek**, at p. 70, that the Court should take into account the nature of the trade channels of the Plaintiff's goods and the Defendant's goods, namely the nature of the distributors, dealers and retailers for the Plaintiff's goods

and the Defendant's goods (**Traders**). This Court is satisfied that the nature of Traders involved with the goods of the Plaintiff and Defendant, is the same;

- (5) in an appeal to the Privy Council from New Zealand, **Solavoid Trade Mark** [1977] RPC 1, at 31, Lord Fraser has explained the importance of how the trade mark has been applied on or in relation to the goods. I note that the Plaintiff's Trade Mark, Plaintiff's Registered Trade Marks and Defendant's Registered Trade Mark have been applied in the same manner upon or in relation to the Plaintiff's goods and the Defendant's goods;
- (6) there should be a visual comparison between the Plaintiff's Trade Mark and Plaintiff's Registered Trade Marks on the one hand with the Defendant's Registered Trade Mark on the other hand – please see James Foong JCA's (as he then was) judgment in the Court of Appeal case of **Bata Ltd v Sim Ah Ba & Ors** [2006] 3 CLJ 393, at 407-408.

Despite the visual differences between the Plaintiff's Trade Mark and Plaintiff's Registered Trade Marks on the one part with the Defendant's Registered Trade Mark on the other part, the Plaintiff's Trade Mark, Plaintiff's Registered Trade Marks and Defendant's Registered Trade Mark share a striking similarity, namely the alphabets "G" and "S" are featured most prominently

in these 3 trade marks. The 2 alphabets “I” in the Defendant’s Registered Trade Mark –

(a) are smaller in terms of font size than the alphabets “G” and “S”; and

(b) do not reduce the prominence of the alphabets “G” and “S”;

(7) a phonetic comparison between the Plaintiff’s Trade Mark and Plaintiff’s Registered Trade Marks on the one part with the Defendant’s Registered Trade Mark on the other part, should be undertaken according to the following 2 Court of Appeal cases –

(a) **Bata Ltd**, at p. 407; 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 Plaintiff’s Trade Mark, Plaintiff’s Registered Trade Marks and Defendant’s Registered Trade Mark are pronounced, the real likelihood of deception and/or confusion is clear. The pronunciation of the Plaintiff’s Trade Mark, Plaintiff’s Registered

Trade Marks and Defendant's Registered Trade Mark sound alike with the main syllables "G" and "S".

In undertaking the above phonetic comparison, this Court has given due allowance to the following considerations –

- (i) due allowance should be given for reasonable Customers and Traders with an average memory and an imperfect recollection of the precise details of Plaintiff's Trade Mark, Plaintiff's Registered Trade Marks and Defendant's Registered Trade Mark – please see Lord Russell's judgment in the Privy Council in an appeal from Canada, **The Coca-Cola Co of Canada Ltd v Pepsi-Cola Co of Canada Ltd** (1942) 59 RPC 127, at 133. Such an allowance has also been explained by Thomson LP in the Federal Court case of **MI & M Corporation & Anor v A Mohamed Ibrahim** [1964] 1 MLJ 392, at 394; and
- (ii) the possibility of careless pronunciation by reasonable Customers and Traders with an average memory and an imperfect recollection, has been taken into account by this Court
- nonetheless, this Court is still satisfied that a reasonable Customer and Trader will pronounce the Plaintiff's Trade Mark and Plaintiff's Registered Trade Marks in a similar or

confusing manner as the Defendant's Registered Trade Mark;

- (8) I should apply the "*general recollection test*" as explained by the Federal Court in **MI & M Corporation**, at p. 394, namely how reasonable Customers and Traders with an average memory and an imperfect recollection, would remember the Defendant's Registered Trade Mark.

Applying the "*general recollection test*", I find that reasonable Customers and Traders with an average memory and an imperfect recollection, would remember the Defendant's Registered Trade Mark as the Plaintiff's Trade Mark and/or Plaintiff's Registered Trade Marks;

- (9) as decided in **Solavoid Trade Mark**, at p. 30, this Court should consider whether there is a similarity of ideas or concept between the Plaintiff's Trade Mark and Plaintiff's Registered Trade Marks on the one hand with the Defendant's Registered Trade Mark on the other hand. Clearly, there exists a similarity of ideas and concept between the Plaintiff's Trade Mark and Plaintiff's Registered Trade Marks on the one part with the Defendant's Registered Trade Mark on the other part; and

- (10) considering the Plaintiff's Trade Mark, Plaintiff's Registered Trade Marks and Defendant's Registered Trade Mark as a

whole and taking into account all the surrounding circumstances regarding the use of these trade marks (as decided in **Bata Ltd**, at p. 407), there is a real likelihood of deception and/or confusion of the public in the use of the Defendant's Registered Trade Mark on the Defendant's goods which will give rise to a false impression that the Defendant's goods originate from or is associated with the Plaintiff.

39. In view of the above evidence and reasons, the Plaintiff has succeeded to prove that the Defendant's Registered Trade Mark has indeed offended s 14(1)(a) TMA and should be removed pursuant to s 37(b) read with s 45(1)(a) TMA.

K. Effect of Indonesian Supreme Court's Decision

40. It is undeniable that Intellectual Property rights (**IP Rights**) in respect of a particular product may be protected and enforced in many jurisdictions. The Court should not take a blinkered view regarding the protection and enforcement of IP Rights. If a foreign court, especially its apex court, has decided on an issue regarding IP Rights of a particular product and an identical or similar issue also arises regarding the same product in a Malaysian case, the Malaysian Court should consider the foreign judgment in deciding that issue. Needless to say, Malaysian Courts are not bound in any manner by any decision from a different jurisdiction. If a Malaysian Court however reaches a decision which is identical or similar to that decided by a foreign court regarding IP Rights of the same product, this will

ensure consistency and predictability in the protection and enforcement of IP Rights of that product in different jurisdictions.

41. This Court has considered the Indonesian Supreme Court's Decision and is comforted to know that the decision in the above Part J (the use of the Defendant's Registered Trade Mark on the Defendant's goods is likely to deceive and/or confuse the public under s 14(1)(a) read with s 37(b) TMA), is consistent with the Indonesian Supreme Court's Decision.

L. Whether Defendant's Registered Trade Mark is distinctive of Defendant's goods

42. It is not disputed that the Plaintiff has the legal burden to prove on a balance of probabilities that the Defendant's Registered Trade Mark was not distinctive of the Defendant's goods on 2.12.2015 (the date of the filing of this OS) as understood in s 37(c) TMA – please see **Hai-O Enterprise Bhd**, at p. 71.

43. Mr. Soh had advanced the following submission, among others, to resist the expungement of the Defendant's Registered Trade Mark under s 37(c) TMA:

- (1) the word "*GIS*" is invented by the Defendant and is not an English word. Hence, the Defendant's Registered Trade Mark is distinctive. Mr. Soh cited Ramly Ali J's (as he then was) judgment in the High Court in

Yong Sze Fan & Anor v Sharifah bt Mohd Tamin & Ors [2008] 7 MLJ 803;

- (2) the Defendant's Registered Trade Mark is a combination of the words "*GISI*", "*Premium*" and "*High Power*" with a logo. Such a combination is unique and makes the Defendant's Registered Trade Mark distinctive; and
- (3) the combination of words "*GISI Premium*" is invented by the Defendant and does not exist in the English language. Moreover, the words "*GISI Premium*" do not describe the Defendant's goods in terms of character or quality. Mr. Soh relied on the judgment of Umi Kalthum J (as she then was) in the High Court case of **Cargill Incorporated v Pendaftar Cap Dagangan** [2014] 9 MLJ 99.

44. I refer to the following 2 Court of Appeal cases on s 37(c) TMA:

- (1) it was decided as follows in **Lim Yew Sing**, at p. 19:

"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

(2) the Court of Appeal held as follows in **Bata Ltd**, in paragraph 46 –

“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).

45. Section 37(c) TMA concerns the question of whether the Defendant's Registered Trade Mark was distinctive of the Defendant's goods on the date when this OS was filed. To answer this question, the Defendant should adduce documentary evidence of the use of the Defendant's Registered Trade Mark in the course of trade in Malaysia so as to distinguish the Defendant's goods bearing the Defendant's Registered Trade Mark from other goods - **Lim Yew Sing** and **Bata Ltd**.
46. I accept Mr. Brian Law's submission that the Plaintiff has succeeded to discharge the legal burden to prove on a balance of probabilities that the Defendant's Registered Trade Mark was not distinctive of the Defendant's goods on 2.12.2015 (the date of the filing of this OS). Such a decision is based on the following reasons:
- (1) the Defendant had failed to adduce any documentary evidence regarding the sales of the Defendant's goods bearing the Defendant's Registered Trade Mark which can distinguish the Defendant's goods from other goods; and
 - (2) as explained in the above Part J, there is a real likelihood of deception and/or confusion regarding the use of the Defendant's Registered Trade Mark. Hence, there is evidence that the Defendant's Registered Trade Mark is not distinctive of the Defendant's goods.
47. I must add that the Defendant was only incorporated on 29.4.2009, before the registration of the Defendant's Registered Trade Mark (18.4.2005).

Furthermore, the Defendant had purportedly acquired the Defendant's Registered Trade Mark by way of the Assignment. As such, this Court cannot give any credence to the submission that the Defendant had invented the word "GISI" and the combination of words, "GISI Premium".

M. Should Court make adverse inference against Plaintiff regarding Redacted Information?

48. A party should not redact a document without leave of Court. I have decided as follows in **Tokai Corporation v DKSH Malaysia Sdn Bhd** [2016] MLJU 621, at paragraph 26:

"26. I am of the following view regarding redaction of documents which are exhibited in affidavits in an OS:

- (1) a party should not have unilaterally redacted a document exhibited in an affidavit without leave of the Court under Order 38 rule 2(2) RC. The phrase "unless ... the Court otherwise directs" in Order 38 rule 2(2) RC empowers the Court to allow a party to apply for leave of the Court to redact an exhibit in an affidavit (Redaction Application);*
- (2) in a Redaction Application, the Court has the power to inspect the unredacted document to ensure that the Redaction Application is made in good faith and for a valid reason, for example, to ensure confidentiality of a party's information or to avoid publication of offensive, indecent or scandalous material. The party opposing the Redaction Application is not entitled to inspect the unredacted*

document, unless permitted by the applicant in the Redaction Application; and

- (3) *if a party has unilaterally redacted a document exhibited in an affidavit without leave of the Court –*
- (a) *the Court is in the dark as to what are the contents of the redaction and is therefore not in a position to decide on the redacted exhibit; and*
 - (b) *the opposing party is not in a position to answer regarding the redacted document. Accordingly, no adverse inference can be made against the opposing party for his or her failure to reply to a redacted exhibit in an affidavit.”*

(emphasis added).

49. In this case, the Redacted Information concerned quantities and prices of the sales of the Plaintiff's goods. Such information is not relevant to the issues which arise in this OS. Hence, there cannot be any room to invoke an adverse inference under s 114(g) EA against the Plaintiff in respect of the Redacted Information. The Court can only draw an adverse inference under s 114(g) EA against a party if that party has suppressed material evidence – please see the Supreme Court's judgment delivered by Mohd. Azmi SCJ in **Munusamy v Public Prosecutor** [1987] 1 MLJ 492, at 494, as follows:

“It is essential to appreciate the scope of section 114(g) lest it be carried too far outside its limit. Adverse inference under that illustration can only be drawn if there is withholding or suppression of evidence

and not merely on account of failure to obtain evidence. It may be drawn from withholding not just any document, but material document by a party in his possession, or for non-production of not just any witness but an important and material witness to the case.”

(emphasis added).

N. Can Defendant rely on s 40(1)(f) TMA?

50. The Defendant had referred to s 40(1)(f) TMA as a ground to oppose this OS. With respect, I am not able to accept this submission. This is because paragraphs (a) to (f) in s 40(1) TMA only provide for defences in an action for an infringement of a registered trade mark. This OS is not a trade mark infringement suit wherein the Defendant can rely on s 40(1)(f) TMA.

O. Does Court have a discretion not to expunge Defendant’s Registered Trade Mark?

51. Mr. Soh cited the High Court’s decision in **Yong Sze Fan** and submitted that in the event the Plaintiff has succeeded to prove any one or more of the 3 Exceptions, nonetheless this Court has a discretion under s 45(1)(a) TMA not to expunge the Defendant’s Registered Trade Mark from the Register. Regrettably, I am not able to accept his contention in view of the Federal Court’s decision in **Ho Tack Sien**, at paragraph 25. I have held as follows in **Tokai Corporation**, at paragraph 71:

“71. I must add that if the Plaintiff has proven on a balance of probabilities that the Registered Trade Mark had been entered in the Register “without sufficient cause“ or the Registered Trade Mark had wrongfully remained in the Register (but the Plaintiff had in fact failed to do so in This OS), the Federal Court has clearly decided in Ho Tack Sien, at paragraph 25, that once the ground for the expungement of a registered trade mark has been made out, the Court has no discretion but to remove the trade mark from the Register in accordance with s 45(1)(a) TMA. Despite the use of the permissive term “may” in s 45(1)(a) TMA, as a matter of stare decisis, I am bound by the Federal Court’s judgment in Ho Tack Sien. In light of Ho Tack Sien, earlier High Court decisions in Tiga Gajah Cho Heng Sdn Bhd v Majuperak Tepung Beras Sdn Bhd [1997] 4 MLJ 504, at 531, and Industria De Diseno Textil SA v Edition Concept Sdn Bhd [2005] 2 CLJ 357, at 366-367, should be read with caution.”

(emphasis added).

O. Court’s decision

52. Premised on the above evidence and reasons, this OS is allowed with the following order:

- (1) the Defendant’s Registered Trade Mark is ordered to be expunged from the Register;
- (2) a copy of this sealed order shall be served on the Registrar and the Registrar be ordered to –

