

**IN THE HIGH COURT OF MALAYA AT KUALA LUMPUR  
(COMMERCIAL DIVISION)  
IN THE FEDERAL TERRITORY OF KUALA LUMPUR, MALAYSIA  
ORIGINATING SUMMONS NO. WA-24IP-4-03/2017**

**BETWEEN**

**JYOTHY LABORATORIES LIMITED** ... **PLAINTIFF**

**AND**

**PERUSAHAAN BUMI TULIN SDN BHD** ... **DEFENDANT**  
(Co. No.: 450682-P)

**JUDGMENT**

(Court enclosure no. 1)

**A. Issues**

1. The plaintiff company (**Plaintiff**) is incorporated in India while the defendant company (**Defendant**) is a Malaysian company. This originating summons (**This OS**) filed by the Plaintiff against the Defendant, raises the following questions:

(1) whether the Plaintiff may rely in This OS on computer printouts from the Intellectual Property Office of India which are marked "*Not For Legal Use*";

(2) whether This OS should be dismissed on the grounds that -

- (a) the contents of This OS did not comply with O 7 r 3(1) of the Rules of Court 2012 (**RC**); and
- (b) the intitlement of This OS (**Intitlement**) did not comply with O 7 r 2(1A) RC by failing to state -
  - (i) which provision in the RC is the Plaintiff moving the court for a declaration; and/or
  - (ii) the provision in the Trade Marks Act 1976 (**TMA**) to remove the Defendant's registered trade mark no. 08005864, "*HERBAL Neem active Complete Care*" mark (**Herbal Neem Active Mark**), for toothpaste (Class 3) from the Register of Trade Marks (**Register**), bearing in mind that the Herbal Neem Active Mark has been registered for more than 7 years. A copy of Herbal Neem Active Mark is attached to this judgment as "**Annexure A**".

The above question discusses whether the court should exercise its discretion to cure any defect in the OS pursuant to O 1A, O 2 rr 1(1) to (3) and 3 RC;

- (3) is the Plaintiff "*aggrieved*" by Herbal Neem Active Mark within the meaning of s 45(1)(a) TMA so as to be entitled to file This OS?;
- (4) if Plaintiff is aggrieved by Herbal Neem Active Mark -

- (a) whether Herbal Neem Active Mark should be expunged from the Register on the ground that its original registration had been obtained by fraud under s 37(a) TMA. In this regard, the following questions arise -
- (i) should the court exercise its discretion to lift the Defendant's corporate veil to ascertain the true factual position in this case?; and
  - (ii) who was the first user in the course of trade of Herbal Neem Active Mark on toothpaste in Malaysia (**1<sup>st</sup> User**)? In this regard, whether the court should give effect to contractual provisions which provide for ownership of trade marks;
- (b) if the original registration of Herbal Neem Active Mark had been obtained by fraud, whether the following offences have been committed -
- (i) did the Defendant dishonestly misappropriate the Plaintiff's property in Neem Active Mark under s 403 of the Penal Code (**PC**); and/or
  - (ii) whether the Defendant cheated the Registrar of Trade Marks (**Registrar**) under ss 415(b) and 417 PC; and
- (c) whether "*Neem Active (LABEL)*" mark (**Neem Active Mark**) (a trade mark registered in India) is a well-known trade mark within the meaning of s 14(2) TMA read with regs. 13A(b) and 13B of

the Trade Marks Regulations 1997 (**TMR**). A copy of Neem Active Mark is attached to this judgment as “**Annexure B**”.

If Neem Active Mark is a well-known trade mark, should the court remove Herbal Neem Active Mark from the Register pursuant to ss 14(1)(d) and 37(b) read with s 45(1)(a) TMA?; and

(d) whether the use of Herbal Neem Active Mark is likely to deceive and/or confuse the Malaysian public under the first limb of s 14(1)(a) read with ss 37(b) and 45(1)(a) TMA so as to give a false impression to the public that Herbal Neem Active toothpaste (sold by the Defendant) was manufactured by the Defendant (not by the Plaintiff). In this regard, can the court consider the effect of disclaimers and conditions imposed by the Registrar pursuant to ss 18(1) and 25(3) TMA?; and

(5) if there is a ground to expunge Herbal Neem Active Mark from the Register, whether the court can -

(a) grant declarations in this case; and

(b) transfer or assign the registration of Herbal Neem Active Mark from the Defendant to the Plaintiff.

## **B. Background**

2. Around 1920, “*The Calcutta Chemical Company Ltd.*” (**CCC**), a company incorporated in India, had manufactured and sold toothpaste in India

bearing the “*Neem*” trade mark (**Neem Mark**). On 24.11.1950, CCC obtained the registration of Neem Mark as a trade mark for goods in Class 3 in India. A copy of Neem Mark is attached to this judgment as “**Annexure C**”.

3. CCC subsequently manufactured and sold Neem Active toothpaste in India bearing Neem Active Mark. On 14.5.2004, CCC obtained the registration of Neem Active Mark for goods in Class 3 in India.
4. On 12.11.2001, Mr. Thanga Rajoo a/l Malayappan (**Mr. Thanga**) applied to the Registrar to register Neem Active Mark for toothpaste in Classes 3, 5 and 31 (**Mr. Thanga’s 3 Trade Mark Applications**). Mr. Thanga’s 3 Trade Mark Applications were subsequently abandoned.
5. CCC entered into an “*Overseas Distribution Agreement*” with “*Perusahaan Bumi Tulin*” (a sole proprietorship belonging to Mr. Thanga) (**PBT**) on 15.12.2001 (**1<sup>st</sup> ODA**). The 1<sup>st</sup> ODA authorized PBT to distribute CCC’s Neem Active toothpaste in Malaysia, Singapore, Thailand, Brunei, Indonesia and Philippines. The 1<sup>st</sup> ODA lapsed on 15.12.2004.
6. The name of CCC was changed to Henkel India Ltd. (**HIL**) on 24.8.2004.
7. HIL entered into an Overseas Distribution Agreement with PBT on 17.2.2005 (**2<sup>nd</sup> ODA**). The 2<sup>nd</sup> ODA authorized PBT to distribute HIL’s Neem Active toothpaste for HIL in Malaysia. The 2<sup>nd</sup> ODA lapsed on 15.12.2007.

8. On 26.3.2008, the Defendant applied to register Herbal Neem Active Mark for goods in classes 3 and 5 (**Defendant's Trade Mark Applications**). The Registrar allowed the Defendant's Trade Mark Application for goods in Class 3 with the "*Disclaimer/Condition*" that the registration of Herbal Neem Active Mark shall give no right to the exclusive use of the words "*Herbal*", "*Active*" and "*Complete Care*". The Defendant's Trade Mark Application for goods in Class 5 has been abandoned.
9. On 10.10.2008, HIL and PBT entered into a "*Business Development Agreement*" (**BDA**).
10. HIL's name was changed to Jyothy Consumer Products Ltd. (**JCP**) on 24.8.2012.
11. With effect from 13.5.2013, under a scheme of amalgamation sanctioned by the Bombay High Court, JCP was amalgamated with the Plaintiff (**Amalgamation Scheme**).

**C. Can Plaintiff rely on "Not For Legal Use" documents?**

12. The Defendant's learned counsel, Mr. Jasdev Singh Gill, contended that exhibit "*DS-7*" (**Exhibit DS-7**) in the Plaintiff's first affidavit (court enc. no. 2, "**Plaintiff's 1<sup>st</sup> Affidavit**") had been marked "*Not For Legal Use*". As such, according to Mr. Jasdev Singh, no weight should be given to Exhibit DS-7.
13. I am of the following view regarding Exhibit DS-7:

(1) this court is not able to exclude Exhibit DS-7 as evidence in This OS because -

(a) there is no ground to exclude Exhibit DS-7 on the ground of privilege as provided in the Evidence Act 1950 (**EA**). The fact that a document is marked "*Not For Legal Use*" does not necessarily mean that the admissibility of a document is excluded by privilege; and

(b) the Defendant's first affidavit affirmed by Mr. Thanga on 25.4.2017 (court enc. no. 5) (**Defendant's 1<sup>st</sup> Affidavit**) did not object to the admissibility of Exhibit DS-7.

Even if it is assumed that the admissibility of Exhibit DS-7 is excluded by privilege, the fact that the Defendant's 1<sup>st</sup> Affidavit has not objected to the admissibility of such documents, means that the Defendant has waived its right to object to the admissibility of such documents - please see the Singapore Court of Appeal's judgment in **Lim Tjoen Kong v A-B Chew Investments Pte Ltd** [1991] 3 MLJ 4, at 8-9, delivered by Chan Sek Keong J (as he then was); and

(2) once an exhibit is admissible in a suit, despite the fact that the document is labelled "*Not For Legal Use*", the court may attach weight to that exhibit as the court sees fit. The court is not bound by the label attached to any admissible evidence. In This OS, Exhibit DS-7 concerned the registration of Neem Mark and Neem Active Mark in India which had been corroborated by other documentary evidence

adduced in this case. In the circumstances, this court attaches weight to Exhibit DS-7.

**D. Whether This OS is defective and should be dismissed**

14. Mr. Jasdev Singh advanced the following procedural objections to This OS:

- (1) the contents of This OS did not comply with O 7 r 3(1) RC by not providing sufficient information regarding the Plaintiff's cause of action and the relief sought by the Plaintiff;
- (2) the Intitulement did not comply with O 7 r 2(1A) RC by not stating the following -
  - (a) the provisions of written law for the court to grant declarations; and
  - (b) ss 14 and 37 TMA as grounds to remove Herbal Neem Active Mark from the Register; and
- (3) reliance was placed on the following decisions -
  - (a) the Court of Appeal's judgments in -
    - (i) **Cheow Chew Khoon v Abdul Johari Abdul Rahman** [1995] MLRA 679; and
    - (ii) **Malayan Banking Bhd v Koay Kang Chuwan & Anor** [2010] 1 MLRA 588; and



(b) the High Court decision in **Dato’ Sri Tai Hean Leng @ Tek Hean Leng v Tai May Chean & Anor** [2016] MLRHU 1.

15. O 1A, O 2 rr 1(1), (2), (3), 3, O 7 rr 2(1A) and 3(1) RC provide as follows:

***“Regard shall be to justice***

O 1A ***In administering these Rules, the Court or a Judge shall have regard to the overriding interest of justice and not only to the technical non-compliance with these Rules.***

***Non-compliance with Rules***

O 2 r 1(1) ***Where, in beginning or purporting to begin any proceedings or at any stage in the course of or in connection with any proceedings, there has, by reason of any thing done or left undone, been non-compliance with the requirement of these Rules, the non-compliance shall be treated as an irregularity and shall not nullify the proceedings, any step taken in the proceedings, or any document, judgment or order therein.***

(2) ***These Rules are a procedural code and subject to the overriding objective of enabling the Court to deal with cases justly. The parties are required to assist the Court to achieve this overriding objective.***

(3) ***The Court or Judge may, on the ground that there has been such non-compliance as referred to in paragraph (1), and on such terms as to costs or otherwise as it or he thinks just, bearing in mind the overriding objective of these Rules, exercise its or his discretion under these Rules to allow such amendments, if any, to be made and to make such order, if any, dealing with the proceedings generally as it or he thinks fit in order to cure the irregularity.***

***Preliminary objection for non-compliance of rules not allowed***

***O 2 r 3 A Court or Judge shall not allow any preliminary objection by any party to any cause or matter or proceedings only on the ground of non-compliance of any provision of these Rules unless the Court or Judge is of the opinion that such non-compliance has occasioned a substantial miscarriage of justice or occasioned prejudice that cannot be cured either by amendment or an appropriate order for costs or both.***

***Forms of originating summons***

...

***O 7 r 2(1A) Every originating summons shall state in its intitlement any provision of these Rules and any provision of any written law under which the Court is being moved.***

***Contents of originating summons***

***O 7 r 3(1) Every originating summons shall include a statement of the questions on which the plaintiff seeks the determination or direction of the Court or, as the case may be, a concise statement of the relief or remedy claimed in the proceedings begun by the originating summons with sufficient particulars to identify the cause or causes of action in respect of which the plaintiff claims that relief or remedy.”***

(emphasis added).

16. I am of the following view regarding any non-compliance with RC (**Non-Compliance**):

(1) pursuant to O 2 r 3 RC, the court shall not allow any preliminary objection (**PO**) on the ground of a Non-Compliance unless the Non-

Compliance has caused a substantial miscarriage of justice or prejudice that cannot be cured by -

- (a) an amendment; and/or
  - (b) an appropriate order for costs;
- (2) according to O 2 r 1(1) RC, the court “*shall*” treat the Non-Compliance “*as an irregularity and shall not nullify the proceedings, any step taken in the proceedings*”;
- (3) the court has a discretion under O 2 r 1(3) RC to cure the irregularity (caused by a Non-Compliance) by allowing any amendment or by making any order on terms regarding “*costs or otherwise*”. The exercise of this discretion is subject to the overriding objective of RC of enabling the court to deal with cases justly as provided in O 2 r 1(2) RC. In fact, according to O 1A RC, in administering all the provisions in RC, including O 2 rr 1 and 3 RC, the court “*shall have regard to the overriding interest of justice*”. It is to be noted that O 1A employs the mandatory term “*shall*”;
- (4) the following questions depend on the particular facts of each case -
- (a) whether a Non-Compliance has caused a substantial miscarriage of justice or prejudice that cannot be cured by an amendment; and

- (b) whether a Non-Compliance has caused a substantial miscarriage of justice or prejudice that cannot be cured by an order for costs.

In view of the factual nature of a Non-Compliance and its effect (as explained above), cases on the exercise or non-exercise of the court's discretion to cure the Non-Compliance under O 2 rr 1(3) and 3 RC, cannot constitute binding legal precedents from the view point of the *stare decisis* doctrine; and

- (5) O 2 r 1(2) RC is not found in the Rules of High Court 1980 (**RHC**). Provisions in RHC which are identical to O 1A and O 2 r 3 RC were only introduced in RHC with effect from 16.5.2002 [please see Rules of the High Court (Amendment) 2002, PU(A) 197/02]. The present O 2 r 1(3) RC is worded differently from the previous O 2 r 1(2) RHC. In view of the above reasons, the following cases should be read with caution -

- (a) **Cheow Chew Khoon** was decided before the Rules Committee -
  - (i) introduced O 1A and O 2 r 3 RHC; and
  - (ii) introduced O 2 r 1(2) RC.

It is to be noted that **Cheow Chew Khoon** concerned the setting aside of a default judgment. Furthermore, the *dicta* concerning the intitlement in that case by Gopal Sri Ram JCA (as he then was) was merely *obiter* as such *dicta* was not shared by Shaik Daud and VC George JJCA (the other two judges who sat in **Cheow**

**Chew Khoon**). The *ratio decidendi* of a case decided by more than one judge, consists of one or more rules of law applied to the issue(s) (raised by the material facts of the case) by all or a majority of the judges - please see the judgment of Lord Simonds in the House of Lords in **Jacobs v London County Council** [1950] AC 361, at 369-370; and

(b) in **Malayan Banking**, the owner of a piece of land (**Chargor**) charged to a bank (**Chargee**), applied to set aside a court order for the sale of the charged land. **Malayan Banking** did not concern an Intitulement, let alone its defect. In any event, it was held in **Malayan Banking** that the Chargee's failure to serve an affidavit regarding the total sum due from the Chargor to the Chargee, was an irregularity which was cured by the court.

17. Regarding This OS, firstly, s 45(1)(a) TMA provides a statutory relief for the rectification of the Register (**Statutory Relief**) and does not provide for a cause of action - please see the Court of Appeal's judgment delivered by Nik Hashim JCA (as he then was) in **Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors** [2004] 4 MLJ 358, at paragraph 9. Accordingly, This OS is not required to provide any particulars regarding any cause of action claimed by the Plaintiff.

18. Secondly, I find that This OS complies with O 7 r 3(1) RC by giving sufficient particulars regarding the Statutory Relief. In any event, for reasons expressed in sub-paragraph 19(2)(a) to (d) below, I am of the view

that the Defendant is not prejudiced in any manner by the contents of This OS.

19. Thirdly, when Mr. Jasdev Singh applied to the court to dismiss This OS based on the Plaintiff's non-compliance with O 7 rr 2(1A) and 3(1) RC, this is actually a PO which attracts the application of O 2 r 3 RC. I have no hesitation to dismiss the PO on the following grounds:

- (1) the Intitulement did not state the following (**Omission**) -
  - (a) the Plaintiff is moving this court under s 41 of the Specific Relief Act 1950 (**SRA**) and O 15 r 16 RC for declarations; and
  - (b) the Plaintiff is relying on ss 14(1)(a), (d), 37(a) and (b) TMA together with regs. 13A and 13B TMR to expunge Herbal Neem Active Mark from the Register.

Despite the Omission, the Intitulement correctly cited s 45(1) TMA as the basis for Statutory Relief. The Intitulement also rightly stated O 87 RC as being applicable to This OS. In this regard, **Dato' Sri Tai Hean Leng** can be easily distinguished from this case. In **Dato' Sri Tai Hean Leng**, at paragraphs 74, 77, 80-82, 85 and 94, the intitulement wrongly cited s 144 of the then Companies Act 1965 [**CA (1965)**] when that suit had nothing to do with s 144 CA (1965). According to Mohd. Nazlan Mohd. Ghazali JC (as he then was), the error in the intitulement in **Dato' Sri Tai Hean Leng** had misled the defendants and had constituted a "*fundamental irregularity*" which could not be

cured under O 1A and O 2 RC. The Intitulement in this case did not mislead the Defendant in any manner;

(2) the Defendant could not be said to be prejudiced in any manner by the Omission because -

(a) the Plaintiff had given eight detailed grounds in paragraphs (a) to (h) in This OS to remove Herbal Neem Active Mark from the Register;

(b) specific grounds to expunge Herbal Neem Active Mark from the Register had been averred in the Plaintiff's 1<sup>st</sup> Affidavit;

(c) the Defendant had filed six lengthy affidavits to oppose This OS; and

(d) two detailed written submissions had been filed by the Defendant to resist This OS; and

(3) even if it is assumed that the Omission has caused a substantial miscarriage of justice or prejudice to the Defendant, such a substantial miscarriage of justice or prejudice can be cured by an order for costs. Accordingly, in Part N(3) below, the court will consider the Omission in respect of the amount of costs to be awarded in This OS.

**E. Is Plaintiff aggrieved by Herbal Neem Active Mark?**

20. The Plaintiff can only apply to court under s 45(1)(a) TMA to expunge Herbal Neem Active Mark from the Register if the Plaintiff is "*aggrieved*" by

Herbal Neem Active Mark. In **Doretti Resources Sdn Bhd v Fitters Marketing Sdn Bhd & Ors** [2017] 5 MLRH 1, at paragraph 28, I have followed two tests laid down by Federal Court decisions regarding the meaning of an aggrieved person in s 45(1)(a) TMA (**2 Tests**) -

**“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.”*

*(emphasis added).*

21. Mr. Jasdev Singh contended that the Plaintiff is not aggrieved by Herbal Neem Active Mark for the following reasons:

- (1) the Plaintiff has only used Neem Active Mark and Neem Mark in India and not in Malaysia; and

- (2) the Plaintiff has no genuine and present intention to use Neem Active Mark and Neem Mark in the course of trade in Malaysia.
22. The Plaintiff has the evidential burden under s 106 EA to prove that the Plaintiff is aggrieved by Herbal Neem Active 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. This is because whether the Plaintiff is aggrieved or not by Herbal Neem Active Mark is “*especially within the knowledge*” of the Plaintiff as provided in s 106 EA.
23. I am of the view that the Plaintiff has satisfied the 2 Tests and discharged the onus to prove that the Plaintiff is aggrieved by Herbal Neem Active Mark within the meaning of s 45(1)(a) TMA. This decision is premised on the following evidence and reasons:
- (1) the Plaintiff is aggrieved by Herbal Neem Active Mark as understood in the first limb of the meaning of aggrieved person in **McLaren International** (actual use of mark in the course of trade). This is clear from the following -
- (a) there is documentary evidence regarding the actual use of Neem Active Mark in the course of trade in Malaysia by CCC, HIL and JCP (**Use of Neem Active Mark by CCC/HIL/JCP**). I refer to the earliest document adduced by the Plaintiff in This OS - CCC’s invoice dated 13.5.2003 to the Defendant (exhibit “*DS-11*” to the Plaintiff’s 1<sup>st</sup> Affidavit) (**CCC’s Invoice dated 13.5.2003**). CCC’s

Invoice dated 13.5.2003 had expressly referred to Neem Active toothpaste and constituted evidence of CCC's actual use of Neem Active Mark in the course of trade in Malaysia - 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, at paragraphs 78 and 79.

The Plaintiff can rely on the Use of Neem Active Mark by CCC/HIL/JCP because -

- (i) CCC, HIL and JCP is the same corporate entity. A change in the name of a company does not affect its legal identity, rights and obligations; and
  - (ii) the Plaintiff is the successor of CCC/HIL/JCP because JCP has been amalgamated with the Plaintiff - please see paragraph 6.1 of the Amalgamation Scheme [*Upon the coming into effect of (the Amalgamation Scheme) ... all the assets ... concerning (JCP) ... shall accordingly, stand transferred to and vested in/or be deemed to be and stand transferred to and vested in (the Plaintiff)*]; and
- (b) there is documentary evidence regarding the Plaintiff's actual use of Neem Active Mark in the course of trade in Malaysia. Suffice it to cite the Plaintiff's invoice dated 10.2.2014 to the Defendant regarding Neem Active toothpaste;

- (2) the Plaintiff is aggrieved by Herbal Neem Active Mark as explained in the second limb of the meaning of aggrieved person in **McLaren International** because the following evidence clearly shows that the Plaintiff has a genuine and present intention to use Neem Active Mark in the course of trade in Malaysia -
- (a) the Plaintiff manufactures Neem Active toothpaste in India; and
  - (b) as is evident in the 1<sup>st</sup> ODA, the 2<sup>nd</sup> ODA and BDA (**3 Agreements**), the Plaintiff exports Neem Active toothpaste throughout the world, including Malaysia; **and/or**
- (3) as elaborated in Part G(2) below, CCC was the 1<sup>st</sup> User of Herbal Neem Active Mark in the course of trade in Malaysia for Neem Active toothpaste. CCC is therefore the Common Law proprietor of Herbal Neem Active Mark in Malaysia. Consequently, the Plaintiff became the Common Law proprietor of Herbal Neem Active Mark in Malaysia because the Plaintiff was CCC's successor. The Plaintiff is therefore aggrieved by Herbal Neem Active Mark as explained in **Mesuma Sports** because the Plaintiff's Common Law ownership of Herbal Neem Active Mark has been adversely affected by the registration of Herbal Neem Active Mark in the Defendant's name.

**F. Should court lift Defendant's corporate veil?**

24. It is trite law that a company is a legal entity which is distinct from its directors and shareholders. In **Chanel v Melwani<sup>2</sup> International Sdn Bhd & Ors and other suits** [2017] 10 MLJ 592, at paragraph 16, I have

followed a trilogy of Federal Court cases (**3 Federal Court Cases**) as follows:

- (1) **Solid Investment Ltd v Alcatel Lucent (M) Sdn Bhd** [2014] 3 CLJ 73, at 92;
- (2) **Gurbachan Singh s/o Bagawan Singh & Ors v Vellasamy s/o Pennusamy & Ors** [2015] 1 MLJ 773, at paragraphs 96-99; and
- (3) **Giga Engineering & Construction Sdn Bhd v Yip Chee Seng & Sons Sdn Bhd & Anor** [2015] 9 CLJ 537, at paragraphs 39, 44 and 45.

The 3 Federal Court Cases have laid down the following two conditions to be fulfilled cumulatively (**2 Conditions**) for the court to pierce or lift a corporate veil to reveal an individual as the *alter ego*, controller or “*directing mind and will*” of the company -

- (a) there exists special circumstances to pierce or lift the corporate veil (**1<sup>st</sup> Condition**), such as -
  - (i) there has been commission of actual fraud or Common Law fraud;
  - (ii) equitable fraud or constructive fraud has been committed;
  - (iii) to prevent an evasion of liability; or
  - (iv) to prevent an abuse of corporate personality; **and**

(b) the piercing or lifting of a corporate veil is in the interest of justice (**2<sup>nd</sup> Condition**).

25. In This OS, the Plaintiff only seeks to lift and not to pierce the Defendant's corporate veil so as to enable the court to ascertain the true factual position of this case - please see 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.

26. I am of the view that the 2 Conditions have been fulfilled for the court to lift the Defendant's corporate veil to reveal that Mr. Thanga is the *alter ego* of the Defendant. This decision is based on the following evidence and reasons:

(1) the 1<sup>st</sup> Condition has been satisfied as the following special circumstances exist in the 2 Cases -

(a) the Plaintiff has alleged that the Defendant has committed fraud on the Registrar by registering Herbal Neem Active Mark;

(b) the corporate veil of the Defendant is lifted to prevent Mr. Thanga from evading his obligations owed to the Plaintiff under BDA, in particular clause 14(a) BDA which provides that the trade marks of products supplied by HIL "*shall be the exclusive property*" of HIL [**Clause 14(a) BDA**]; and/or

- (c) to prevent the Defendant from abusing its corporate personality by committing fraud on the Registrar and by dishonestly misappropriating Plaintiff's property in Neem Active Mark; and
- (2) the 2<sup>nd</sup> Condition is met because the following evidence and reasons show that it is in the interest of justice to lift the corporate veil of the Defendant to reveal that Mr. Thanga is its *alter ego* -
- (a) in paragraph 8 of the Defendant's 1<sup>st</sup> Affidavit, Mr. Thanga admitted that he was "*instrumental*" in the setting up of the Defendant;
  - (b) as sole proprietor of PBT, Mr. Thanga had entered into the 3 Agreements with the Plaintiff;
  - (c) Mr. Thanga's 3 Trade Mark Applications had been made;
  - (d) the Defendant's 1<sup>st</sup> Affidavit (affirmed by Mr. Thanga) has alleged that -
    - (i) Mr. Thanga had sought out CCC in India to supply him with Neem Active toothpaste for sale in Malaysia;
    - (ii) one Mr. VR Veerappan (**Mr. Veerappan**), a director of CCC and subsequently a director and Vice-President (Technical) of HIL, had agreed to Mr. Thanga's proposal for Mr. Thanga to create Mr. Thanga's own Herbal Neem Active Mark and for

Mr. Thanga to sell CCC's Neem Active toothpaste in Malaysia based on Herbal Neem Active Mark; and

- (iii) Mr. Veerappan also agreed to Mr. Thanga's 3 Trade Mark Applications and subsequently to the Defendant's Trade Mark Applications.

It is clear from the above averments in the Defendant's 1<sup>st</sup> Affidavit that Mr. Thanga is the "*directing mind and will*" of the Defendant; and

- (e) Mr. Thanga owns 230,000 shares in the Defendant while Mr. Thanga's wife, Madam Anjali a/p Chellappan (**Madam Anjali**), holds 250,000 shares of the Defendant. The only other shareholder of the Defendant is one Ms. Kumutha a/p Kailasam (**Ms. Kumutha**) who owns only 20,000 shares in the Defendant. In this case, the Defendant's affidavits did not allege any involvement by Madam Anjali and Ms. Kumutha. It is therefore clear that only Mr. Thanga controls the Defendant.

**G. Who was 1<sup>st</sup> User of Herbal Neem Active mark in Malaysia?**

- 27. The Federal Court has decided in **Mesuma Sports**, at paragraphs 37-47, that the 1<sup>st</sup> User of a mark is the Common Law proprietor of the mark and is therefore entitled 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).

**G(1). Burden of proof**

28. By reason of s 36 TMA, the fact that the Defendant is registered as proprietor of Herbal Neem Active Mark shall be *prima facie* evidence of the validity of its original registration. Furthermore, s 37 TMA provides that the registration of Herbal Neem Active Mark shall be conclusive after the expiry of 7 years from the date of its original registration unless one of the three circumstances under s 37(a) to (c) TMA can be proven by the Plaintiff - please see the judgment of James Foong JCA (as he then was) in the Court of Appeal case of **Bata Ltd v Sim Ah Ba & Ors** [2006] 3 CLJ 393, at paragraphs 20, 21 and 23.

29. In view of ss 36 and 37 TMA, the Plaintiff has the burden to prove on a balance of probabilities that Plaintiff is the 1<sup>st</sup> User of Herbal Neem Active Mark in the course of trade in Malaysia - please see **GS Yuasa Corp v GBI Marketing Sdn Bhd** [2017] 8 MLJ 166, at paragraph 20.

**G(2). CCC was 1<sup>st</sup> User of Herbal Neem Active Mark in Malaysia**

30. Mr. Jasdev Singh has submitted that the Defendant is the 1<sup>st</sup> User of Herbal Neem Active Mark in Malaysia because the Defendant has traded

in “*ayurvedic*” and herbal-based products since 1998. There is however no documentary evidence to support such a contention and I cannot therefore accept such a contention. I have not overlooked the Defendant’s invoices for “*Sunsan Neem Shampoo*” exhibited in the Defendant’s 1<sup>st</sup> Affidavit. Such invoices concerned sales of shampoo (not toothpaste) and cannot constitute evidence of the Defendant’s use of Herbal Neem Active Mark for toothpaste.

31. I am of the view that CCC was the 1<sup>st</sup> User of Herbal Neem Active Mark in the course of trade in Malaysia for Neem Active toothpaste. This decision is supported by the following evidence and reasons:

(1) clause 2.3 of the 1<sup>st</sup> ODA provides that “[CCC] hereby appoints [PBT] as the authorised distributor of Neem Tooth Paste ... produced under its registered Trade Mark “Neem Active Toothpaste”, in Malaysia ...” **[Clause 2.3 (1<sup>st</sup> ODA)]**. 1<sup>st</sup> ODA is a commercial contract and should be construed in a commercially sensible manner - please see the Federal Court’s judgment in **Berjaya Times Squares Sdn Bhd (formerly known as Berjaya Ditan Sdn Bhd) v M Concept Sdn Bhd** [2010] 1 MLJ 597, at paragraph 10. An objective interpretation of Clause 2.3 (1<sup>st</sup> ODA) in a commercially sensible manner, shows the manifest intention of CCC and PBT (Mr. Thanga) that only Neem Active toothpaste bearing Neem Active Mark (not Herbal Neem Active Mark) owned by CCC, could be sold in Malaysia by PBT (Mr. Thanga).

Sections 91 and 92 EA exclude any extrinsic evidence, be it from the Defendant, Mr. Thanga, Mr. Veerappan or any other person, from

being adduced to contradict, vary, add to or subtract from Clause 2.3 (1<sup>st</sup> ODA) - please see Chang Min Tat FJ's judgment in the Federal Court case of **Tindok Besar Estate Sdn Bhd v Tinjar Co** [1979] 2 MLJ 229, at 227-228.

Clause 4.4 of the 1<sup>st</sup> ODA [**Clause 4.4 (1<sup>st</sup> ODA)**] stated that PBT shall apply to register Neem Active toothpaste's "*brand name*" with the trade mark authorities within six months or such time as may be extended in writing by CCC. The Defendant cannot rely on Clause 4.4 (1<sup>st</sup> ODA) to justify its registration of Herbal Neem Active Mark because -

- (a) Neem Active toothpaste's "*brand name*" as stated in Clause 4.4 (1<sup>st</sup> ODA) could only refer to the Neem Active Mark owned by CCC at the material time. At the time of the execution of the 1<sup>st</sup> ODA, Neem Active toothpaste's brand name could not be the Defendant's Herbal Neem Active Mark; and
- (b) Clause 4.4 (1<sup>st</sup> ODA) was only applicable to PBT (Mr. Thanga) and not to the Defendant (not a party to the 1<sup>st</sup> ODA). In other words, only PBT (Mr. Thanga) was authorized by Clause 4.4 (1<sup>st</sup> ODA) to apply to register Neem Active Mark (not Herbal Neem Active Mark) as a trade mark in Malaysia.

Clause 3.4 of the 1<sup>st</sup> ODA provided that CCC shall extend all support (except financial support) to PBT for the promotion and marketing of Neem Active toothpaste. Clause 4.2 of the 1<sup>st</sup> ODA stated that PBT shall be solely responsible to procure and obtain the relevant

documents, licenses and permits for the import, marketing and distribution of Neem Active toothpaste. Clauses 3.4 and 4.2 of the 1<sup>st</sup> ODA did not -

- (i) concern ownership or rights regarding trade marks;
  - (ii) authorise PBT (Mr. Thanga) or the Defendant to create Herbal of Neem Active Mark;
  - (iii) allow the Defendant to apply and to register Herbal of Neem Active Mark; and
  - (iv) apply to the Defendant (not a party to the 1<sup>st</sup> ODA);
- (2) CCC's Invoice dated 13.5.2003 clearly proved CCC's use of Herbal Neem Active Mark in the course of trade in Malaysia for Neem Active toothpaste;
- (3) CCC's letter dated 18.3.2004 (**CCC's Letter dated 18.3.2004**) authorized Mr. Thanga to sign all necessary documents for the purpose of registration of Neem Active toothpaste with the National Pharmaceutical Control Bureau of Malaysia (**NPCB**). According to CCC's Letter dated 18.3.2004, "*all proprietary rights, ownership, title, interest and benefit of whatsoever in nature, in respect of the trademarks of [Neem Active toothpaste] will exclusively vest with*" CCC. At all times, Mr. Thanga and the Defendant had not denied or objected to the truth of the contents of CCC's Letter dated 18.3.2004;

- (4) Clause 2.3 (1<sup>st</sup> ODA) is substantially similar to clause 2.3 of the 2<sup>nd</sup> ODA [**Clause 2.3 (2<sup>nd</sup> ODA)**] except that according to Clause 2.3 (2<sup>nd</sup> ODA), PBT was CCC's authorised distributor of Neem Active toothpaste in Malaysia only. A commercially sensible construction of Clause 2.3 (2<sup>nd</sup> ODA) shows the manifest intention of CCC and PBT (Mr. Thanga) that only Neem Active toothpaste bearing Neem Active Mark (not Herbal Neem Active Mark) could be sold in Malaysia by PBT (Mr. Thanga). Sections 91 and 92 EA exclude any evidence from the Defendant, Mr. Thanga, Mr. Veerappan or any other person to contradict, vary, add to or subtract from Clause 2.3 (2<sup>nd</sup> ODA);
- (5) the following clauses in BDA clearly show that HIL retains the ownership of Neem Active Mark -
- (a) clause 5(d) provides that PBT "*shall not alter the packaging, treat or otherwise deal with the products in a manner which has not been specified in [BDA] and shall sell and distribute products in their original packaging, form, get-up and under the trade mark in which they are supplied*" to PBT by HIL [**Clause 5(d) BDA**]; and
- (b) according to Clause 14(a) BDA, the trade marks of the brands/products supplied by HIL and the goodwill symbolised thereby "*shall be the exclusive property*" of HIL and PBT (Mr. Thanga) "*shall not claim any rights, title or interest therein, directly or indirectly*".

The Defendant, Mr. Thanga and Mr. Veerappan are barred by ss 91 and 92 EA from adducing any evidence to contradict, vary, add to or subtract from Clauses 5(d) and 14(a) BDA;

(6) on the packaging of Herbal Neem Active Mark toothpaste sold by PBT (Mr. Thanga) in Malaysia, it was expressly stated “*Neem Active is the registered trademark of [the Plaintiff]*” (**Label**). If the Defendant was the 1<sup>st</sup> User and Common Law proprietor of Herbal Neem Active Mark in Malaysia, Mr. Thanga and/or the Defendant would have -

(a) objected to the truth of the contents of the Label; and

(b) caused to be stated in the Label that the Defendant was the registered owner of the Herbal Neem Active Mark; and

(7) at all times, neither Mr. Thanga nor the Defendant had informed in writing CCC/HIL/JCP and the Plaintiff that the Defendant was the 1<sup>st</sup> User and Common Law owner of Herbal Neem Active Mark.

32. I cannot accept the Defendant’s contention that the Defendant had engaged CCC as a “*contract manufacturer*” to produce Neem Active toothpaste bearing Herbal Neem Active Mark. This is firstly because the Defendant is not a party to the 3 Agreements. The 3 Agreements had been entered into by PBT (Mr. Thanga). Secondly, as explained above, the 3 Agreements provided for PBT (Mr. Thanga) to be only an authorised distributor of Neem Active toothpaste with CCC/HIL/JCP retaining the ownership of Neem Active Mark.

33. I find that Mr. Thanga had concealed the following material facts from CCC/HIL/JCP and the Plaintiff:

- (1) Mr. Thanga's 3 Trade Mark Applications. It is to be noted that Mr. Thanga's 3 Trade Mark Applications had been filed on 12.11.2001, before the execution of 1<sup>st</sup> ODA on 15.12.2001. In other words, Mr. Thanga had attempted to dishonestly misappropriate CCC's property in Neem Active Mark even before PBT (Mr. Thanga) was authorized by the 1<sup>st</sup> ODA to distribute CCC's Neem Active toothpaste in Malaysia;
- (2) despite Clause 2.3 (1<sup>st</sup> ODA) and Clause 2.3 (2<sup>nd</sup> ODA) which provided that PBT (Mr. Thanga) could only sell Neem Active toothpaste bearing Neem Active Mark (not Herbal Neem Active Mark), the Defendant's Trade Mark Applications were made on 26.3.2008. Mr. Thanga did not inform HIL regarding the Defendant's Trade Mark Applications after the execution of BDA on 10.10.2008; and
- (3) when the Defendant's Trade Mark Application for Class 3 was allowed by the Registrar, PBT (Mr. Thanga) concealed such a material fact from HIL and subsequently from the Plaintiff

**(Mr. Thanga's Concealment).**

34. If the Defendant is the 1<sup>st</sup> User and the Common Law owner of Herbal Neem Active Mark in Malaysia -

- (1) the Defendant's Trade Mark Application to register Herbal Neem Active Mark for goods in Class 5 would not have been abandoned by the Defendant; and
  - (2) HIL would not have shared the cost of advertising and promoting, among others, Neem Active toothpaste - please see the Defendant's invoice dated 25.5.2007 for US\$37,500.00 to HIL.
35. JCP's letter dated 26.2.2013 to NPCB (**JCP's Letter dated 26.2.2013**) merely appointed PBT to act as JCP's "*distributor, importer and holder of registration certificates*" for JCP's products. There is nothing in JCP's Letter dated 26.2.2013 which states that the Defendant is the 1<sup>st</sup> User and the Common Law proprietor of Herbal Neem Active Mark. In fact, ss 91 and 92 EA excludes JCP's Letter dated 26.2.2013 from contradicting, varying, adding to or subtracting from the 3 Agreements, in particular Clauses 5(d) and 14(a) BDA.
36. Mr. Veerappan signed the 1<sup>st</sup> ODA and 2<sup>nd</sup> ODA as a director of CCC and HIL respectively. Such a fact is irrelevant to the construction of the 1<sup>st</sup> ODA and 2<sup>nd</sup> ODA because the 3 Agreements have to be interpreted in a commercially sensible manner - please see **Berjaya Times Squares**. I am of the view that the Defendant cannot rely on an alleged oral agreement between Mr. Thanga and Mr. Veerappan (**Alleged Oral Agreement**). This decision is premised on the following evidence and reasons:
- (1) the 2 Conditions have not been proven to lift the two corporate veils of CCC/HIL/JCP and the Plaintiff to show that Mr. Veerappan is their



*alter ego*. Accordingly, whatever said or done by Mr. Veerappan cannot bind CCC/HIL/JCP and the Plaintiff;

- (2) ss 91 and 92 EA bar any evidence from Mr. Veerappan which contradicts, varies, adds to or subtracts from the 3 Agreements, in particular Clauses 5(d) and 14(a) BDA;
- (3) Mr. Veerappan's oral assertions in his two affidavits are contrary to CCC's Letter dated 18.3.2004 and the Label. When there is a conflict between contemporaneous documentary evidence and bare allegations in an affidavit, the court will readily 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;
- (4) if the Alleged Oral Agreement was true, PBT (Mr. Thanga) would not have entered into BDA, in particular Clauses 5(d) and 14(a) BDA. Instead, Mr. Thanga would have insisted for the BDA to contain the terms of the Alleged Oral Agreement; and
- (5) there is neither justification nor reason why Mr. Veerappan could not have reduced the Alleged Oral Agreement to writing. In this digital age, it is highly improbable that the Alleged Oral Agreement cannot be referred to in one email, WhatsApp message, short service message, Twitter message, letter or facsimile; and
- (6) if I have accepted Mr. Veerappan's bare assertions, this would be tantamount to re-writing the 3 Agreements and would allow the

commission of fraud and other criminal offences as explained in Parts H and I below to be perpetrated against CCC/HIL/JCP and the Plaintiff.

37. The Defendant's affidavits had alleged that one Ms. Permesuri a/p Letchumanan (**Ms. Permesuri**), a former employee of the Defendant, had conspired with the Plaintiff to "*hijack*" the Defendant's business based on Herbal Neem Active Mark. I am of the view that the Defendant's averments regarding Ms. Permesuri do not detract from the evidence and reasons in the above paragraphs 31-34 (which proved that CCC was the 1<sup>st</sup> User and Common Law proprietor of Herbal Neem Active Mark in Malaysia). I am also of the opinion that there is no sufficient evidence to prove on a balance of probabilities that Ms. Permuri has colluded with the Plaintiff to injure the Defendant (**Conspiracy Allegation**). If there is any truth in the Conspiracy Allegation, the Defendant would have made a counterclaim regarding the Conspiracy Allegation in This OS pursuant to O 28 r 7(1) RC. The Defendant did not however counterclaim in This OS regarding the Conspiracy Allegation.

**H. Whether registration of Herbal Neem Active Mark had been obtained by fraud**

38. As CCC is the 1<sup>st</sup> User and the Common Law proprietor of Herbal Neem Active Mark in Malaysia, HIL enjoyed such a property when CCC's name was changed to HIL. When HIL's name was further changed to JCP, JCP was the Common Law proprietor of Herbal Neem Active Mark in this

country. By virtue of the Amalgamation Scheme, the Plaintiff is the present Common Law proprietor of Herbal Neem Active Mark in Malaysia.

39. It is not disputed that the Plaintiff bears the legal and evidential burden under ss 101(1), (2) and 102 EA to prove that the original registration of Herbal Neem Active Mark had been obtained by 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.
40. 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, the Plaintiff is only required to prove on a balance of probabilities that the Defendant has obtained the original registration of Herbal Neem Active Mark by fraud under s 37(a) TMA - **Lim Teck Lee (M) Sdn Bhd**, at paragraph 21.
41. I find as a fact that the Plaintiff has succeeded to prove on a balance of probabilities that the original registration of Herbal Neem Active Mark has been obtained by fraud by the Defendant under s 37(a) TMA. This finding is based on the following evidence and reasons:
- (1) as explained in the above paragraphs 31 to 34, CCC was the 1<sup>st</sup> User and the Common Law proprietor of Herbal Neem Active Mark. As such, the Defendant -

- (a) could not claim to be the 1<sup>st</sup> User and the Common Law owner of Herbal Neem Active Mark; and
  - (b) was not entitled to apply to register Herbal Neem Active Mark under s 25(1) TMA; and
- (2) when the Defendant applied to register Herbal Neem Active Mark under s 25(1) TMA, Mr. Thanga had actual knowledge of CCC's 1<sup>st</sup> User of Herbal Neem Active Mark on Neem Active toothpaste in Malaysia - please see the 3 Agreements, CCC's Invoice dated 13.5.2003 and the Label. Such actual knowledge by Mr. Thanga can be imputed to the Defendant because Mr. Thanga is the *alter ego* of the Defendant (please see the above paragraph 26). Accordingly, when the Defendant applied to register Herbal Neem Active Mark with imputed knowledge that CCC was the 1<sup>st</sup> User and the Common Law owner of Herbal Neem Active Mark on Neem Active toothpaste in Malaysia, the Defendant had therefore defrauded the Registrar within the meaning of s 37(a) TMA. In **Lim Teck Lee (M) Sdn Bhd**, at subparagraph 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).

**I. Are there grounds to investigate commission of offences under PC?**

42. The relevant parts of ss 107(c), 109, 403, 415(b) and 417 PC read as follows:

***“Abetment of a thing***

s 107. A person abets the doing of a thing who -

...  
(c) ***intentionally aids, by any act or illegal omission, the doing of that thing.***

*Punishment of abetment if the act abetted is committed in consequence, and where no express provision is made for its punishment*

s 109. ***Whoever abets any offence shall, if the act abetted is committed in consequence of the abetment, and no express provision***

*is made by this Code for the punishment of such abetment, be punished with the punishment provided for the offence.*

***Dishonest misappropriation of property***

***s 403. Whoever dishonestly misappropriates, or converts to his own use, or causes any other person to dispose of, any property, shall be punished with imprisonment for a term which shall not be less than six months and not more than five years and with whipping and shall also be liable to fine.***

***Cheating***

***s 415 Whoever by deceiving any person, whether or not such deception was the sole or main inducement –***

***...  
(b) intentionally induces the person so deceived to do or omit to do anything which he would not do or omit to do if he were not so deceived and which act or omission causes or is likely to cause damage or harm to any person in body, mind, reputation, or property,***

***is said to “cheat”.***

***s 417 Punishment for cheating***

***Whoever cheats shall be punished with imprisonment for a term which may extend to five years or with fine or with both.”***

(emphasis added).

43. I am of the view that there are grounds to investigate the following offences in this case:



- (1) when the Defendant applied to register Herbal Neem Active Mark with imputed knowledge that CCC was the 1<sup>st</sup> User and the Common Law owner of Herbal Neem Active Mark, the Defendant would have committed an offence of cheating the Registrar under s 415(b) PC which is punishable under s 417 PC - please see **Lim Teck Lee (M) Sdn Bhd**, at paragraph 22;
- (2) PBT (Mr. Thanga) is a party to the 3 Agreements [in particular Clauses 5(d) and 14(a) BDA] which clearly provide that the ownership of the trade mark in goods provided by CCC/HIL/JCP belong to CCC/HIL/JCP (and subsequently belong to the Plaintiff). When the Defendant obtained registration of Herbal Neem Active Mark, the Defendant had dishonestly misappropriated the property of CCC/HIL/JCP (and subsequently the property of the Plaintiff) in Herbal Neem Active Mark within the meaning of s 403 PC which is punishable under the same provision; and
- (3) Mr. Thanga had abetted the Defendant's cheating and dishonest misappropriation (**2 Offences**) by intentionally aiding the commission of the 2 Offences [please see s 107(c) PC]. Section 109 PC provides for the punishment of an offence of abetment.

**J. Whether Neem Active Mark is a well-known trade mark**

44. Sections 14(1)(a), (d) and (2) TMA together with regs. 13A and 13B TMR provide as follows:

“TMA

**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;**

...

**(d) if it is identical with or so nearly resembles a mark which is well-known in Malaysia for the same goods or services of another proprietor;**

**14(2) Article 6bis of the Paris Convention and Article 16 of the TRIPS Agreement shall apply for the purpose of determining whether a trade mark is a well-known trade mark.**

TMR

**Where registration of mark is not allowed.**

**13A. The Registrar shall not register a mark or part of a mark where**

—

**(a) the mark or part of the mark is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of Malaysia to be well-known in Malaysia, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services;**

**(b) the mark or part of the mark is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known under regulation 13B, which is registered in Malaysia with respect to goods or services whether or not similar to those with respect to which registration is applied for, provided that use of the mark in relation to those goods or services would indicate a connection**

*between those goods or services, and the proprietor of the registered mark, provided further, that the interests of the proprietor of the registered mark are likely to be damaged by such use;*

...

**Criteria of well-known mark**

**13B** *In determining whether a mark is well-known or not, the following criteria may be taken into account:*

- (a) the degree of knowledge or recognition of the mark in the relevant sector of the public;*
- (b) the duration, extent and geographical area of any use of the mark;*
- (c) the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods or services to which the mark applies;*
- (d) the duration and geographical area of any registrations, or any applications for registration, of the mark to the extent that they reflect use or recognition of the mark;*
- (e) the record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well-known by competent authorities;*
- (f) the value associated with the mark.”*

(emphasis added).

45. Article 6*bis*(1) of the Paris Convention and Article 16(2) of the TRIPS Agreement read as follows:

*“Article 6bis Paris Convention*

*Marks: **Well-Known Marks***

*(1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.*

...

*Article 16 TRIPS Agreement*

***Rights Conferred***

...

*(2) Article 6bis of the Paris Convention (1967) shall apply, mutatis mutandis, to services. **In determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark.***

(emphasis added).

46. In **X1R Global Holdings Sdn Bhd & Anor v Y-Teq Auto Parts (M) Sdn Bhd** [2016] 6 MLRH 41, at paragraph 30, I have held that the list of criteria

to ascertain whether a mark is a well-known trade mark in reg. 13B(a) to (f) TMR is neither mandatory nor exhaustive.

47. Pursuant to s 106 EA, the Plaintiff has the evidential onus to prove that Neem Active Mark is a well-known trade mark because only the Plaintiff has knowledge regarding such a mark.

48. I find as a fact that the Plaintiff has failed to discharge the evidential burden under s 106 EA to prove that Neem Active Mark is a well-known trade mark. This finding is based on the following evidence and reasons:

(1) the competent authority in Malaysia has not considered Neem Active Mark as a well-known trade mark under regs. 13A(a), 13B(e) TMR and/or Article 6*bis*(1) of the Paris Convention; and

(2) the Plaintiff has not adduced any evidence regarding -

(a) the degree of knowledge or recognition of Neem Active Mark in the relevant sector of the public concerning toothpaste [reg. 13B(a) TMR and Article 16(2) TRIPS Agreement];

(b) a long duration and a large extent and geographical area of the use of Neem Active Mark [reg. 13B(b) TMR];

(c) a long duration and a great extent and geographical area of any promotion and advertisement of Neem Active Mark [reg. 13B(c) TMR and Article 16(2) TRIPS Agreement];

- (d) the registration of Neem Active Mark in countries besides India [reg. 13B(d) TMR];
- (e) the Plaintiff's successful enforcement of Neem Active Mark in Malaysia or any other country [reg. 13B(e) TMR];
- (f) the value associated with Neem Active Mark [reg. 13B(f) TMR];  
and
- (g) any award or recognition conferred in respect of Neem Active Mark.

49. As Neem Active Mark is not a well-known trade mark, This OS cannot succeed under s 14(1)(d) read with ss 37(b) and 45(1)(a) TMA.

**K. Is Herbal Neem Active Mark likely to deceive and/or confuse public?**

50. Herbal Neem Active Mark can be expunged from the Register under the first limb of s 14(1)(a) read with ss 37(b) and 45(1)(a) TMA if there is a likelihood that the public will be deceived and/or confused that Neem Active toothpaste bearing Herbal Neem Active Mark is manufactured by the Defendant (**Likelihood of Deception/Confusion**).

51. It is not disputed that the Plaintiff bears the burden to prove a Likelihood of Deception/Confusion - please see the judgment of Zulkefli Makinudin CJ (Malaya) (as he then was) 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.

**K(1). What is the effect of Registrar's disclaimer or condition?**

52. Regarding Herbal Neem Active Mark, the Registrar has given a "disclaimer/condition" that the Defendant has no exclusive right to the use of the words "Herbal", "Active" and "Complete Care". In India, a disclaimer has been imposed by India's Registrar of Trade Marks (**India's Registrar**) regarding Neem Active Mark and Neem Mark - there is no exclusive right for CCC/HIL/JCP or the Plaintiff to the use of the word "Neem".

53. Sections 18(1), (2), 25(3), 35(1) and 40(2) TMA provide as follows:

***"Disclaimer***

18(1) ***If a trade mark -***

...

(b) ***contains matter which is common to the trade or business or is not distinctive,***

***the Registrar or the Court, in deciding whether the trade mark shall be entered or shall remain in the Register, may require as a condition of its being upon the Register, that the proprietor shall disclaim any right to the exclusive use of any such part or matter, to the exclusive use of which the Registrar or the Court holds him not to be entitled or that the proprietor shall make such other disclaimer as the Registrar or the Court may consider necessary for the purpose of defining his rights under the registration.***

(2) ***No disclaimer on the Register shall affect any right of the proprietor of a trade mark except a right arising out of the registration of the trade mark in respect of which the disclaimer is made.***

25(3) **Subject to the provisions of this Act, the Registrar may refuse the application or may accept it absolutely or subject to such conditions, amendments, modifications or limitations, if any, as he may think right to impose.**

**Rights given by registration**

35(1) **Subject to the provisions of this Act, the registration of a person as registered proprietor of a trade mark (other than a certification trade mark) in respect of any goods or services shall, if valid, give or be deemed to have been given to that person the exclusive right to the use of the trade mark in relation to those goods or services subject to any conditions, amendments, modifications or limitations entered in the Register.**

40(2) **Where a trade mark is registered subject to conditions, amendments, modifications or limitations, the trade mark is not infringed by the use of the trade mark in any manner in relation to goods to be sold or otherwise traded in in a place or in relation to goods to be exported to a market or in relation to services to be provided in a place or in any other circumstances to which having regard to those conditions, amendments, modifications or limitations the registration does not extend.”**

(emphasis added).

54. I am of the following view regarding the effect of a condition, disclaimer, amendment, modification or limitation imposed by our Registrar on a registered trade mark pursuant to ss 18(1) and 25(3) TMA (**Disclaimer**):

(1) according to ss 18(2) and 35(1) TMA, a Disclaimer restricts the exclusive right of an owner to use a registered trade mark. Such a



restriction will in turn limit the right of the proprietor of a registered trade mark to commence an action for trade mark infringement under s 38(1) TMA - please see 40(2) TMA. This is clear from the following cases -

- (a) in the Singapore High Court case of **British-American Tobacco Co Ltd v Tobacco Importers & Manufacturers Ltd & Ors** [1963] MLJ 196, at 198, Ambrose J decided as follows -

*“The exclusive use of those words was specifically disclaimed by the Plaintiffs. I decided that a disclaimed feature cannot possibly be regarded as an essential particular. I agreed with the view expressed by Lloyd-Jacob J. in the *Taw* case cited above that “A disclaimed feature is the antithesis of an essential particular.” I accepted the following passage from Kerly’s *Law of Trade Marks*, 8th edition, page 150, as a correct statement of the law:*

*The effect of a disclaimer is that the proprietor of the registered trade mark cannot claim any trade mark rights in respect of the parts of the mark to which the disclaimer relates, so that, for instance, no action for infringement lies in respect of the use or imitation of the disclaimed particulars.”*

(emphasis added);

- (b) the above judgment in **British-American Tobacco** has been followed by Ramly Ali J (as he then was) in the High Court in **Sanbos (M) Sdn Bhd v Tiong Mak Liquor Trading (M) Sdn**

**Bhd** [2008] 10 CLJ 538, at paragraphs 26 and 27. According to **Sanbos**, at paragraph 25 -

*“[25] It is pertinent to point out at this juncture that each of the plaintiff's registrations for "CLUB 99" and "CLUB 999" is expressly subject to a disclaimer that the registration does not have an exclusive right over the use of the numerals "99" and "999". ...*

*The plaintiff only has an exclusive right on the word "CLUB" in both registrations. Therefore, the court should disregard the numerals "99" and "999" in the plaintiff's registration when comparing whether the defendant's "TRIPLE 999" mark is confusingly similar to the plaintiff's marks.”*

(emphasis added); and

- (c) in the High Court case of **Tint Shop (M) Sdn Bhd v Infinity Audio Marketing Sdn Bhd** [2017] 1 LNS 612, at paragraph 22, Gunalan Muniandy JC (as he then was) held as follows -

*“[22] From the unrebutted evidence in this case, it was patently clear that [the Plaintiff] could not claim ownership of the words “First Shop” as both the words “tint” and “shop” had been expressly disclaimed ...”*

(emphasis added); and

- (2) although the court cannot refer to the subject matter of a Disclaimer when an owner of a registered trade mark enforces his or her

exclusive right to the use of the registered trade mark, the court may however refer to the subject matter of the Disclaimer in deciding whether the registered trade mark should be removed from the Register on the ground of existence of a Likelihood of Deception/Confusion pursuant to the first limb of s 14(1)(a) read with ss 37(b) and 45(1)(a) TMA. This is understandable as the purpose of the first limb of s 14(1)(a) TMA is to protect the public from being deceived or confused regarding the origin or quality of goods and services by the use of a registered trade mark.

Our first limb of s 14(1)(a) TMA is similar to s 12(1) of United Kingdom's (UK) Trade Marks Act 1938 [**TMA 1938 (UK)**]. As such, decisions of UK's Registrar of Trade Marks (**UK's Registrar**) on s 12(1) TMA 1938 (UK) may be referred to in the construction of our first limb of s 14(1)(a) TMA. I rely on the following decisions of UK's Registrar -

(a) in **Granada Trade Mark** [1979] RPC 303, at 306, Mr. Myall (from the office of UK's Registrar) decided as follows -

*“Mr. Falconer submitted that there were two rights arising out of the registration of the opponents' mark which were affected by this disclaimer, viz. (1) the exclusive right to the use of the trade mark given by section 4 [TMA 1938 (UK)], and (2) the right to object under section 12(1) to a proposed registration. He argued that the effect of the disclaimer was not only to prevent the proprietor from suing for infringement of his registration where the alleged infringing use was of the disclaimed element but also to require*

that the disclaimed element be ignored when making any comparison for resemblance between two marks in the application of section 12(1).

***In support of the first of these propositions a number of authorities was cited. These do not, I think, go as far as to establish that where a trade mark is registered subject to a disclaimer in respect of a part of the mark, that part must be ignored entirely when considering the question of the likelihood of confusion. The scope of the monopoly conferred by registration in such a case is limited to the combination, that is to say the mark as a whole, including the part made subject to the disclaimer. Thus, Eve J in **Coombie v Mendit** (1913) 30 RPC 709 referred to the registered mark “Mendine” as a word of seven letters of which no claim was made to the exclusive use of the first four leaving the termination “ine” as the only part to which exclusive right attaches, but went on to consider as his first question whether there would be a risk of confusion between the two words “Mendine” and “Mendit” on the assumption that both were fairly used by their owners - see the judgment at page 717 lines 38-48. See also the judgment of Lord Alverstone MR in **T Hubbuck & Son Ltd v W Brown Sons & Co** (1900) 17 RPC 638 at 644 lines 44-49; and per Russell LJ when **Genette Trade Mark** went to the Court of Appeal [1969] RPC 189 at 192 line 44 to page 193 line 1. These judgments show, in my opinion, that it is still necessary to consider the marks as wholes and that a disclaimed element is not entirely ignored.”***

(emphasis added); and

(b) **Granada Trade Mark** has been followed -

- (i) by Mr. Myall in **L'AMY Trade Mark** [1983] RPC 137, at 143-144;
- (ii) by Mr. M. Knight (from the office of UK's Registrar) in **Re Application Nos. 1360373 and 1360579 by Club Europe Holidays Ltd**, at page 14;
- (iii) by Mr. MJ Tuck (from the office of UK's Registrar) in **Paton Calvert Cordon Bleu Trade Mark** [1996] RPC 94, at 102, as follows -

*“As Lloyd-Jacob J put it in Ford-Werke’s Application (1955) 72 RPC 191 at 195 lines 30 to 38, a disclaimer does not affect the significance which a mark conveys to others when used in the course of trade. Disclaimers do not go into the market place, and the public generally has no notice of them. In my opinion matter which is disclaimed is not necessarily disregarded when questions of possible confusion or deception of the public, as distinct from the extent of a proprietor’s exclusive rights, are to be determined.”*

(emphasis added); and

- (iv) by Mr. S. Farquhar from Australia’s Registrar of Trade Marks in **Re Application by Hardings Manufacturers Pty Ltd t/a Wyandra Industries** (1987) 8 IPR 147, at 151 and 153. **Hardings Manufacturers** concerned the then applicable s

28(a) of Australia's Trade Marks Act 1955 [**TMA 1955 (Australia)**]. Our first limb of s 14(1)(a) TMA is similar to s 28(a) TMA 1955 (Australia). TMA 1955 (Australia) has been replaced by Trade Marks Act 1994 and subsequently by Trade Marks Act 1995.

55. Based on the cases and reasons explained in the above sub-paragraph 54(2), this court should consider the subject matter of the Disclaimer in deciding whether there exists a Likelihood of Deception/Confusion. For the same reasons, the word "*Neem*" (disclaimed by India's Registrar) should also be taken into account in ascertaining the existence of a Likelihood of Deception/Confusion in this case.

**K(2). Is there a Likelihood of Deception/Confusion?**

56. I acknowledge that there are differences between Herbal Neem Active Mark and Neem Active Mark (**Differences**) as follows:

- (1) there is an additional word in Herbal Neem Active Mark, namely "*Herbal*";
- (2) the arrangement of words in Herbal Neem Active Mark is different from the arrangement of words in Neem Active Mark;
- (3) the colour, type and size of font of the words in Herbal Neem Active Mark are different from those in Neem Active Mark; and
- (4) the pronunciation of both marks is different.

57. I am of the view that the Differences do not prevent a Likelihood of Deception/Confusion between Herbal Neem Active Mark and Neem Active Mark. This finding is premised on the following evidence and reasons:

- (1) there is a striking similarity in both marks - both marks have the word “*Neem*” and this word is most prominently displayed in both marks;
- (2) the Defendant sells Neem Active toothpaste manufactured by the Plaintiff. Due to Herbal Neem Active Mark, it is likely that any reasonable consumer of Neem Active toothpaste would be deceived and/or confused to believe that Neem Active toothpaste is produced by the Defendant; and
- (3) applying the “*general recollection test*” as explained by Thomson LP in the Federal Court case of **MI & M Corporation & Anor v A Mohamed Ibrahim** [1964] 1 MLJ 392, at 294, a reasonable customer (with an average memory and an imperfect recollection of the exact details of toothpaste) is likely to be deceived and/or confused to believe that Neem Active toothpaste is manufactured by the Defendant.

58. In view of the evidence and reasons elaborated in the above paragraph 57, the Plaintiff has succeeded to discharge the onus to prove that there is a Likelihood of Deception/Confusion between Herbal Neem Active Mark and Neem Active Mark within the meaning of the first limb of s 14(1)(a) TMA. Hence, Herbal Neem Active Mark should be expunged from the Register under s 37(b) read with s 45(1)(a) TMA.

**L. Whether Plaintiff is estopped from filing This OS**

59. The Plaintiff is not estopped from applying to court to remove Herbal Neem Active Mark from the Register under s 45(1)(a) TMA merely because the Plaintiff has failed to oppose the Defendant's application to register Herbal Neem Active Mark - please see the Federal Court's judgment delivered by Zulkefli CJ (Malaya) in **Yong Teng Hing b/s Hong Kong Trading Co & Anor v Walton International Ltd** [2012] 6 CLJ 337, at paragraph 22.

**M. Cases cited by Defendant**

60. Mr. Jasdev Singh has cited an impressive array of cases to oppose This OS. With respect, all these cases may be distinguished on one or more of the following three grounds:

- (1) there are 3 Agreements, in particular Clauses 5(d) and 14(a) BDA, which show that the property in the trade mark of Neem Active toothpaste (manufactured first by CCC/HIL/JCP and subsequently by the Plaintiff) vests first in CCC/HIL/JCP and then in the Plaintiff;
- (2) CCC's Letter dated 18.3.2004; and
- (3) Label.

**N. Court's power under s 45(1)(a) TMA**

61. Once a ground to expunge a registered trade mark from the Register has been established, the Court has no discretion but to remove the registered trade mark from the Register under s 45(1)(a) TMA - **Ho Tack Sien**, at



paragraph 25. In this case, the Plaintiff has proven fraud [s 37(a) TMA] and/or a Likelihood of Deception/Confusion [the first limb of s 14(1)(a) read with s 37(b) TMA]. Accordingly, I have no hesitation to remove Herbal Neem Active Mark from the Register under s 45(1)(a) TMA on the ground that its entry in the Register has been made “*without sufficient cause*”.

**N(1). Can court grant declaration?**

62. Section 45(1)(a) TMA does not expressly provide for the court to grant declaratory relief. Having said that, I am of the view, that the court has the discretion under s 41 SRA and O 15 r 16 RC to give declarations in an application under s 45(1)(a) TMA - please see **Lim Teck Lee (M) Sdn Bhd**, at sub-paragraph 38(1).

**N(2). Whether court has power to assign registered trade marks**

63. Once a registered trade mark in favour of one party has been ordered by the court to be removed from the Register pursuant to s 45(1)(a) TMA, the court should not exercise its discretion to order a judicial transfer or assignment of the registered trade mark to the party who has succeeded in removing the trade mark or to any other party. In **Lim Teck Lee (M) Sdn Bhd**, at paragraph 36, I decided as follows:

*“I decline to exercise my discretion under s 45(1)(a) TMA to substitute the Plaintiff (as proprietor of the 2 Registered Trade Marks) in place of the Defendant. This is because s 25(3) TMA confers power on the Registrar to accept or refuse a trade mark application. Upon the expungement of the 2 Registered Trade Marks from the Register, the Plaintiff is at liberty to apply to*

*the Registrar under s 25(1) TMA to register the Yellow Elephant Mark in the Plaintiff's name and the Registrar is then duty bound to consider this application under s 25(3) TMA. The court should not usurp the statutory powers conferred by Parliament on the Registrar under s 25(3) TMA by substituting the Plaintiff (as proprietor of the 2 Registered Trade Marks) in place of the Defendant [pursuant to s 45(1)(a) TMA]."*

64. Based on the reason stated in the above paragraph 63, this court declines to exercise its discretion to transfer or assign Herbal Neem Active Mark from the Defendant to the Plaintiff.

### **N(3). Costs**

65. The Plaintiff is entitled to costs of This OS on a standard basis because the Plaintiff ultimately succeeds in expunging Herbal Neem Active Mark from the Register. However, I only award two-thirds of costs to the Plaintiff for the following reasons:

- (1) This OS has breached O 7 r 2(1A) RC - please see the above Part D;
- (2) the Plaintiff has failed to prove that Neem Active Mark is a well-known mark - please see the above Part J; and
- (3) the court declines to transfer or assign Herbal Neem Active Mark from the Defendant to the Plaintiff - please see the above Part N(2).

### **O. Court's decision**

66. A summary of the court's decision is as follows:

- (1) despite the fact that Exhibit DS-7 is marked “*Not For Legal Use*”, Exhibit DS-7 is admissible as evidence in this case and due weight is given to its contents because its contents have been corroborated by other documentary evidence adduced in this case;
- (2) the contents of This OS did not breach O 7 r 3(1) RC. The Omission breached of O 7 r 2(1A) RC but such a breach did not prejudice the Defendant. Even if there was prejudice occasioned to the Defendant, such a prejudice could be cured by an order for costs;
- (3) the Plaintiff is aggrieved by Herbal Neem Mark and is therefore entitled to apply to expunge Herbal Neem Mark from the Register under s 45(1)(a) TMA;
- (4) in view of the fulfilment of the 2 Conditions in this case, the court exercises its discretion to lift the Defendant’s corporate veil to reveal Mr. Thanga as its *alter ego*;
- (5) CCC was the 1<sup>st</sup> User and the Common Law proprietor of Herbal Neem Active Mark in Malaysia. In any event, the 3 Agreements, in particular Clauses 5(d) and 14(a) BDA, provide that CCC/HIL/JCP (subsequently, the Plaintiff) shall have exclusive property in the trade mark of the toothpaste supplied by CCC/HIL/JCP (subsequently by the Plaintiff);
- (6) the Defendant had registered Herbal Neem Active Mark by fraud under s 37(a) TMA because -

- (a) the Defendant was not the 1<sup>st</sup> User and the Common Law owner of Herbal Neem Active Mark in Malaysia; and
  - (b) the Defendant had imputed knowledge (through Mr. Thanga) that CCC was the 1<sup>st</sup> User and the Common Law proprietor of Herbal Neem Active Mark in Malaysia;
- (7) there are grounds to investigate -
  - (a) whether the Defendant has committed the 2 Offences; and
  - (b) whether Mr. Thanga has abetted the Defendant's commission of the 2 Offences;
- (8) the Plaintiff has failed to prove that Neem Active Mark is a well-known trade mark. Accordingly, the court cannot remove Herbal Neem Active Mark from the Register under s 14(1)(d) read with ss 37(b) and 45(1)(a) TMA;
- (9) in deciding the existence of a Likelihood of Deception/Confusion, the court can consider the subject matter of Disclaimer;
- (10) there is a Likelihood of Deception/Confusion between Herbal Neem Active Mark and Neem Active Mark;
- (11) the Plaintiff is not estopped from applying to remove Herbal Neem Active Mark from the Register merely because the Plaintiff has failed to oppose its registration; and

(12) the court orders the removal of Herbal Neem Active Mark from the Register and grants declarations to that effect. The court however would not order a transfer or assignment of Herbal Neem Active Mark from the Defendant to the Plaintiff.

67. In closing, when a distribution agreement has provided that the ownership of a trade mark of goods remains with the manufacturer or supplier of the goods (X), an authorized distributor of the goods (Y) cannot be allowed to “hijack” and dishonestly misappropriate X’s trade mark by registering X’s trade mark in Y’s name.

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

**DATE: 20 MARCH 2018**

*Counsel for Plaintiff:*

*Mr. Sri Sarguna Raj a/l Ideraju &  
Ms. Nicole Alexandra Chong Zhi Wan  
(Messrs Christopher & Lee Ong)*

*Counsel for Defendant:*

*Mr. Jasdev Singh Gill & Ms. Amanda Lok  
(Messrs Jasdev Chambers)*

**ANNEXURE A**

*HERBAL*  
***Neem*** *active* *Complete Care*



# ANNEXURE C

Trade Mark Image :

## Neem

### TOOTH-PASTE

MADE IN INDIA

**बिना  
दुख भेष्टे**

स्त्रिकि सरसद  
व दुख दुःख  
अर रासद व  
अपेन इतिव  
स ।

क  
कालकाली  
कालकाली  
काल काल  
कालकाल ५५१

**नीम  
दुध पेस्ट**

नियमित प्रयोग  
से दंत शक्ति-  
शाली सुन्दर तथा  
नमकीले होते हैं  
एवं सर्व प्रकार के  
दन्त रोगों से सुर-  
क्षित करता है ।

نیم دودھ پیسٹ  
ہر وقت کے استعمال کے  
پسند کیلئے بہترین  
ہوگا۔ اس کے ساتھ ساتھ  
دانتوں کی صفائی کے  
لیئے بہترین ہے۔

**Neem**  
TOOTH-PASTE  
TRADE MARK  
"CALCHEMICO"  
CONTAINS ACTIVE  
PRINCIPLES OF  
NEEM (MADHOSAI)  
WITHOUT  
ITS BITTER TASTE  
SWEET  
AND  
REFRESHING  
THE CALCUTTA  
CHEMICAL CO. LTD.  
CALCUTTA

**Neem**  
TOOTH-PASTE  
TRADE "CALCHEMICO" MARK  
THE CALCUTTA CHEMICAL CO. LTD. CALCUTTA 29

**Neem**  
TOOTH-PASTE  
MADE IN INDIA