

**IN THE HIGH COURT OF MALAYA AT KUALA LUMPUR  
[COMMERCIAL DIVISION]**

**ORIGINATING SUMMONS NO. 24IP-40-09/2015**

IN THE MATTER OF Trade Mark



under Registration No.  
05002405 in the name of **X1R Global  
Holding Sdn Bhd** in Class 4

AND

IN THE MATTER OF Trade Mark



Under Registration/ Application  
Nos.:

- a. 2013001168 in Class 7
- b. 2013001167 in Class 9
- c. 2013001166 in Class 12
- d. 2014006968 in Class 25
- e. 2013013334 in Class 35

In the name of **Y-TEQ Auto Parts (M)  
Sdn Bhd** whose address is at No. 50,  
Jalan Sungai Bilah 1, 42100 Klang,  
Selangor, Malaysia dated 25.02.2014 and  
25.05.2015;

AND

IN THE MATTER OF Sections 45(1), 14  
and 10 of the Trade Marks Act 1976 (Act  
175) and of Regulation 13 of the Trade  
Mark Regulations 1997

**BETWEEN**

1. **X1R GLOBAL HOLDING SDN BHD**  
[Formerly known as Quantum Global Far East Sdn Bhd]  
(Company No. : 524589-X)
2. **X1R GLOBAL SDN BHD**  
(Company No. : 905244-T) **... APPLICANTS**

**AND**

- Y-TEQ AUTO PARTS (M) SDN BHD**  
(Company No. : 736211-P) **... RESPONDENT**

**JUDGMENT**

(Court enclosure no. 1)

**A. Introduction**

1. The originating summons in this case (**OS**) had described parties as applicants and respondent. Order 7 rule 2(2) of the Rules of Court 2012 (**RC**) states that a party taking out the OS shall be described as plaintiff and the other party shall be described as a defendant – please see **Mohan a/l Chatram MT Ramchandani v Ketua Pengarah Insolvensi** [2015] 3 CLJ 354, at 358.
2. The first plaintiff company (**1<sup>st</sup> Plaintiff**) is the proprietor of a trade mark [annexed as Annexure A to this judgment (**1<sup>st</sup> Plaintiff's Trade Mark**)] which has been registered in the Register of Trade Marks (**Register**) for

goods in Class 4. The second plaintiff company (**2<sup>nd</sup> Plaintiff**) is the registered user of the 1<sup>st</sup> Plaintiff's Trade Mark.

3. The defendant company (**Defendant**) is the proprietor of a trade mark [Annexure B to this judgment (**Defendant's Trade Mark**)] registered in the Register for goods in Classes 7, 9, 12 and 35. The Defendant's application to register the Defendant's Trade Mark in Class 25 is still pending.
4. The OS applied for, among others, the following relief:
  - (1) a declaration that the entry of the Defendant's Trade Mark in Class 7 of the Register is an entry made without sufficient cause and/or an entry which wrongfully remains in the Register (**Prayer 1**);
  - (2) an order to expunge the Defendant's Trade Mark in Class 7 from the Register (**Prayer 2**);
  - (3) an order directing the Registrar of Trade Marks (**Registrar**) to rectify the Register by removing the entry relating to the Defendant's Trade Mark in Class 7 and so soon thereafter as possible, cause such a rectification and removal be published in the Government Gazette (**Prayer 3**);
  - (4) a declaration that the 1<sup>st</sup> Plaintiff is the *bona fide* proprietor of 1<sup>st</sup> Plaintiff's Trade Mark for goods in Class 4 (**Prayer 4**);

- (5) an order directing the Registrar to rectify the Register by removing the entry relating to the Defendant's Trade Mark in Classes 9, 12, 25 and 35 (**Prayer 5**); and
- (6) costs of the OS and all other incidental costs (**Prayer 6**).

**B. Issues**

5. The questions that arise in the OS are –

- (1) whether the 1<sup>st</sup> Plaintiff's Trade Mark is well-known mark under s 14(1)(e) of the Trade Marks Act 1976 (**TMA**);
- (2) whether the Plaintiffs are persons aggrieved by the Defendant's Trade Mark within the meaning of s 45(1)(a) TMA when the 1<sup>st</sup> Plaintiff's Trade Mark is for goods in Class 4 while the Defendant's Trade Mark is in respect of goods in Classes 7, 9, 12, 25 and 35;
- (3) whether the use of the Defendant's Trade Mark for goods in classes 7, 9, 12, 25 and 35 is likely to deceive and/or confuse the public under s 14(1)(a) TMA with respect to the 1<sup>st</sup> Plaintiff's Trade Mark (for goods in Class 4) and the Defendant's Trade Mark; and
- (4) if the 1<sup>st</sup> Plaintiff's Trade Mark is a well-known mark under s 14(1)(e) TMA, whether the use of the Defendant's Trade Mark for goods in classes 7, 9, 12, 25 and 35 -
  - (a) will indicate a connection between the Defendant's goods and the Plaintiffs; and

(b) the Plaintiffs' interests are likely to be damaged by the Defendant's use of the Defendant's Trade Mark

- as understood in the proviso to s 14(1)(e) TMA.

### C. Plaintiffs' case

6. The 1<sup>st</sup> Plaintiff's TM –

(1) is used on the Plaintiffs' lubricant oil (**X-1R Goods**) for motorcycle and car parts;

(2) is widely used and well known all over the world, including Malaysia;

(3) is registered for goods in Class 4;

(4) has been registered in the Register for a period of 10 years from 18.2.2005 until 18.2.2015. The registration of the 1<sup>st</sup> Plaintiff's Trade Mark has been renewed for another 10 years from 18.2.2015 until 18.2.2025; and

(5) has been registered in various other countries. The 1<sup>st</sup> Plaintiff's Trade Mark with variations has also been registered in other countries.

7. The Plaintiffs –

(1) are the exclusive distributor of X-1R Goods in Malaysia;

- (2) have more than 21 staff in Malaysia and 60 staff abroad, including engineering staff; and
  - (3) have registered an industrial design for engine bottles bearing the 1<sup>st</sup> Plaintiff's Trade Mark.
8. The Plaintiffs claim to –
  - (1) have Common Law rights in the 1<sup>st</sup> Plaintiff's Trade Mark;
  - (2) be the *bona fide* proprietor of the 1<sup>st</sup> Plaintiff's Trade Mark; and
  - (3) have goodwill and reputation in the business and trade of X-1R Goods and the 1<sup>st</sup> Plaintiff's Trade Mark. The Plaintiffs contend that the 1<sup>st</sup> Plaintiff's Trade Mark is distinctive of X-1R Goods and the Plaintiffs' business.
9. The Plaintiffs filed Kuala Lumpur High Court Suit No. 22IP-52-12/2012 against the Defendant (**1<sup>st</sup> Suit**).
10. While the 1<sup>st</sup> Suit was pending, on 18.1.2013, the Defendant applied to register the Defendant's Trade Mark in Classes 7, 9 and 12. The Registrar registered the Defendant's Trade Mark in Classes 7, 9 and 12.
11. In the 1<sup>st</sup> Suit, a consent order dated 6.2.2013 (**Consent Order**) had been entered. According to the Consent Order, among others, the Defendant is restrained from infringing the 1<sup>st</sup> Plaintiff's Trade Mark.

12. The Defendant's then solicitors, Messrs SL Teh & Co. (**Messrs SLT**), sent a letter dated 20.2.2013 (**Messrs SLT's Letter dated 20.2.2013**) to the Plaintiffs' then solicitors, Messrs Goh Wong Pereira (**Messrs GWP**). Messrs SLT's Letter dated 20.2.2013 stated, among others –
- (1) the Defendant intended to register the Defendant's Trade Mark in the Register; and
  - (2) the Defendant inquired whether the Plaintiffs would object to the use of the Defendant's Trade Mark in the future.
13. By way of a letter dated 22.3.2013 (**Messrs GWP's Letter dated 22.3.2013**), Messrs GWP informed Messrs SLT, among others, that the Plaintiffs objected to the Defendant's use of the Defendant's Trade Mark.
14. In reply to Messrs GWP's Letter dated 22.3.2013, Messrs SLT's letter dated 27.3.2013 (**Messrs SLT's Letter dated 27.3.2013**) stated, among others, as follows:
- (1) the Defendant "*strongly*" believed that the Defendant's Trade Mark was different from the 1<sup>st</sup> Plaintiff's Trade Mark. Messrs SLT gave reasons why the Defendant's Trade Mark differed from the 1<sup>st</sup> Plaintiff's Trade Mark;
  - (2) the Defendant's Trade Mark was used and advertised mainly for motorcycle accessories which did not fall in Class 4; and

- (3) the Defendant “*would be much obliged*” if the Plaintiffs could agree to allow the Defendant to use the Defendant’s Trade Mark to market the Defendant’s motorcycle accessories.
15. Messrs GWP disagreed with Messrs SLT’s Letter dated 27.3.2013 in Messrs GWP’s letter dated 28.5.2013 (**Messrs GWP’s Letter dated 28.5.2013**). Messrs GWP’s Letter dated 28.5.2013 stated, among others, the Defendant’s Trade Mark was phonetically and visually similar to the 1<sup>st</sup> Plaintiff’s Trade Mark.
16. The Defendant applied to register the Defendant’s Trade Mark in Classes 35 and 25 on 24.9.2013 and 20.6.2014 respectively. The Registrar registered the Defendant’s Trade Mark in Class 35. The application to register the Defendant’s Trade Mark in Class 25 is still pending.
17. The Plaintiffs alleged that –
- (1) there are striking similarities between the 1<sup>st</sup> Plaintiff’s Trade Mark and the Defendant’s Trade Mark which will cause confusion and/or deception -
- (a) among the distributors, dealers, retailers and traders in the course of trade or business (**Traders**) because the distribution channels of the Plaintiffs and Defendant are the same, namely workshops, motorcycle shops and motor vehicle shops;



- (b) among the end users, customers, consumers and purchasers (**Customers**) of X-1R Goods and the Defendant's goods which bear the Defendant's Trade Mark (**Defendant's Goods**); and
  - (c) among the general public;
- (2) the following evidence of confusion between the 1<sup>st</sup> Plaintiff's Trade Mark and the Defendant's Trade Mark had been adduced –

- (a) there are 2 prominent distributors of motorcycle products in Peninsular Malaysia, namely the Defendant and Meng Kah Auto Parts Trading Sdn. Bhd. (**MKAPT**). MKAPT is known as "*Racing Boy*".

Around August 2013, the 1<sup>st</sup> Plaintiff's Sales Manager, Mr. How Tong Sin (**Mr. How**) went to MKAPT to inquire if MKAPT could distribute the Plaintiff's Goods with the 1<sup>st</sup> Plaintiff's Trade Mark. Mr. How met Mr. Lee Meng Chun, a director of MKAPT. MKAPT however declined to deal with the Plaintiffs on the ground that there was a brand "*X1R by YTEQ*" belonging to MKAPT's business competitor and MKAPT did not want to sell any product bearing a trade mark of MKAPT's competitor;

- (b) around June, 2014, Mr. Ma Mun Lai (**Mr. Ma**), the 2<sup>nd</sup> Plaintiff's General Manager, went to the Defendant's warehouse in Klang on the pretext that Mr. Ma was a prospective customer who wanted to open a motorcycle spare parts shop and was looking for "*X1R*" accessories. Mr. Ma was introduced to one Mr. HY

Foo (**Mr. Foo**), the Defendant's Purchasing Executive. Mr. Foo's business card had been exhibited in the Plaintiffs' affidavit. Mr. Foo introduced the Defendant's Goods with the Defendant's Trade Mark. Mr. Foo pronounced the Defendant's Trade Mark as "X1R";

(c) the Plaintiffs had received written complaints from the following Traders and Customers regarding the confusion between the 1<sup>st</sup> Plaintiff's Trade Mark and the Defendant's Trade Mark –

- (i) letter dated 16.5.2014 from "*Big Cat Motor Art*";
- (ii) letter dated 15.6.2014 from AMN Motorsport Sdn. Bhd.;
- (iii) letter dated 28.5.2014 from Procrystal Brands (M) Sdn. Bhd.;
- (iv) letter dated 1.7.2014 from Jun Hong Trading Sdn. Bhd.;
- (v) email dated 29.11.2014 from Encik Mohammad enquiring about "*X1R bike accessories*" (the Plaintiffs do not sell motorcycle accessories but the Defendants do);
- (vi) email dated 27.12.2014 from Encik Ahmad Faisal bin Muda enquiring about "*X1R bike disk*"; and

(vii) email dated 21.1.2015 from Ms. Helen Yeonjoo Bae enquiring about “*X1R Tail Lamp Assy Standard – Tinted X1R*”;

**(Written Complaints)**; and

(d) on or about 2.11.2015, the 2<sup>nd</sup> Plaintiff appointed Puan Puteri Noorhazatul Ezra bt. Mohd. Awal (**PI**), from Star CMS Security Services Bhd., to conduct visits to the Defendant, 2 retail outlets of the Defendant and 6 other retail outlets. The PI prepared a report (**PI’s Report**) which stated, among others –

(i) PI visited the Defendant’s office at Lot 60951, Jalan Wawasan 4/KU7, Kawasan Perindustrian Sungai Kapar Indah, 42200 Kapar Selangor Darul Ehsan. PI met one Mr. Steven Tan, a marketing executive from the Defendant who informed PI that the Defendant’s Trade Mark had often been misinterpreted and pronounced by many as “*X1R*”;

(ii) PI visited 8 retail outlets and 7 outlets referred to the Defendant’s Goods as X-1R Goods; and

(iii) all the conversations made during all the PI’s visits had been recorded and a copy of the “*DVD*” (Digital Versatile Disc) (**DVD**) had been enclosed together with the Plaintiffs’ affidavit. The Plaintiffs had also exhibited transcripts of the recording of the conversations with the PI (**Transcripts**);

- (3) there is a likelihood that the Traders, Customers and the general public will believe that the Defendant's Goods emanate from the Plaintiffs;
- (4) the Plaintiffs will suffer loss and damage due to the Defendant's use of the Defendant's Trade Mark because –
  - (a) the present and potential Customers of the Plaintiffs may be likely to be “*diverted*” to the Defendant; and
  - (b) the Defendant's Goods do not have the same high quality and standard of X-1R Goods. Accordingly, when the Defendant's Goods do not meet the high quality and standard of X-1R Goods, the Traders, Customers and general public may wrongly assume that X-1R Goods lack quality;
- (5) by use of the Defendant's Trade Mark which is confusingly and/or deceptively similar to the 1<sup>st</sup> Plaintiff's Trade Mark, the Defendant is unlawfully riding on the goodwill and reputation built by the Plaintiffs in respect of the 1<sup>st</sup> Plaintiff's Trade Mark;
- (6) the Defendant's Trade Mark is not distinctive and cannot distinguish the Defendant's Goods from X-1R Goods; and
- (7) the Defendant is not the *bona fide* owner of the Defendant's Trade Mark.

18. The Plaintiffs had applied to cite the Defendant for contempt of court in respect of a breach of the Consent Order (**Committal Application**). The High Court had dismissed the Committal Application (**High Court's Dismissal of Committal Application**) and this decision had been affirmed by the Court of Appeal (**Court of Appeal's Decision**).

**D. Defendant's case**

19. The Defendant was incorporated in 2006 and was initially in the business of printing T-shirts. The Defendant then changed its business to become a wholesaler of motorcycle parts and accessories.

20. In 2008, the Defendant approached Thai Yamaha Co. (**TYC**), a company in Thailand, to obtain distribution rights in Malaysia for "*Yamaha X1R*" motorcycles, accessories and merchandise. The Defendant did not however reach an agreement with TYC and the Defendant therefore abandoned the Defendant's plan to distribute Yamaha X1R motorcycles, accessories and merchandise in Malaysia.

21. The deponent of the Defendant's affidavits in the OS, is Mr. Tan Kah Fatt (**Mr. Tan**). Mr. Tan is a director of the Defendant. Mr. Tan alleged that in 2013, he had created the Defendant's Trade Mark. According to Mr. Tan, the Defendant's Trade Mark should be read as "*MVR1*".

22. The Defendant alleged –

(1) the Defendant had used the Defendant's Trade Mark on the Defendant's Goods, namely motorcycle parts and accessories, since 2013. The Defendant's Goods are sold -

(a) to many motorcycle workshops across the country; and

(b) online.

The sales of the Defendant's Goods are very substantial. Approximately 30% to 40% of the Defendant's total sales are from the Defendant's Goods which bear the Defendant's Trade Mark;

- (2) the Defendant had advertised the Defendant's Trade Mark in various motorcycle magazines;
- (3) the Defendant had also entered into 2 "*Team Sponsorship Agreements*" with SCK Motor Snd Bhd. to sponsor a team in the Petronas AAM Malaysian Cub Prix Championship for 2013, 2014, 2015 and 2016;
- (4) with continuous use and advertisement of the Defendant's Trade Mark, the Defendant had built goodwill and reputation with respect to the Defendant's Trade Mark. Accordingly, the Defendant is the *bona fide* owner of the Defendant's Trade Mark;
- (5) in view of the registration of the Defendant's Trade Mark in Classes 7,9, 12 and 35 as well as the pending application of the Defendant's Trade Mark in Class 25, the Defendant's Trade Mark is distinctive of the Defendant's Goods and is distinguishable from the 1<sup>st</sup> Plaintiff's Trade Mark. The Defendant's Trade Mark is used with respect to motorcycle parts while the 1<sup>st</sup> Plaintiff's Trade Mark is used for

lubricant oil. As such, the Plaintiffs are not aggrieved persons within the meaning of s 45(1)(a) TMA;

- (6) there was no confusion between the 1<sup>st</sup> Plaintiff's Trade Mark and the Defendant's Trade Mark. The only confusion is caused by the existing market in Malaysia for "Yamaha X-1R" motorcycle parts. The Written Complaints concerned "Yamaha X-1R" motorcycle parts;
- (7) Mr. Tan Zhi Hao affirmed an affidavit for the Defendant where he affirmed, among others, that he was the Mr. Steven Tan who met, among others, the PI on 4.11.2015. Mr. Steven Tan however did not state –
  - (a) anything about the recording of the conversation between Mr. Steven Tan and the PI; and
  - (b) that Mr. Steven Tan had listened to the DVD and perused the Transcripts;
- (8) Mr. Lee Swee Seng (**LSS**), the sole proprietor of Prolegend Management Services, is the brother of Mr. Lee Swee Siang, the Defendant's trade mark agent in the Registrar's records. LSS affirmed an affidavit for the Defendant which stated, among others –
  - (a) Mr. Tan explained to LSS that the Defendant's Trade Mark was referred to as "MVR1"; and

- (b) LSS did not use “MVR1” to describe the Defendant’s Trade Mark because “MVR1” was not part of the Defendant’s Trade Mark;
- (9) the Defendant had not breached the Consent Order;
- (10) the Defendant had also designed and created T-shirts which bore the Defendant’s Trade Mark. Such T-shirts are worn by the Defendant’s employees; and
- (11) the Defendant had not received any report or complaint from any person regarding any confusion between the 1<sup>st</sup> Plaintiff’s Trade Mark and the Defendant’s Trade Mark;
23. The Defendant admits that the Plaintiffs are the owner or first user in Malaysia of the 1<sup>st</sup> Plaintiff’s Trade Mark for the Plaintiffs’ Goods in Class 4.
24. The Defendant stated that Messrs SLT’s Letter dated 20.2.2013 was sent as a gesture of good will and was not issued to obtain “*permission*” from the Plaintiffs to use the Defendant’s Trade Mark. This is because the Defendant had already applied for the registration of the Defendant’s Trade Mark in Classes 7, 9 and 12 on 18.1.2013.
25. The Defendant explained that there was an error in Messrs SLT’s Letter dated 27.3.2013. The last alphabet of the Defendant’s Trade Mark is not an “A” but “R” for “*Racing Art*”. The Defendant’s Trade Mark, excluding the tagline, is known as “MVR-1” as shown in the delivery orders, invoices and sales orders issued by the Defendant since 2013.



**E. Whether Prayer 4 should be allowed**

26. Based on the affidavit evidence adduced in this case, I am satisfied that the 1<sup>st</sup> Plaintiff is the *bona fide* owner of the 1<sup>st</sup> Plaintiff's Trade Mark for goods in Class 4. Furthermore, in view of the Consent Order, the Defendant is barred by the issue estoppel doctrine from denying that the 1<sup>st</sup> Plaintiff is the *bona fide* owner of the 1<sup>st</sup> Plaintiff's Trade Mark for goods in Class 4 – please see the Supreme Court's judgment delivered by Peh Swee Chin FCJ in **Asia Commercial Finance (M) Bhd v Kawal Teliti Sdn Bhd** [1995] 3 MLJ 189, at 197-198, 198 and 199-200. To the Defendant's credit, Prayer 4 is not disputed by the Defendant. As such, Prayer 4 is allowed.

**F. Whether 1<sup>st</sup> Plaintiff's Trade Mark is a well-known mark**

27. Regulation 13B of the Trade Marks Regulations 1997 (**TMR**) provides as follows:

“13B **Criteria of well-known mark**

***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).

28. Mr. Tai Foong Lam (**Mr. Tai**), the Defendant’s learned counsel, has submitted that the 1<sup>st</sup> Plaintiff’s Trade Mark is not well-known within the meaning of reg. 13B(a), (b), (c), (e) and (f) TMR.

29. In **Dabur India Ltd v Nagasegi Sdn Bhd & Ors** [2011] 7 MLJ 522, at 535-536, Azahar Mohamed J (as he then was) decided as follows in the High Court:

“[26] *... Evidence have been adduced which shows the plaintiff's registrations and applications for the plaintiff's mark PROMISE and MISWAK in numerous countries which reflect the use or recognition of the said marks. The plaintiff's trademarks PROMISE and MISWAK have been*

*registered in the plaintiff's name in numerous countries such as China, United Kingdom, and the Russian Federation. ... The commercial value of the plaintiff's trademarks has been firmly established.*

[27] *In my judgment, by reason of the extensive goodwill and reputation attained by both the trademarks PROMISE and MISWAK, the plaintiff has acquired exclusive rights to the use of the said trademarks in Malaysia and the world to the exclusion of all other parties and the plaintiff can claim to the trademarks 'PROMISE' and 'MISWAK' being well-known trademarks. ...*”

(emphasis added).

30. I am of the following view regarding well-known marks:

- (1) the criteria for a well-known mark as laid down in reg. 13B TMR is not mandatory as is clear from the use of the permissive term “*may*”. In the High Court case of **Sing Hoe Motor Co Ltd v Public Prosecutor** [1968] 2 MLJ 54, at 54-55, Raja Azlan Shah J (as His Majesty then was) held that s 92(4) of the then Road Traffic Ordinance 1958 (**RTO**) did not provide for mandatory forfeiture of a car following the conviction of the car’s hirer under s 92(1) RTO because of, among others, the existence of the word “*may*” in s 92(4) RTO; and

(2) the criteria stated in reg. 13B(a) to (f) TMR are not exhaustive. In deciding whether a mark is well-known, the court may consider matters which are not provided in reg. 13B(a) to (f) TMR, as in **Dabur India Ltd.**

Regulation 13B(a) to (f) TMR is similar to s 2(7)(a) to (e) of Singapore's Trade Marks Act [**TMA (Singapore)**]. Having said that, our TMA does not have provisions regarding well-known marks such as s 2(8) and (9) TMA (Singapore).

In **Novelty Pte Ltd v Amanresorts Ltd & Anor** [2009] 3 SLR 216, at paragraphs 136-140, VK Rajah JA (now the present Attorney General of Singapore) delivered the following judgment of Singapore's Court of Appeal on well-known marks –

“136 *In assessing whether a trade mark is "well known in Singapore" within the meaning of s 2(1) of the current TMA, regard must be had to s 2(7), which states:*

...

137 *This definition is based on Art 2(1) of another document which we shall examine in greater detail in due course, viz, the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks ("the Joint Recommendation"), which was adopted at the Thirty-Fourth Series of Meetings of the Assemblies of the Member States of the World Intellectual Property Organization ("WIPO") held from 20 to 29 September 1999 ("the 34th WIPO Meeting"). **The factors laid out in ss 2(7)(a)-2(7)(e) of the current TMA (which collectively***

*correspond to Art 2(1)(b) of the Joint Recommendation) are not an exhaustive list in that the court is obliged to take into account "any matter from which it may be inferred that the trade mark is well known" [emphasis added] (per s 2(7) of the current TMA). It appears that the court is ordinarily free to disregard any or all of the factors listed in s 2(7) as the case requires (subject to one particular factor which we shall discuss at [139]-[140] below), and to take additional factors into consideration. The list of factors in s 2(7) can thus be more accurately described as a set of guidelines. This conclusion is supported by Art 2(1)(c) of the Joint Recommendation, which refers to the factors listed in Art 2(1)(b) (ie, the equivalent of our ss 2(7)(a)-2(7)(e)) in the following manner:*

*The above factors, which are guidelines to assist the competent authority to determine whether the mark is a well-known mark, are not pre-conditions for reaching that determination. Rather, the determination in each case will depend upon the particular circumstances of that case. In some cases all of the factors may be relevant. In other cases some of the factors may be relevant. In still other cases none of the factors may be relevant, and the decision may be based on additional factors that are not listed in subparagraph (b), above [ie, Art 2(1)(b)]. Such additional factors may be relevant, alone, or in combination with one or more of*

**the factors listed in subparagraph (b), above.** [emphasis added]

138 *This somewhat ambivalent passage gives an inkling of how difficult it is to determine whether a trade mark is well known in Singapore. There is no single universally-applicable test, but the guidelines in s 2(7) of the current TMA strive toward some semblance of objectivity.*

139 *There has been some significant and interesting debate among legal commentators on the actual scope of ss 2(7)(c)-2(7)(e) of the current TMA. However, as the instant case does not turn on the consideration of these factors, we shall limit our discussion to s 2(7)(a) (primarily) and s 2(7)(b) of the current TMA. **Despite what has been said earlier, it can be persuasively said that s 2(7)(a) is arguably the most crucial factor when determining whether a trade mark is well known in Singapore. This is because, by virtue of s 2(8) of the current TMA:***

***Where it is determined that a trade mark is well known to any relevant sector of the public in Singapore, the trade mark shall be deemed to be well known in Singapore.***

140 *This deeming provision suggests that the court cannot disregard s 2(7)(a) (which looks at "the degree to which the trade mark is known to or recognised by any relevant sector of the public in Singapore" [emphasis added]) in its deliberations. Indeed, it appears that all the other factors listed in s 2(7) are irrelevant once it is determined that the*

*trade mark in question is well known to "any relevant sector of the public in Singapore" (pers2(7)(a))."*

(emphasis added).

As stated above, our TMA does not have a provision equivalent to s 2(8) TMA (Singapore). As such, reg 13B(a) TMR cannot be the "*most crucial factor*" as decided in **Novelty Pte Ltd**.

31. I find as a fact that the Plaintiffs have adduced sufficient evidence on a balance of probabilities to show that the 1<sup>st</sup> Plaintiff's Trade Mark is a well-known mark, taking into account the following considerations:

(1) the public and people involved in the trade have identified the 1<sup>st</sup> Plaintiff's Trade Mark with X-1R Goods distributed by the Plaintiffs [relevant under reg. 13B(a) TMR] – paragraph 5 of the Plaintiffs' affidavit affirmed on 17.9.2015 (**Court Enc. No. 2**). Paragraph 5 in Court Enc. No. 2 had not been denied by the Defendant – paragraph 28 of the Defendant's affidavit affirmed on 28.10.2015 (**Court Enc. No. 4**). It is trite law that any factual averment in a party's affidavit which has not been denied by the opposing party, is deemed to be admitted by the opposing party – please see the Federal Court's judgment delivered by Chong Siew Fai CJ (Sabah & Sarawak) in **Sunrise Sdn Bhd v First Profile (M) Sdn Bhd & Anor** [1996] 3 MLJ 533, at 541;

(2) the 1<sup>st</sup> Plaintiff's Trade Mark has been used on X-1R goods in more than 30 countries all over the world, including Malaysia [relevant under reg. 13B(b) TMR] - paragraph 5.1 in Court Enc. No. 2;

- (3) the 1<sup>st</sup> Plaintiff's Trade Mark has been registered as a trade mark in Malaysia, New Zealand, Australia, Thailand, India, Brunei, Indonesia, Japan, Philippines, China, Singapore, Laos and Korea [relevant under reg. 13B(d) TMR];
- (4) the Plaintiffs have a "*Product Research & Development Center*" and laboratory in Florida, United States of America – paragraph 5.1 in Court Enc. No. 2;
- (5) X-1R Goods have been tested and certified by, among others –
  - (a) the United States of America's National Aeronautics and Space Administration;
  - (b) the Swedish National Research and Testing Institute;
  - (c) universities;
  - (d) "*Quality Control*" laboratories;
  - (e) the Space Foundation;
  - (f) Nissan Philippines Inc.;
  - (g) Universal Motors Corporation;
  - (h) Hyundai Asia Resources Inc.;



- (i) Airpol emission Center;
  - (j) Automall Phils. Corporation;
  - (k) Honda Cars Makati Inc.; and
  - (l) Mechanical Industry I.C. Engine Oils Test & Evaluating Center
- paragraph 7 and exhibit MZ-4 in Court Enc. No. 2 which had not been denied in paragraph 28 in Court Enc. No. 4;
- (6) the Plaintiffs have extensively promoted, advertised, publicized and presented X-1R Goods to which the 1<sup>st</sup> Plaintiff's Trade Mark has been applied [relevant under reg. 13B(c) TMR] – please see paragraph 8.1 and exhibit MZ-5 in Court Enc. No. 2. Paragraph 8.1 in Court Enc. No. 2 had not been denied in paragraph 28 in Court Enc. No. 4;
- (7) the Plaintiffs have enforced the 1<sup>st</sup> Plaintiff's Trade Mark by obtaining the Consent Order [relevant under reg. 13B(e) TMR]; and
- (8) there is clearly value associated with the 1<sup>st</sup> Plaintiff's Trade Mark within the meaning of reg. 13B(f) TMR.

**G. Whether Plaintiffs have *locus standi* to apply under s 45(1)(a) TMA?**

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

**“45. Rectification of the Register**

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

- (a) ***the Court may on the application in the prescribed manner of any person aggrieved by the non-insertion in or omission from the Register of any entry or by any entry made in the Register without sufficient cause or by any entry wrongfully remaining in the Register, or by any error or defect in any entry in the Register, make such order for making, expunging or varying such entry as it thinks fit;***
- (b) ***the Court may in any proceeding under this section decide any question that may be necessary or expedient to decide in connection with the rectification of the Register;***
- (c) *in case of fraud in the registration, assignment or transmission of a registered trade mark or if in his opinion it is in the public interest to do so, the Registrar may himself apply to the Court under this section;*
- (d) *an order of the Court rectifying the Register shall direct that notice of the rectification be served on the Registrar in the prescribed manner and the Registrar shall upon receipt of the notice rectify the Register accordingly.”*

(emphasis added).

33. Mr. Tai has submitted that the Plaintiffs are not “*aggrieved*” by the Defendant’s Trade Mark because the 1<sup>st</sup> Plaintiff’s Trade Mark is only registered for goods in Class 4 whereas –

(1) the Defendant’s Trade Mark has been registered for goods in Classes 7, 9, 12 and 35; and

(2) the Defendant’s application to register the Defendant’s Trade Mark in Class 25 is still pending.

34. The 1<sup>st</sup> Plaintiff’s Trade Mark has been registered for goods in Class 4, namely, grease for belts, industrial oils and greases, fuel, fuel oil, lubricants, lubricating grease, lubricating oil, lubricants for engine treatment, motor fuel, motor oil, additives for motor oil, additives for motor fuel, motor lubricants, oil for engine treatment, automatic transmission treatment, manual transmission treatment and petrol system treatment.

35. The Defendant’s Trade Mark has been registered for the following Classes of goods:

(1) Class 7 - air filters for motorcycle engines; brake motors; clutches other than for land vehicles; diesel motors for air vehicles and water vehicles; exhaust apparatus for land vehicles; fan belts for land vehicle engines; kick starter for motorcycles; machines for the repair of vehicles; oil filters for engines; pistons belts for land vehicles; vehicles conveyors and water pumps for vehicles;

- (2) Class 9 – audio apparatus for vehicles; batteries for land vehicles; scientific apparatus for installation in vehicles; apparatus for connecting electrical circuit components and automotive electrical components;
- (3) Class 12 - Automobiles, motorcycles, motor and engines for land vehicles couplings and transmission components for land vehicles, shock absorbers for automobiles, suspension shock absorbers for vehicles, vehicle suspension springs, connecting rods for land vehicles, other than parts of motors and engines, vehicles suspension springs, anti-dazzle devices for vehicles, anti-glare devices for vehicles, gear boxes for land vehicles, mudguards, baby carriage brake for vehicles brake linings, brake segments and brake plates for vehicles, brake shoes for vehicle, vehicles bumpers, bumper for automobiles, bodies for vehicles, frames for vehicles, hoods for vehicles, hubs for vehicles wheels, gear for vehicles, casting carriages, casting cars, studs for tyres, automobiles tires, concrete mixing vehicles, vehicle chassis, suspensions, in particular for passenger cars and motor cycles, screw propellers, spring, dampers and shock absorbers for motor vehicles, in particular low-lying springs, sport springs, sport dampers racing dampers, horns for vehicles, tires for vehicle wheels, air vehicles, air cushion vehicles, upholstery for vehicles, windscreen, windscreen wipers, windscreen wipers, repair outfit for inner tubes, safety belts for vehicles seats, vehicles seats,

seat covers for vehicles, wheels, air cushion vehicle rims for vehicle wheels, anti-theft alarms for vehicles, pumps (air pump for vehicles), curtains and sun-blind adapted for automobiles, rear view mirrors and upholstery for vehicles; and

(4) Class 35 - Advertising; business management; business administration and office functions.

36. Class 25 (for which the application to register the Defendant's Trade Mark is still pending) provides for the following goods - Clothing, footwear and headgear.

37. Mr. Tai has also contended that since the Defendant has not used the Defendant's Trade Mark on any goods in Class 4, the Plaintiffs cannot commence any action against the Defendant for infringing the Plaintiffs' Trade Mark under s 38(1) TMA. As such, the Plaintiffs cannot be "*persons aggrieved*" under s 45(1)(a) TMA.

38. Mr. Tai had relied on the following cases in support of the contention that the Plaintiffs have no *locus standi* to file the OS under s 45(1)(a) TMA:

(1) the English House of Lords' decision in **Re Powell's Trade Mark** [1894] AC 8;

(2) RK Nathan JC's judgment in the High Court case of **Service Master (M) Sdn Bhd v MHL Servicemaster Sdn Bhd & Anor** [1998] 1 CLJ 459; and

(3) Chan Sek Keong JC's (as he then was) judgment in the Singapore High Court case of **Re Arnold D. Palmer** [1987] 2 MLJ 681.

39. It is not disputed that the Plaintiffs bear the legal onus to satisfy this court that the Plaintiffs are aggrieved persons within the meaning of s 45(1)(a) TMA – please **Re Arnold D. Palmer**, at p. 687.

40. The term “*aggrieved person*” has been explained by our Federal Court in the following cases (in chronological order):

(1) in **McLaren International Ltd v Lim Yat Meen** [2009] 4 CLJ 749, at 754 and 758-759, Abdul Aziz Mohamad FCJ held as follows -

“[10] *Essentially, therefore, the appellants’ application was under ss. 45(1)(a) and 46(1). To succeed under either provision, they had to show that they were a person aggrieved and that they had a case under either section; that is to say, they had both to establish locus standi and to show merit.*

...

[21] *Re Arnold D. Palmer is an authority (out of several) that is heavily relied on by the respondent to deny that the appellants are a person aggrieved. In that case the applicant sought the removal from the register of a trade mark on the ground of non-user. On whether the applicant was a person aggrieved, Chan Sek Keong JC, after considering the speeches of Lord Herschell and Lord Watson in the House of Lords in **Powell’s Trade Mark** [1894] 11 RPC 4; [1984] AC 8, and the manner in which subsequent judges reacted to the opinions of the said Law*

Lords in **Lever Bros. v Sunniewite Products** [1949] 66 RPC 84, **Consort Trade Mark** [1980] RPC 160, and **Wells Fargo Trade Mark** [1977] RPC 503, concluded as follows:

*On the basis of these decisions, it is plain that the applicant will fail in this appeal unless he can show that he has used his trade mark in the course of a trade which is the same as or similar to that of the respondents or that he has a genuine and present intention to use the mark as a trade mark. But the evidence shows none of these things, as the Registrar has found. ...*

[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).

It is to be noted that in **McLaren International Ltd**, the appellant applied to expunge the respondent company's registered trade mark without any proof that the appellant had been substantially and adversely affected by the respondent company's trade mark;

(2) in **Yong Teng Hing B/S Hong Kong Trading Co & Anor v Walton International Ltd** [2012] 6 CLJ 337, at 342, the second question of law referred to the Federal Court was as follows –

*“[2] Leave to appeal to this court was granted on the following questions:*

*...*

**Question 2**

***Whether the applicant’s/appellant’s use of the GIORDANO mark in relation to goods in Class 9, can lead to deception or confusion to the public under s. 14(1)(a) of the Trade Marks Act 1976, by reason only of the respondent’s alleged goodwill and reputation in respect of the GIORDANO mark in relation to goods in Class 25.”***

(emphasis added).

In **Yong Teng Hing** –

- (a) the respondent company is the registered proprietor of the “*Giordano*” trade mark for goods in Classes 13, 18 and 25;
- (b) the appellant was the registered proprietor of the “*Giordano*” trade mark for goods in Class 14. The appellant then applied for registration of the “*Giordano*” trade mark for goods in Class 9. The respondent company opposed the appellant’s registration but the Registrar dismissed the opposition. The High Court affirmed the Registrar’s decision; and



(c) the Court of Appeal reversed the High Court's decision. This Court of Appeal's decision was affirmed by the Federal Court in a judgment delivered by Zulkefli Makinudin CJ (Malaya).

I am of the view that based on **Yong Teng Hing**, a registered proprietor of a trade mark for one class of goods may be aggrieved by the registration of another trade mark for a different class of goods. I will discuss more about **Yong Teng Hing** subsequently in this judgment; and

(3) in **Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, interested party)** [2015] 6 MLJ 465, at 477, Azahar Mohamed FCJ decided as follows –

*“[27] There was not much dispute that the plaintiff was a person aggrieved and therefore had sufficient locus standi to initiate this present cause of action against the defendant for rectification of the defendant's tiger stripes design trademark. In fact, the point as to whether the plaintiff was a person aggrieved had been settled by this court in McLaren International Ltd v Lim Yat Meen [2009] 5 MLJ 741; [2009] 4 CLJ 749 and LB (Lian Bee) Confectionery Sdn Bhd v QAF Ltd [2012] 4 MLJ 20; [2012] 3 CLJ 661 (see also The Agricultural and Processed Food Products Export Development Authority of India (APEDA) & Ors v Syarikat Faiza Sdn Bhd [2011] 2 MLJ 768; [2011] 9 CLJ 394 and Godfrej Sara Lee Ltd v Siah Teong Teck & Anor (No 2) [2007] 7 MLJ 164; [2008] 7 CLJ 24).*

***[28] 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 registered trademark that the person wants to have removed from the register. 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).

41. I am of the view that the Plaintiffs have succeeded to discharge the legal burden to prove that the Plaintiffs are aggrieved under s 45(1)(a) TMA by

—

- (1) the registration of the Defendant's Trade Mark for goods in Classes 7, 9, 12 and 35; and
- (2) the Defendant's pending application to register the Defendant's Trade Mark for goods in Class 25.

The above decision is premised on the following evidence and reasons:

- (a) there is evidence that the Plaintiffs are adversely affected in a financial sense when MKAPT declined to distribute X-1R Goods due to MKAPT's mistaken belief that MKAPT would be distributing the goods of MKAPT's business competitor, namely the Defendant. Accordingly, the Plaintiffs' legal right or interest in the 1<sup>st</sup> Plaintiff's

Trade Mark has been substantially and adversely affected by the Defendant's Trade Mark within the meaning of "*person aggrieved*" in s 45(1)(a) TMA as explained in **Mesuma Sports Sdn Bhd; and/or**

- (b) I will explain later in this judgment that there is likelihood of confusion and deception between the use of the 1<sup>st</sup> Plaintiff's Trade Mark and the Defendant's Trade Mark. Such a likelihood of confusion and deception, as is decided in **Yong Teng Hing**, will cause the Traders, Customers and the general public to believe that the Defendant's Goods emanate from the Plaintiffs and if the Defendant's Goods do not meet the high quality and standard of X-1R Goods, the Traders, Customers and the general public may erroneously assume that X-1R Goods lack quality. In such a manner, the Plaintiffs' legal right or interest in the 1<sup>st</sup> Plaintiff's Trade Mark has been substantially and adversely affected by the Defendant's Trade Mark.

42. In response to Mr. Tai's submission that the Plaintiffs are unable to commence any trade mark infringement suit against the Defendant under s 38(1) TMA (**Trade Mark Infringement Action**), I am of the following view:

- (1) if a plaintiff can file a Trade Mark Infringement Action against a defendant, such a fact clearly shows that the plaintiff is a "*person aggrieved*" by the defendant's trade mark within the meaning of s 45(1)(a) TMA. Similarly, if a plaintiff can show that the plaintiff's rights as a registered proprietor of a trade mark under s 35(1) TMA,

has been adversely affected by the defendant's trade mark, the plaintiff is a "*person aggrieved*" under s 45(1)(a) TMA; and

(2) if a plaintiff is not able to –

(a) file a Trade Mark Infringement Action against a defendant;  
and/or

(b) show how the plaintiff's rights as a registered proprietor of a trade mark under s 35(1) TMA, has been adversely affected by the defendant's trade mark

- this does not necessarily mean that the plaintiff is not aggrieved by the defendant's trade mark under s 45(1)(a) TMA. This is because a plaintiff in the above circumstances, may nonetheless still prove that the plaintiff is a "*person aggrieved*" under s 45(1)(a) TMA by showing that the plaintiff's legal right or interest in the plaintiff's trade mark has been substantially and adversely affected by the defendant's trade mark as explained in the above sub-paragraphs 41(a) and/or (b).

43. The 3 cases cited by Mr. Tai may be explained as follows:

(1) **Re Powell's Trade Mark, Service Master (M) Sdn Bhd** and **Re Arnold D. Palmer** have been decided before the wide interpretation of the term "*person aggrieved*" is laid down by our apex court in **Mesuma Sports Sdn Bhd**. As a matter of *stare decisis*, I am bound by the Federal Court's judgment in **Mesuma Sports Sdn Bhd**;

- (2) in **Re Powell's Trade Mark**, the respondent company applied to expunge the appellant's registered trade mark. Both the appellant and respondent were in the same trade of manufacturing sauces. Lord Herschell LC, Lord Watson, Lord Ashbourne and Lord Shane in **Re Powell's Trade Mark**, decided that the respondent company was aggrieved by the appellant's registered trade mark. **Re Powell's Trade Mark** did not however decide that an applicant for expungement of a registered trade mark who was in a different trade, could not ever be a "*person aggrieved*" under the then s 90 of the United Kingdom's Patents, Designs and Trade Marks Act 1883; and
- (3) there was no evidence of any grievance suffered by the plaintiffs in **Service Master (M) Sdn Bhd** and **Re Arnold D. Palmer** that had been suffered by the Plaintiffs in this case [please see the above sub-paragraphs 41(a) and (b)].

#### H. 1<sup>st</sup> Plaintiff's Trade Mark is distinctive

44. Mr. Tai has contended that the 1<sup>st</sup> Plaintiff's Trade Mark is not distinctive. I have no hesitation to reject this submission because there is sufficient affidavit evidence together with exhibits adduced by the Plaintiffs to prove that the 1<sup>st</sup> Plaintiff's Trade Mark is a combination mark which is capable of distinguishing X-1R Goods with which the Plaintiffs are connected in the course of trade from other goods, within the meaning of s 10(2A) TMA. It is to be noted that the Defendant has not applied to expunge the registration of the 1<sup>st</sup> Plaintiff's Trade Mark under s 45(1)(a) TMA on the

ground that the 1<sup>st</sup> Plaintiff's Trade Mark lacks distinctiveness under s 10(2) TMA.

I. **Plaintiffs' preliminary objection (PO) to filing of Defendant's affidavit**

45. Ms. Sathia Stella Sidhu (**Ms. Sathia**), the Plaintiffs' learned counsel, raised a PO to the filing of the Defendant's affidavit affirmed by Mr. Tan on 28.12.2015 (**Court Enc. No. 13**). According to Ms. Sathia, Court Enc. No. 13 had been filed contrary to the directions given by this Court in respect of the filing of affidavits in the OS.
46. Under Order 63A rule 15(1) RC, if there is any inconsistency between information entered into the Court's computer system (Order 63 rule 1 defines a "*Court's computer system*" as any electronic applications used for the purpose of electronic filing and management of cases) and information contained in a "*specified document*" (defined in Order 63A rule 1 RC as a document specified in any practice direction issued by the Registrar of High Court which may or shall be filed in Court using the electronic filing service), the information in the Court's computer system "*shall prevail*".
47. According to the information in the Court's computer system regarding the OS –
- (1) on 19.10.2015, the learned Deputy Registrar of the High Court directed affidavits to be filed by the parties on certain dates and thereafter the OS would be fixed on 19.11.2015 before my learned predecessor, Azizah bt. Haji Nawawi J, for further directions; and

(2) on 19.11.2015, Azizah bt. Haji Nawawi J gave directions for written submissions to be filed and a hearing date of the OS had been fixed. There was no further direction for filing of affidavits.

According to Order 28 rule 4(2) RC, the Court may give directions for the conduct of the OS, including directions for the parties to file affidavits. Order 28 rule 3C(4) RC provides that unless otherwise directed by the Court, a party intending to reply to an affidavit served on him or her, shall file his or her affidavit and serve it on the other party within fourteen days from the date the affidavit he intends to reply was served on him or her.

The information in the Court's computer system regarding the OS, did not state that this Court had given any direction for a final date to file affidavits in this case. In this case, the filing of Court Enc. No. 13 had complied with Order 28 rule 3C(4) RC. Accordingly, the Plaintiffs' PO is dismissed.

48. There is another reason to dismiss the Plaintiffs' PO. When the OS was heard by me on 14.1.2016, both learned counsel applied for the Court's leave to file a written reply to the opposing party's written submission. Leave was thereby granted. Ms. Sathia did not raise the PO regarding the late filing of Court Enc. No. 13 on 14.1.2016. If the PO had been raised on 14.1.2016, Mr. Tai could have applied to the Court for an extension of time under Order 3 rule 5(1) RC to file Court Enc. No. 13. As such, I find that the Plaintiffs have waived and accepted Court Enc. No. 13.

## J. Rectification application

49. The Federal Court decided as follows in **Yong Teng Hing**, at p. 346 and 351-352:

*[7] At the outset we would like to state here that the relevant date upon which the court has to decide whether the appellant is entitled to register the “GIORDANO” trade mark in Class 9 is the appellant’s application date on 25 July 1992. (See the case of **Meidi-Ya Co Ltd, Japan & Anor v. Meidi (M) Sdn Bhd** [2009] 2 CLJ 15; [2008] 1 LNS 646). It must also be noted that under the provisions of the Trade Mark Act 1976 (“the Act”) priority to a trade mark is not necessarily accorded to the first party or the first user to file the trade mark. We agree with the submission of learned counsel for the respondent that the entitlement to a trade mark is dependent on a number of factors. Such factors for consideration are whether the applicant is the bona fide proprietor of the trade mark pursuant to s. 25 of the Act and whether the trade mark qualifies for registration pursuant to s. 10 of the Act particularly whether the mark is distinctive of the applicant. A factor to be also considered is whether the trade mark shall be prohibited from registration pursuant to other provisions of the Act, such as ss. 14 and 19 of the Act.*

...

*[22] We are also of the view the fact that the respondent had not appealed against the decision of the registrar in dismissing the respondent’s opposition to the appellant’s mark in Class 14 is likewise irrelevant. On this point we would refer to the English Court of Appeal’s case of **Special Effects Ltd v. L’Oreal SA** [2007] RPC 381 wherein it was held inter alia that an opposition proceeding does not give rise to any estoppel to the same party from seeking to rectify the register by expunging the registered*



*mark after an unsuccessful opposition. This is because an opposition proceeding is inherently not final so as to be capable of being the basis for an issue estoppel. Similarly, in the case of Dame Vivienne Westwood OBE v. Anthony Edward Knight [2011] EWPC 008, the court therein held that even if a person had pursued an opposition and lost, that person could still apply to invalidate and no cause of action estoppel nor issue estoppel would prevent it. We are therefore of the view that following the above cited case laws, it remains open for the respondent to challenge the registration of the appellant's trade mark in Class 14 by relying on the provision of s. 45 of the Act in rectification proceedings."*

(emphasis added).

50. Based on **Yong Teng Hing**, the fact that the Plaintiffs did not –

- (1) oppose the registration of the Defendant's Trade Mark in Classes 7, 9, 12 and 35 under s 28(1) TMA read with reg. 37(a) TMR;
  - (2) appeal to the High Court against the Registrar's registration of the Defendant's Trade Mark in Classes 7, 9, 12 and 35 under s 28(5) TMA; and
  - (3) file an objection to the application of the Defendant's Trade Mark in Class 25
- does not bar or estop the Plaintiffs from filing the OS under s 45(1)(a) TMA.

51. I am of the view that the –

(1) Committal Application;

(2) High Court's Dismissal of Committal Application; and

(3) Court of Appeal's Decision

- have no bearing on this rectification application. This view is based on the following reasons –

(a) the questions which arise in this case, as stated in the above Part B, are clearly distinct from the sole issue in the Committal Application (whether the Defendant had breached the Consent Order);

(b) the rectification application in this case can only succeed if the Defendant's Trade Mark in Classes 7, 9, 12 and 35 and the pending application in Class 25, constitute entries in the Register "*without sufficient cause*" or entries which "*wrongfully remain*" in the Register under s 45(1)(a) TMA. On the other hand, the main purpose of contempt of court proceedings is to maintain or restore the authority of the court – please see, eg, the Supreme Court's judgment delivered by Mohamed Azmi SCJ in **Arthur Lee Meng Kwang v Faber Merlin Malaysia Bhd & Ors** [1986] 2 MLJ 193, at 195-196; and

(c) committal proceedings are decided on a high standard of proof, namely beyond all reasonable doubt – please refer to Wan Adnan

FCJ's (as he then was) judgment in the majority decision of the Federal Court in **Wee Choo Keong v MBf Holdings Bhd & Anor and another appeal** [1995] 3 MLJ 549, at 574. This OS will only be decided on a balance of probabilities.

## K. Effect of s 14(1) TMA

52. The relevant part of s 14(1) TMA provides as follows:

*“14. Prohibition on registration*

*(1) A mark or part of a mark shall not be registered as a trade mark*

–

*(a) if the use of which is likely to deceive or cause confusion to the public or would be contrary to law;*

...

*(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;*

*(e) if it is well known and registered in Malaysia for goods or services not the same as to those in respect of which registration is applied for:*

*Provided that the 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 well known mark, and the interests of the proprietor of the well known mark are likely to be damaged by such use;*

...”

(emphasis added).

53. If any of the paragraphs in s 14(1)(a) to (e) TMA is proven as against a registered trade mark, the registration of the trade mark may be removed from the Register under s 45(1)(a) TMA. This is clear from the Federal Court's judgment delivered by Zulkefli Makinudin CJ (Malaya) in **Ho Tack Sien & Ors v Rotta Research Laboratorium SpA & Anor, Registrar of Trade Marks (Intervener) & Another Appeal** [2015] 4 CLJ 20, at 34 and 35, as follows:

*"[25] We are of the view that neither the court nor the Registrar has the discretion to allow a mark that has been wrongfully registered to continue to remain on the Register. Once the grounds for revocation or removal of a mark have been made out, the mark must be removed or expunged from the Register.*

...

*[27] On the contention of the defendants and in support of the findings of the Court of Appeal that once a mark is registered by the Registrar, it is prima facie a valid trade mark, we are of the view that this is a rebuttable presumption. Once evidence is shown that the registered mark is invalid and should not have been registered in the first place the natural remedy would be to remove the invalid mark from the Register. Registration is therefore not a defence in relation to marks that have been wrongfully entered on to the Register. On this point we would refer to the case of *Industria De Diseno Textil SA v. Edition Concept Sdn Bhd* [2005] 2 CLJ 357 where it was held that even where a trade mark has been properly registered, s. 45(1)(a) of the Act empowers the court to expunge or vary such a trade*

*mark in the event that it becomes confusing as a result of events subsequent to the initial registration.”*

(emphasis added).

**K(1). Non-application of s 14(1)(d) TMA**

54. Section 14(1)(d) TMA applies in a case where the defendant's goods are the same as the plaintiff's goods. As the Defendant's Goods are not the same as X-1R Goods, there is no room to invoke s 14(1)(d) TMA in this case.

**K(2). Whether use of Defendant's Trade Mark is likely to deceive and confuse public under s 14(1)(a) TMA**

55. My understanding of the case law which has interpreted s 14(1)(a) TMA is as follows:

- (1) a plaintiff has the legal burden to prove on a balance of probabilities that the use of the defendant's mark on the defendant's goods or services is likely to deceive or confuse the public in respect of both the marks of the plaintiff and defendant. There is no need to prove actual deception or confusion. It has been decided by the Federal Court in **Ho Tack Sien**, at p. 35-36, as follows -

*“[29] Further, we are of the view that even if the Registrar gives evidence, **the determination of whether there is likelihood of confusion still lies with the court. The question of whether there is a real likelihood of deception of the public is***

*ultimately one for the court to decide as aptly put by Lord Hodson in the case of Parker-Knoll Limited v. Knoll International Limited [1962] RPC 265 (HC) at p. 285 as follows:*

*All relevant circumstances must be taken into account, and the question whether or not there is a real likelihood of deception of the public is ultimately for the court and not for the witnesses to decide: see Spalding & Bros. v. Gamage Ltd. (1915) 32 R.P.C. 286 per Lord Parker of Waddington: There may, of course, be cases of so doubtful a nature that a judge cannot properly come to a conclusion without evidence directed to the point; but there can be no doubt that in a passing-off action the question whether the matter complained of is calculated to deceive, in other words, whether it amounts to a misrepresentation, is a matter for the judge, who looking at the documents and evidence before him, comes to his own conclusion, and to use the words of Lord Macnaghten in **Payton & Co. Ltd. v. Snelling, Lampard & Co. Ltd.** (1990) 17 R.P.C. 635, must not surrender his own independent judgment to any witness whatever. (emphasis added)”*

(emphasis added);

- (2) the fact that a defendant’s goods or services are in a class which is different from the plaintiff’s goods or services, does not mean that there is no likelihood of deception or confusion. In **Yong Teng Hing**, at p. 352-353 and 353-354, the Federal Court held as follows –

***[24] Section 14(1)(a) of the Act prohibits the registration of a mark if use of the mark will lead to likelihood of confusion or deception as a result of the goodwill and reputation pertaining to a prior mark used in relation to goods falling in a different class from that sought to be registered. The issue here is whether on the factual circumstances of the present case there is any likelihood of deception and confusion arising from the use by the appellant of the “GIORDANO” trade mark in relation to Class 9 goods based on the prior use by the respondent and its goodwill and reputation thereof in relation to Class 25 goods.***

***[25] The objective and purpose of the s. 14(1)(a) of the Act is to protect the public and consumers from instances of confusion or deception as a result of the use of two similar marks. Thus, under s. 14(1)(a) of the Act, a mark shall be refused registration if use thereof is likely to deceive or cause confusion to the public notwithstanding that it is the result of use of an earlier identical or similar mark, whether registered or not in Malaysia and which is being used in relation to goods or services which may be different from that sought to be registered. On this point, there are a number of decided cases to show the circumstances under which the opponent had successfully opposed application for the registration of a trade mark by an applicant in relation to goods or services falling under different classes but having identical or similar marks as follows:***

...

***[26] As regards the test of confusion and deception it is now well settled. The decision of the House of Lords in the case of Bali Trade Mark [1969] RPC 472 in interpreting s. 11 on the UK Trade Marks Act which is equivalent to our s. 14(1)(a) of the Act***

*is highly instructive. Lord Upjohn held in that case at p. 496 on the test of likelihood of confusion and deception, as follows:*

***What then, is the test? This must necessarily be a question of fact and degree in every case ... It is not necessary in order to find that a mark offends against section 11 to prove that there is an actual probability of deception leading to passing off or (I add) an infringement action ... It is sufficient if the result of the registration of the mark will be that a number of persons will be caused to wonder whether it might not be the case that the two products came from the same source.***

***[27] Confusion and deception as envisaged by s. 14(1)(a) of the Act in our view is a question of fact and degree. The likelihood of confusion and deception can never be ruled out in the present case simply because the goods sought to be registered by the appellant fall in Class 9 whilst the goods that have been sold and traded by the respondent fall in other classes such as Class 25. Further, the more well known or unusual a trade mark, the more likely is that consumers might be confused into believing that there is a trade connection between goods or services bearing the same or a similar mark.***

...

***[31] We find that the appellant's and respondent's goods in Classes 9 and 25 are fashionwear which share similar nature and purpose. Optical and sunglasses in Class 9 are fashion products. Likewise, articles of clothing and leather goods such as belts and bags in Class 25 are also fashion products. Both the appellant's and the respondent's goods***



*are targeted at the same customers and made available through similar retail channels and are commonly found to be sold together or next to each other in departmental stores, retail stores and fashion boutiques. We are of the view that just because the goods are classified in different classes it does not mean that there will be no likelihood of confusion in the use of identical trade marks by two different proprietors. In the case of McCormick & Company Inc v. McCormick [2000] FCA 1335, the Federal Court of Australia held that spices and instant butter are goods of the same description and emphasized that the classification contained in the schedules to the Trade Mark Rules are not a decisive criterion as to whether or not two sets of goods are of “the same description”. Further, it was stated also that the expression “goods of the same description” is not to be construed restrictively and regard is paid to the commercial context in which the goods in question are bought and sold.*

...

*[33] It is our judgment that in the present case it is inevitable that the consumers will assume that both products of the appellant and the respondent are of the same origin, that is, ultimately originating from or authorized by the respondent, as they carry an identical trade mark. By the appellant’s use of the “GIORDANO” trade mark in relation to optical and sunglasses, it would result in the misappropriation of the goodwill and reputation of the respondent which the respondent enjoys internationally as well as in Malaysia. In our view, the use of the “GIORDANO” trade mark by the appellant is certainly likely to cause confusion or deception within the meaning and scope of s. 14(1)(a) of the Act.”*

(emphasis added); and

- (3) in determining whether there is a likelihood of deception and/or confusion, the following matters need to be considered –
- (a) the nature, characteristics, composition, purpose and use of the goods or services of both the plaintiff and defendant – please see Romer J's (as he then was) judgment in the English High Court case of **Re Ladislav Jelinek** (1946) 63 RPC 59, at 70. The above comparison is to ascertain whether the goods or services of the plaintiff and defendant are of the same description;
  - (b) the nature and kind of the Customers (end users, consumers and purchasers) of the goods or services of the plaintiff and defendant – please see Mohd. Yusoff Mohamed SCJ's judgment in the Supreme Court case of **Tohtonku Sdn Bhd v Superace (M) Sdn Bhd** [1992] 1 CLJ (Rep) 344, at 347, which applied Parker J's (as he then was) decision in the English High Court in **Re Pianotist Co Ltd** (1906) 23 RPC 774, at 777;
  - (c) the nature of the trade channels of the goods or services of the plaintiff and defendant, namely, the nature and kind of Traders (distributors, dealers and retailers) - **Re Ladislav Jelinek**, at p. 70;
  - (d) how the plaintiff's trade mark and the defendant's trade mark are used in relation to the goods or services – please see the

Privy Council's opinion delivered by Lord Fraser in an appeal from New Zealand, **Solavoid Trade Mark** [1977] RPC 1, at 31;

- (e) there should be a visual comparison of the plaintiff's trade mark and the defendant's trade mark – please see James Foong JCA's judgment in the Court of Appeal case of **Bata Ltd v Sim Ah Ba & Ors** [2006] 3 CLJ 393, at 407-408;
- (f) a phonetic comparison of the plaintiff's trade mark and the defendant's trade mark, should be undertaken. I refer to the following 2 Court of Appeal's judgments –
  - (i) **Bata Ltd**, at p. 407; and
  - (ii) 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' ruling in **Aristoc Ltd v Rysta Ltd & Anor** [1945] 1 All ER 34 to decide whether there is phonetic confusion or not;
- (g) whether there is a similarity of ideas or concept between the plaintiff's trade mark and the defendant's trade mark – **Solavoid Trade Mark**, at p. 30;
- (h) the plaintiff's trade mark and the defendant's mark must be considered as a whole - **Bata Ltd**, at p. 407;

- (i) all the surrounding circumstances regarding the use of the plaintiff's trade mark and the defendant's trade mark, should be taken into account - **Bata Ltd**, at p. 407;
- (j) if there are distinctive differences between the plaintiff's trade mark and the defendant's trade mark, it is less likely for the public to be deceived or confused by the use of the 2 trade marks - **Bata Ltd**, at p. 407;
- (k) whether the defendant's trade mark would be remembered as the plaintiff's trade mark by reasonable Traders and Customers with an average memory and an imperfect recollection of the trade mark's precise details – please see Lord Russell's judgment for 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;
- (l) if a trade mark is well-known and unusual, it is more likely there is confusion – **Yong Teng Hing**, at p. 354; and
- (m) the Registrar's decision in registering the defendant's trade mark, should be given some weight - **Bata Ltd**, at p. 413-414.

56. X-1R Goods consist of lubricant oil while the Defendant's Trade Mark is used on motorcycle parts. There is therefore no similarity of description between X-1R Goods and Defendant's Goods.

57. A visual inspection of the 1<sup>st</sup> Plaintiff's Trade Mark and the Defendant's Trade Mark reveals the following differences:

- (1) the 1<sup>st</sup> Plaintiff's Trade Mark consists of 2 main letters and 1 number, namely "X-1R". The Defendant claims that the Defendant's Trade Mark consists of "MVR1". I will discuss later in this judgment regarding the letters and number in the Defendant's Trade Mark;
- (2) there is no hyphen in the Defendant's Trade Mark, unlike in the 1<sup>st</sup> Plaintiff's Trade Mark;
- (3) "X-1R" in the 1<sup>st</sup> Plaintiff's Trade Mark is presented in a style, size and font which are different from the Defendant's Trade Mark;
- (4) "X-1R" (the 1<sup>st</sup> Plaintiff's Trade Mark) is in red colour while the hyphen is in black. The 1<sup>st</sup> Plaintiff's Trade Mark also has yellow colour as the background of "X-1R". The Defendant's Trade Mark is in orange, black and white colours;
- (5) the 1<sup>st</sup> Plaintiff's Trade Mark has the words "*Performance Lubricants*", "*Run With The Best*" and [WWW.X1R.COM](http://WWW.X1R.COM). The Defendant's Trade Mark has the words "*One*" and "*Extraordinary Racing Art*". The Defendant's Trade Mark has no web-site address; and
- (6) at the background of the 1<sup>st</sup> Plaintiff's Trade Mark is a black and white checkered racing flag (which is not found in the Defendant's Trade Mark)

**(6 Differences).**

58. Despite the –

(1) lack of similarity of description between X-1R Goods and Defendant's Goods; and

(2) 6 Differences

- I find as a fact that the Plaintiffs have discharged the legal burden to prove on a balance of probabilities that there is a real likelihood of deception and/or confusion of the public in the use of the 1<sup>st</sup> Plaintiff's Trade Mark on X-1R Goods and the use of the Defendant's Trade Mark on the Defendant's Goods wherein the result of the registration of the Defendant's Trade Mark will cause a number of persons to wonder if X-1R Goods and Defendant's Goods originated from the same source – **Yong Teng Hing**. This decision is based on the following evidence and reasons:

(a) the Customers of X-1R Goods and Defendant's Goods are in the same motor vehicle industry. This is clear when there are Written Complaints by the Customers who are actually confused between the use of the 1<sup>st</sup> Plaintiff's Trade Mark on X-1R Goods and the use of the Defendant's Trade Mark on the Defendant's Goods;

(b) the trade channels for X-1R Goods and Defendant's Goods are the same. This finding is premised on the following –

- (i) a prominent distributor of motorcycle products, MKAPT, who declined to distribute X-1R Goods in the mistaken belief that MKAPT would be distributing the Defendant's Goods;
  - (ii) the PI's Report, in particular the DVD and Transcripts, proved that 7 Traders referred to the Defendant's Goods as X-1R Goods; and
  - (iii) there are Written Complaints by the Traders regarding the confusion between X-1R Goods and Defendant's Goods;
- (c) an objective visual inspection of the Defendant's Trade Mark shows "X1R" which is similar to the same combination of letters and number in the 1<sup>st</sup> Plaintiff's Trade Mark. An objective ocular examination of the Defendant's Trade Mark does not reveal "MVR1" as contended by Mr. Tai. Such a finding is fortified by the following –
- (i) LSS, the brother of the Defendant's trade mark agent who submitted all the relevant applications for the registration of the Defendant's Trade Mark, affirmed an affidavit to confirm that LSS did not use "MVR1" to describe the Defendant's Trade Mark because "MVR1" was not part of the Defendant's Trade Mark;
  - (ii) the Register described the Defendant's Trade Mark as "X ONE 1 R Extraordinary Racing Art" in respect of goods in Classes 7, 9 and 12. For goods in Class 35, the Defendant's Trade Mark

has been described in the Register as “*X1R ONE Extraordinary Racing Art*”. The Defendant had not applied to the Register to correct these 4 descriptions of the Defendant’s Trade Mark (which are similar to the 1<sup>st</sup> Plaintiff’s Trade Mark) under s 43(1)(a) TMA and to describe the Defendant’s Trade Mark as “*MVR1*”;

(iii) Messrs SLT’s Letter dated 27.3.2013 clearly stated that the last letter in the Defendant’s Trade Mark was “A” for the word “*Art*” (not number 1 as in “*MVR1*”). There had been no correction of the contents of Messrs SLT’s Letter dated 27.3.2013 by Messrs SLT. Nor was there any affidavit from the Defendant’s then solicitor in Messrs SLT to state that there had been an inadvertent error in Messrs SLT’s Letter dated 27.3.2013; and

(iv) sub-paragraph 8(iv) of the affidavit affirmed by Mr. Tan on 10.6.2014 (which had been filed to oppose successfully the Committal Application) had unequivocally stated that the last letter “A” in the Defendant’s Trade Mark was an abbreviation for the word “*Art*”. Mr. Tan had not affirmed any subsequent affidavit to correct such a sworn averment. It is to be noted that s 193 of the Penal Code provides that any person who intentionally gives false evidence in any judicial proceeding, may be punished with imprisonment up to 7 years and/or fine;

(d) the combination of “*X1R*” in the Defendant’s Trade Mark is most prominent and causes a high degree of real likelihood of deception and/or confusion of the public in respect of the use of the 1<sup>st</sup>



Plaintiff's Trade Mark on X-1R Goods and the use of the Defendant's Trade Mark on the Defendant's Goods. The prominence of the combination of "X1R" in the Defendant's Trade Mark, in my view, outweighs the 6 Differences;

(e) when this court pronounces the 1<sup>st</sup> Plaintiff's Trade Mark and the Defendant's Trade Mark, the real likelihood of deception and/or confusion is crystal clear. Both the 1<sup>st</sup> Plaintiff's Trade Mark and the Defendant's Trade Mark sound alike, namely "X1R". The hyphen in the 1<sup>st</sup> Plaintiff's Trade Mark is silent. The word "ONE" and the number "1" in the Defendant's Trade Mark, is only pronounced once, in the same manner of pronunciation as the 1<sup>st</sup> Plaintiff's Trade Mark. I have –

(i) made allowance for Consumers and Traders to have imperfect recollection of the precise details of a trade mark; and

(ii) considered the possibility of careless pronunciation

- nonetheless, I am satisfied that a reasonable Consumer and Trader will have the same pronunciation of the 1<sup>st</sup> Plaintiff's Trade Mark as the Defendant's Trade Mark.

I also find that in view of the great prominence of "X1R" in the Defendant's Trade Mark, Traders and Customers of the Defendant's Goods refer to the Defendant's Goods as "X1R" and do not refer the Defendant's Goods as "*Extraordinary Racing Art*" (as stated in the Defendant's Trade Mark). Indeed, no evidence had been adduced

by the Defendant that Traders and Customers of the Defendant's Goods refer to the Defendant's Goods as "*Extraordinary Racing Art*".

The phonetic confusion in respect of the use of the 1<sup>st</sup> Plaintiff's Trade Mark on X-1R Goods and the use of the Defendant's Trade Mark on the Defendant's Goods is corroborated by the PI's Report, especially the DVD and Transcripts, that even the Defendant's own employee, Mr. Steven Tan, admitted that the Defendant's Trade Mark had often been pronounced by many people as "X1R". It is to be noted that Mr. Steven Tan did not deny the authenticity and accuracy of the DVD and Transcripts;

- (f) the 1<sup>st</sup> Plaintiff's Trade Mark and the Defendant's Trade Mark have the same idea and concept, namely Traders will be dealing with high quality products, be it motorcycle parts or lubricant oils, in the motor vehicle industry and the Consumers will be acquiring the same high quality goods in the same industry;
- (g) considering the 1<sup>st</sup> Plaintiff's Trade Mark and the Defendant's Trade Mark as a whole, there is a real likelihood of deception and/or confusion of the public in the use of the 1<sup>st</sup> Plaintiff's Trade Mark on X-1R Goods and the use of the Defendant's Trade Mark on the Defendant's Goods;
- (h) the following surrounding circumstances support the inference of real likelihood of deception and/or confusion of the public in the use of the 1<sup>st</sup> Plaintiff's Trade Mark on X-1R Goods and the use of the Defendant's Trade Mark on the Defendant's Goods –

- (i) 14 days after the Consent Order had been recorded on 6.2.2013, Messrs SLT's Letter dated 20.2.2013 was sent to inquire whether the Plaintiffs would object to the Defendant's Trade Mark in the future; and
- (ii) Messrs SLT's Letters dated 20.2.2013 and 27.3.2013 did not inform the Plaintiffs that the Defendant had applied on 18.1.2013 (before the recording of the Consent Order) to register the Defendant's Trade Mark in Classes 7, 9 and 12.

The above surrounding circumstances constituted circumstantial evidence that there was pre-meditated intention on the part of the Defendants to use the Defendant's Trade Mark to deceive and/or confuse the public with the use of the 1<sup>st</sup> Plaintiff's Trade Mark on X-1R Goods. If there was no real likelihood of deception and/or confusion, there was absolutely no need to send Messrs SLT's Letter dated 20.2.2013;

- (i) applying the test of reasonable Traders and Customers with an average memory and an imperfect recollection of a trade mark's precise details, I find that the 1<sup>st</sup> Plaintiff's Trade Mark would be remembered by reasonable Traders and Customers as the Defendant's Trade Mark; and
- (j) as explained in the above Part F, the 1<sup>st</sup> Plaintiff's Trade Mark is well-known. Furthermore, the 1<sup>st</sup> Plaintiff's Trade Mark is unique and unusual. Accordingly, there is a higher likelihood of confusion of the

public in the use of the 1<sup>st</sup> Plaintiff's Trade Mark on X-1R Goods and the use of the Defendant's Trade Mark on the Defendant's Goods - **Yong Teng Hing**, at p. 354.

59. There is evidence from Mr. Ma that the Defendant's employee, Mr. Foo, had introduced the Defendant's Goods with the Defendant's Trade Mark as "X1R" goods. As such, there is evidence of actual deception by the Defendant. Such evidence fortifies the application of s 14(1)(a) TMA in this case.

60. In view of the above reasons, I find as a fact that the use of the Defendant's Trade Mark is likely to deceive and/or confuse the public within the meaning of s 14(1)(a) TMA. Consequently, the Defendant's Trade Mark –

(1) has been entered in the Register without sufficient cause; and/or

(2) wrongfully remains in the Register

- as understood in s 45(1)(a) TMA.

**K(3). Whether s 14(1)(e) TMA applies in this case**

61. Paragraph (e) of s 14(1) TMA has been introduced by Trade Marks (Amendment) Act 2000 (**Act A1078**). My research is unable to disclose any previous Malaysian case which has decided on s 14(1)(e) TMA.

62. I am of the view that s 14(1)(e) TMA can only apply in this case if the following 4 conditions are proven by the Plaintiffs:

- (1) the 1<sup>st</sup> Plaintiff's Trade Mark is well-known (**1<sup>st</sup> Condition**);
- (2) the 1<sup>st</sup> Plaintiff's Trade Mark is registered for goods which are not the same as the Defendant's Goods (**2<sup>nd</sup> Condition**);
- (3) the use of the Defendant's Trade Mark on the Defendant's Goods would indicate a connection between the Defendant's Goods and the Plaintiffs (**3<sup>rd</sup> Condition**); and
- (4) the Plaintiffs' interests are likely to be damaged by the Defendant's use of the Defendant's Trade Mark (**4<sup>th</sup> Condition**).

63. The 1<sup>st</sup> Condition has been fulfilled in this case – please refer to the above Part F. There is no dispute that the 2<sup>nd</sup> Condition has been satisfied by the Plaintiffs in this OS.

64. The 3<sup>rd</sup> and 4<sup>th</sup> Conditions are required by the proviso to s 14(1)(e) TMA.

65. Section 8(3) and (4) TMA (Singapore) provide as follows:

***“8(3) Where an application for registration of a trade mark is made before 1st July 2004, if the trade mark –***

***(a) is identical with or similar to an earlier trade mark; and***

***(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected, the later trade mark shall not be registered if –***

***(i) the earlier trade mark is well known in Singapore;***



(A) *would cause dilution in an unfair manner of the distinctive character of the earlier trade mark; or*

(B) *would take unfair advantage of the distinctive character of the earlier trade mark.”*

(emphasis added).

66. I will now refer to 2 judgments of Singapore’s Court of Appeal on s 8(3) and (4) TMA (Singapore) as follows:

(1) in **Novelty Pte Ltd**, at paragraphs 226, VK Rajah JA held as follows

-

“226. ... *The "damaging connection" condition in s 8(4)(b)(i) and s 55(3)(a) of the current TMA will be satisfied only where there is a confusing connection between the plaintiff and the defendant's goods or services (ie, only where there is confusion) because non-confusing connection is covered by the "unfair dilution" condition in s 8(4)( b)(ii)(A) and s 55(3)(b)(i).”*

(emphasis added).

With respect, I am not able to apply **Novelty Pte Ltd** regarding the interpretation of our s 14(1)(e) TMA. This is due to the following reasons –

(a) the clear wording in s 14(1)(e) TMA does not require proof of likelihood of confusion;

- (b) all the paragraphs (a) to (g) of s 14(1) TMA are separate and independent of each other by reason of the use of the semi-colon punctuation mark and the word “or” between paragraphs (f) and (g) in s 14(1) TMA. As such, s 14(1)(e) TMA applies independently of s 14(1)(a) TMA (which provides for, among others, likelihood of confusion); and
- (c) when Parliament introduced s 14(1)(e) TMA by way of Act A1708, Parliament is deemed to know of the existing law, namely s 14(1)(a) TMA. If the legislature had intended to require proof of likelihood of confusion in s 14(1)(e) TMA, the legislature could have easily inserted such a requirement in s 14(1)(e) TMA, along the lines of s 14(1)(a) TMA; and
- (2) in **Mobil Petroleum Co Inc v Hyundai Mobis** [2010] 1 SLR 512, at paragraphs 37, 38, 48, 49, 52, 53, 98, Chao Hick Tin JCA decided as follows –

*“37 In this regard, the appellant had suggested two possible standards to determine whether a “connection” under s 8(3)(ii) had been shown. Firstly, it should suffice if due to the similarity between the two marks, a sort of association between Mobil and MOBIS was suggested; and secondly, if the similarity should indicate an expectation that Mobil would expand into the field for which the MOBIS mark was to be registered.*

*38 We were unable to accept these suggested standards as they were too general and broad. Before explaining our*



reasons, we would first set out what we understand as sufficient to constitute a "connection" under s 8(3).

...

48 ***A "connection" as to origin under s 8(3) occurs when the use of the opposed mark will indicate that the defendant's goods and services are of the same source as the Plaintiff's. In other words, the use of the opposed mark will result in a representation or indication that the defendant's goods or services are those of the plaintiff's. ...***

49 ***When we speak of a "connection" as to source, it may also indicate a connection as to quality, in so far as goods and services from the same source are expected to be of the same quality. ...***

...

52 ***Another common example where a business connection could be indicated is where two unrelated entities, either because of their similarity in name or similarity of the trade marks they use, may be thought by the public to be related companies. ...***

53 ***Other scenarios which could constitute a "connection" as to business include situations, as identified in the explanatory note to Article 4(1)(b) (i) of the Joint Recommendation, are where it may be inferred that there is a licensing or trading agreement under which the well known mark proprietor exercises some control over the goods and services of the opposed mark. Ultimately, a business connection suggests the presence of some business relationship between the owner of the earlier mark and the goods or services covered by the alleged offending mark. ...***

...

98 ***There are conceivably other possible types of damage covered by s 8(3)(iv). After all, if a well known mark need not possess goodwill or operate a business in Singapore, this means that in such cases, there may not be any "dilution to goodwill" or loss of sales to speak about. However, a proprietor of a well known mark in such cases can still suffer other damage such as (a) restrictions on the expansion of use of the well known mark; and (b) risk of litigation. Again, like the requirement of "connection" under s 8(3)(ii), the possible heads of damage under s 8(3)(iv) are similarly not closed but we foresee that these two types of damage would probably be the most common, apart from the established head of damage through "dilution of goodwill".***

...

***Risk of litigation***

102 ***Under the law of passing off, when a trade mark passes off as a well known mark, the proprietor of the well known mark may run the risk of incurring legal liability, especially when the trade mark passing off as the well known mark provides a much lower quality of goods or services. Products of inferior quality could and would expose the plaintiff to legal action by unsuspecting buyers. ...***

103 ***The damage here is the exposure to litigation, and not successful litigation. ..."***

(emphasis added).

67. I am of the opinion that **Mobil Petroleum Co Inc** may be applied in construing the meaning and scope of the 3<sup>rd</sup> and 4<sup>th</sup> Conditions.

68. In respect of the 3<sup>rd</sup> Condition, based on **Mobil Petroleum Co Inc** –

(1) the 3<sup>rd</sup> Condition is not fulfilled if –

(a) there is merely a similarity between the 1<sup>st</sup> Plaintiff's Trade Mark and Defendant's Trade Mark; or

(b) the Plaintiffs have an expectation to expand into the Classes of goods for which the Defendant's Trade Mark has been registered; and

(2) the 3<sup>rd</sup> Condition is satisfied if the Plaintiffs can prove on a balance of probabilities any of the following circumstances -

(a) there is a "*connection*" as to the origin of the goods, namely the use of the Defendant's Trade Mark will indicate that the Defendant's Goods emanate from the same source as X-1R Goods;

(b) there is a "*connection*" in respect of the quality of the goods where the use of the Defendant's Trade Mark will indicate that the Defendant's Goods have the same quality as X-1R Goods;

**or**

(c) there is a business "*connection*" where the public may perceive

–

- (i) that the Plaintiffs and Defendant are related companies; **or**
- (ii) there is some kind of business relationship between the Plaintiffs and Defendant.

69. I am satisfied that the 3<sup>rd</sup> Condition has been proven on a balance of probabilities by the Plaintiffs in this case for the following reasons:

- (1) there is a "*connection*" as to the origin of the goods between the Defendant's Goods and the Plaintiffs when MKAPT mistakenly thought X1R Goods originated from the Defendant and declined to distribute X1R Goods bearing the 1<sup>st</sup> Plaintiff's Trade Mark; **and/or**
- (2) there is a "*connection*" between the quality of the Defendant's Goods and the Plaintiffs because the Traders, Consumers and general public will mistakenly assume the Defendant's Goods will meet the same high quality and standard as X1R Goods.

70. Premised on **Mobil Petroleum Co Inc**, the 4<sup>th</sup> Condition is satisfied when –

- (1) the Plaintiffs suffer a dilution to the Plaintiffs' goodwill in this country;
- (2) there is a loss in the sales of X1R Goods;
- (3) the Plaintiff is restricted from expanding the use of the 1<sup>st</sup> Plaintiff's Trade Mark to goods in Classes 7, 9, 12 and 35; **or**

- (4) the Plaintiffs are exposed to the risk of incurring legal liability from Traders and Consumers who have purchased the inferior Defendant's Goods in the mistaken belief that the Traders and Consumers have acquired X1R Goods (**Risk of Litigation**).

71. I find as a fact that the Plaintiffs have proven the 4<sup>th</sup> Condition on a balance of probabilities when –

- (1) MKAPT mistakenly thought X1R Goods originated from the Defendant and declined to distribute the X1R Goods bearing the 1<sup>st</sup> Plaintiff's Trade Mark; **and/or**

- (2) the Plaintiffs are exposed to a Risk of Litigation because -

- (a) the high quality of X1R Goods has been confirmed by many reputable and competent international bodies;
- (b) Traders and Consumers have purchased the Defendant's Goods in the mistaken belief that the Traders and Consumers have acquired X1R Goods; and
- (c) Traders and Consumers may claim damages from the Plaintiffs due to the inferior quality of the Defendant's Goods.

72. As the Plaintiffs have fulfilled all the 4 Conditions of s 14(1)(e) TMA, the Defendant's Trade Mark –

- (1) has been entered in the Register without sufficient cause; and/or

(2) wrongfully remains in the Register

- within the meaning of s 45(1)(a) TMA.

**L. Whether Court has discretion not to rectify Register**

73. Section 45(1)(a) TMA employs the directory term “*may*” but the Federal Court has decided in **Ho Tack Sien**, at p. 34, that once the grounds to expunge a registered trade mark has been proven, neither the Court nor the Registrar has the discretion to allow the registered trade mark to remain in the Register.

74. I have not overlooked Mr. Tai’s submission that the Registrar’s decision in registering the Defendant’s Trade Mark in Classes 7, 9, 12 and 35, should be given some weight. I have given due weight to the Registrar’s exercise of discretionary power in registering the Defendant’s Trade Mark in Classes 7, 9, 12 and 35 but in view of the Plaintiffs’ proof of s 14(1)(a) and/or (e) TMA, this court is bound by the Federal Court’s judgment in **Ho Tack Sien** as a matter of *stare decisis* and has no discretion but to expunge the registration of Defendant’s Trade Mark in Classes 7, 9, 12 and 35.

75. Lastly, Mr. Tai had contended that the Plaintiffs had been guilty of inordinate delay in filing this OS. I am unable to accede to this submission because –

(1) once the Plaintiffs have proven the application of s 14(1)(a) and/or (e) TMA, this court is bound by **Ho Tack Sien** to expunge the Defendant’s Trade Mark from the Register. In other words, undue delay cannot bar or estop the exercise of the Court’s duty under s

45(1)(a) TMA to expunge a registered trade mark which is expressly prohibited by s 14(1)(a) and/or (e) TMA; and

- (2) s 37 TMA provides that in all legal proceedings relating to a registered trade mark, including a rectification application under s 45(1)(a) TMA, the registration of a trade mark “*shall be valid*” after the expiry of 7 years from the date of original registration, except in circumstances specified in s 37(a), (b) and (c) TMA. Section 37(b) TMA has expressly referred to s 14 TMA. As such, I am of the view that if the seven-year limitation period in s 37 TMA does not apply to s 14 TMA, *a fortiori* the Plaintiffs cannot be barred or estopped by inordinate delay from enforcing an express statutory right under s 45(1)(a) TMA to rectify the Register based on s 14 TMA.

**M. Court’s order**

76. Premised on the above reasons, the following order is made –

- (1) Prayers 1 to 6 are allowed;
- (2) all costs incurred by the Plaintiffs in respect of the rectification of the Register pursuant to this order, shall be borne by the Defendant;  
and

(3) an allocator fee of 4% on the costs sum is imposed pursuant to Order 59 rule 7(4) RC.

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

**DATE: 27 JUNE 2016**

*Counsel for Plaintiff: Ms. Sathia Stella Sidhu & Mr. Ganeshnathan s/o Ramanathan  
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*Counsel for Defendant: Mr. Tai Foong Lam & Ms. Tang Chao Ying  
(Messrs Gan Partnership)*