

**IN THE HIGH COURT OF MALAYA
AT KUALA LUMPUR
CIVIL SUIT NO. WA-22IP-50-10/2018**

BETWEEN

- 1. TELEKOM MALAYSIA BERHAD**
 - 2. TELEKOM SALES & SERVICES SDN BHD**
- PLAINTIFFS**

AND

- 1. CA MULTIMEDIA SDN BHD**
 - 2. EASYPAY ONLINE SDN BHD**
 - 3. WONG HOONG SAM**
 - 4. TEOW AH CHYE**
 - 5. LEE GUAT BEE**
- DEFENDANTS**

GROUND OF JUDGMENT

Introduction

[1] This is an intellectual property dispute in relation to the usage of domain name.

[2] The First Plaintiff is a public listed limited company and the leader in the provision of telecommunication and internet services and products in Malaysia. The Second Plaintiff is a private limited company and a subsidiary of the First Plaintiff. The Second Plaintiff is also the authorized supplier of the First Plaintiff's products and services ("Products and Services").

[3] The First Plaintiff has, since the 1940s, utilized the trade names: 'TELEKOM MALAYSIA', 'TM' and 'TMPOINT'.

[4] The First and Second Defendants are private limited companies and have entered into agreement with the Second Plaintiff as authorized dealers in respect of the Products and Services.

[5] The Third, Fourth and Fifth Defendants are individuals. The Fourth and Fifth Defendants are directors of the First and Second Defendants.

Preliminary

[6] The Plaintiffs commenced this Suit on 16 October 2018. The claims are premised upon breach of contract, unauthorized use of domain name, infringement of trade mark, passing off, inducement for breach of contract and conspiracy to injure the Plaintiffs.

[7] As a result, the Plaintiffs in gist pray for the following reliefs:

- (i) an order directing the transfer of ownership and registration of www.tmpoint.com with the related email address to the First Plaintiff;
- (ii) a permanent injunction to restrain the Defendants from performing any acts of infringing and passing off of the TMPOINT trade mark;
- (iii) an inquiry into damages or an account of profits;
- (iv) exemplary damages and aggravated damages to be assessed;
- (v) interest and costs; and
- (vi) such further and other reliefs as deemed fit by the Court.

[8] During case management, I have directed that the trial of the Suit be bifurcated into 2 stages whereby the trial on issues of liability is to be determined first followed by the trial on the consequential reliefs.

[9] The first stage of trial of this Suit on issues of liability took 4 days on 27, 29, 30 and 31 May 2019. The trial documents were marked as bundles BP and A1 to E with the documentary evidence included in bundles A1 to B2 and E. These documentary evidence carry status A or B as identified therein.

[10] At the outset of the trial, the Plaintiffs withdrew their claim against the Third Defendant.

[11] The Plaintiffs called the following witnesses during the trial, viz:

- (i) Huzainesha bin Harris (“PW1”), manager of the Second Plaintiff’s Outlet Development and Transformation Department; and
- (ii) Mohd Khair bin Abdul Halim (“PW2”), manager of the Second Plaintiff’s Channel Management Department.

[12] The Defendants called the following witnesses, viz:

- (i) Teow Ah Chye (“DW1”), the Fourth Defendant himself; and
- (ii) Lee Guat Bee (“DW2”), the Fifth Defendant herself.

[13] After the close of trial, the parties submitted their respective written submissions in chief and submissions in reply. Oral clarification with counsel was held on 27 August 2019.

[14] I thereafter adjourned my decision to deliberate on the arguments put forth by the parties. Having done so, I now furnish my decision together with its supporting grounds.

Background Facts

[15] The First Plaintiff is the common law as well as beneficial owner of the 'TMPOINT' trade mark ("Mark") and have registered the Mark in classes 16 and 35.

[16] Additionally, the Defendants have acknowledged that the Mark is a well known brand and has goodwill and reputation.

[17] The Second Plaintiff and the First Defendant on 15 December 2014 entered into an authorized dealership agreement. Likewise, the Second Plaintiff and the Second Defendant also on 15 December 2014 entered into an authorized dealership agreement. The respective agreement ("Agreement") contained the same terms.

[18] The material terms pursuant to the Agreement wherein the Second Plaintiff and the First/Second Defendant were designated as TSSSB and TAD respectively are as follows:

“1 Definitions and Interpretations

1.1 Definitions

“Intellectual Property Rights” means all copyright (including software copyright of source code, object code, executable code, etc), trademarks, know how, industrial design, patents, layout design of integrated circuit, business method, domain name, trade secret (whether or not capable of registration) all existing in Malaysia or elsewhere;

4. Marketing Rights

During the Term of this Agreement, TSSSB and/or TM hereby grant to TAD a non-exclusive and non-transferable right to promote, market, sell and distribute TM Products and Services subject to the terms and conditions of this Agreement. TAD may conduct the Business through its Agents or otherwise in such manner as it thinks appropriate provided that prior written consent is obtained from TM.

6. Covenants

6.3 Promotion of TM Products and Services

6.3.1 TAD shall at all times diligently promote and procure sale of TM Products and Services. TAD shall coordinate and administer promotions of TM products and Services, subject to consultation with and approval from TSSSB and/or TM being obtained, at any place deemed appropriate, by having exhibitions or by advertising TM Products and Services at such places at its own costs.

6.11 Advertising and Promotion of TM Products and Services

- (a) TAD hereby agrees that TSSSB and/or TM may use TAD’s name and/or Outlet(s) for advertising and promotional activities in relation to TM Products and Services.*
- (b) TAD shall not remove or alter any brand names, trademarks, slogans or logos belonging to TSSSB and/or TM and shall only use TSSSB and/or TM’s brands names, trademarks, slogans or logos on any product (including but not limited to TM Products and Services brochures and literature) whether directly or indirectly related to any sales, advertising or promotions with TSSSB and/or TM’s prior written approval and in a manner as authorized by TSSSB and/or TM.*

- (c) *TAD may be allowed to display TM Products and Services, promotion packages bearing TSSSB and/or TM's brand name, trademarks, logos, slogans provided always prior written approval for such advertising be first obtained from TSSSB and/or TM.*
- (d) *TAD shall participate in any special promotions and trade exhibitions as and when arranged by TSSSB and/or TM;*
- (e) *Notwithstanding anything contained in the provisions of Clause 6.3.1 hereinabove, TAD may at its own costs and expense utilize its own advertising material PROVIDED ALWAYS THAT it shall first be approved by TSSSB and/or TM in writing;*
- (f) *TAD shall conform with the advertisement guidelines (including but not limited to online/social media) as may be provided by TSSSB and/or TM from time to time;*
- (g) *TAD shall use its best endeavors to promote and develop the Business, which shall include, but not be limited to participation in any program as may be established by TSSSB and/or TM from time to time.*

6.14 Competitor's Products and/or Services

TAD shall not without the previous written consent from TSSSB and/or TM be directly or indirectly involved in the distribution of any products which are similar to or are in competition with TM's Products and Services.

13. TAD's Obligations

13.1.9 TAD shall exercise due diligence and shall at all times:

- (i) *protect TSSSB and/or TM's interest;*
- (ii) *keep TSSSB informed of TAD's activities, market conditions, sales lead in ensuring TSSSB to win and secure on any deal within the Outlet. Such diligence shall include TAD's prompt response to any reasonable request for information made by TSSSB as well as the submission of sales and marketing information as TSSSB may from time to time require;*
- (iii) *TAD is not allowed at any times to collect /solicit customers of TM Bill collections outside the registered Outlet.*
- (iv) *TAD is not allowed at any times to appoint/engage agents/ representatives to collect TM's customers' bills on its behalf.*

16. *Termination of Agreement*

16B *Consequence of Termination*

In the event of termination:

- (i) the use or access to the TSSSB and/or system shall be revoked and all Customers' data in the TSSSB and/or TM system including but not limited to waiters lists at the point of termination shall belong solely to TSSSB and/or TM;*
- (ii) any completed TM applications together with the relevant supporting documents in the custody of TAD shall immediately be submitted to TSSSB and shall belong absolutely to TSSSB and/or TM whether it has been registered or not in the TSSSB and/or TM system;*
- (iv) TAD shall cease using TSSSB and/or TM trademarks, trade names and/or products name;*
- (v) TAD shall promptly return to TSSSB and/or TM all sales literature and promotional materials;*
- (vi) both Parties shall return to the other the confidential information supplied to each respective Party hereto pursuant to this Agreement. The requirement of confidentiality as per Clause 25 shall survive the termination and/or expiration of this Agreement;*
- (vii) pursuant to sub Clause 16.2 (iii), TAD shall not be entitled to any claim for commission of the subsequent month following the said termination.*

17. *Use of Trade marks and Other Intellectual Property*

17.1 *TSSSB grants to TAD, the non-exclusive, non-transferable right to use the following trademarks for the purpose of the Business:*

- (i) the term "Tmpoint" and the Tmpoint trademarks and service marks set forth in Schedule E attached hereto; and*
- (ii) other trademarks and service marks owned, or which may be owned in the future by TSSSB and/or TM subject to prior approval of TSSSB and/or TM.*

17.2 *TAD recognizes and acknowledges the validity and ownership of the TSSSB and/or TM's name and trademarks and all other TSSSB and/or TM's registered or common law trademarks or service marks worldwide. TAD hereby agrees:*

- (i) *not to contest the ownership of any TSSSB and/or TM's name and marks or any of TSSSB and/or TM's registered or common law trademarks or service marks; or*
- (ii) *not to register, nor have registered, TSSSB and/or TM's name and marks or any registered or common law trademarks or service marks of TSSSB and/or TM (or which are similar to TSSSB and/or TM's) in the country or elsewhere.*
- (iii) *to provide TSSSB and/or TM any information regarding TAD's use of TSSSB and/or TM name and trademarks, which TSSSB and/or TM may require, and shall otherwise render any assistance to TSSSB and/or TM in maintaining TSSSB and/or TM's name and trademarks duly registered.*

17.3 Except as granted by way of this Agreement, TAD gains no license or proprietary rights in TSSSB and/or TM's name and/or any TSSSB and/or TM's Intellectual Property Rights. TAD's use of TSSSB and/or TM's name and trademarks will in no way vest any title, right, or other ownership interest in TAD. Any goodwill or similar rights hereto or hereafter accruing from TAD's use of TSSSB and/or TM's name and/or any TSSSB and/or TM's Intellectual Property Rights will enure solely and exclusively to the benefit of TSSSB and/or TM.

17.4 Where TSSSB and/or TM's name and trademarks are to be used with another trademark or service mark, or in relation to the Service(s) under TAD's control, TAD will use its best commercial efforts to have both trademarks or service marks represented equally legibly, equally prominently, and of the same size as each other, but nevertheless separated from the other mark so that each mark appears to be a mark in its own right, distinct from the other mark.

17.5 TAD agrees not to use in its Business any other trademark which is similar to (or so nearly resembles) TSSSB and/or TM's name and trademarks, or any of them, as to be likely to cause deception or confusion.

17.6 If in any event TSSSB and/or TM determines that TAD is not exercising its best commercial efforts in the use of TSSSB and/or TM's name and trademarks, TSSSB and/or TM shall in addition to other remedies available under the law, have the right to take all action deemed necessary including suspension of TAD from the Program or termination of this Agreement.

[19] The Plaintiffs had on or around 18 May 2015 discovered that the First Defendant used the Mark on the website of the First Defendant and/or Second Defendant ("TMPOINT Website").

[20] Consequently, the Second Plaintiff via PW1 issued an email to the Fourth Defendant stating, *inter alia*, that:

“Nevertheless, we have identified a suspected non-compliance to the sales and registration process that falls under case category ‘breach of TM rights’, where you promoted sales through an online website with TM logo/trade mark without prior written approval from TSSSB. Upon checking, we spotted that your TAD’s information and location were on the online website which can be found thru. www.tmpoint.com.

Thus, we would like to get a clarification and confirmation from you regarding this and if it was within your responsibility, it’s highly recommended you remove the website or provide written notification for our approval.”

[21] The First Defendant via DW1 replied to the Second Plaintiff by email stating that:

“We would like to express our deep regret to have overlooked the non compliance issue in using TM Logo/Trade mark in our TAD website without prior written approval from TSSSB. We will proceed to submit our official Letter of Request for written approval to TSSSB immediately.

There are many TM Resellers and Agents promoting TM’s products and services in their website. As a TAD, we would also like to embrace ICT and the development of our TAD website to provide an alternative platform for consumers to source for information about TAD’s operation, product and services. This website is our TAD core business and communication tools, providing information and service to our customers more readily.

The main objectives and purposes of having our TAD website are as follows:

- 1) To drive more customers to visit our TAD outlets*
- 2) Prospect and sales lead generation so that we could dispatch our outdoor sales team to visit customers and provide personalise service to them for enquiry and sign up*
- 3) To use information and communication technology (ICT) solutions in our business operation*
- 4) To further develop and expand our sales and compete more efficiently with our competitors*
- 5) To embrace technology to attract younger and IT savvy customers*

- 6) *To use the website to hire and recruit staff*
- 7) *To disseminate information to our existing customers and for them to interact with us much more easily.*

We apologise for any inconvenience caused.”

[22] The Second Plaintiff on 25 May 2015 issued an email to the First Defendant requesting for an official letter from the First Defendant to use the mark in the TMPOINT Website and www.tmpoint.com domain name as well as to suspend the use of the website until they come to a decision.

[23] The First Defendant again through DW1 replied to the Second Plaintiff by email stating that:

“We are writing to request for approval to use TM Logo/ Trade marks in our TAD website.

The proposed TAD website will be our core business and communication tools, providing information and services to our customers more readily.

Our proposed website will be having the following information:

- a) *Streamyx package – Home and Business*
- b) *Unifi package – Home and Business*
- c) *Voice Deal Package*
- d) *Bill Payment Services*
- e) *Our products About Us, Contact Us, Career, Checking Application Status*

The main objectives and purposes of having our TAD website are as follows:

- 1) *To drive more walk-in customers to visit our TAD outlets*
- 2) *To create awareness and publicity of our TAD outlets*

- 3) *Prospect and sales lead generation so that we can send our outdoor sales team to visit customers and provide personalise service for them to make enquires to sign up*
- 4) *To compete more effectively with TM's competitors such as Maxis, YES, etc.*
- 5) *To use information and communication technology (ICT) in our business operation as encouraged by TM and Government*
- 6) *To further develop and expand our sales and achieve sales target*
- 7) *To embrace technology to attract younger and IT savvy customers*
- 8) *To use the website to hire and recruit staff*
- 9) *To disseminate information to our existing customers and for them to interact with us more easily*
- 10) *To provide an alternative platform for customers to source for information about TAD's operation, products and services."*

[24] The Second Plaintiff duly considered the First Defendant's request based on the First Defendant's aforestated representations and authorized the First Defendant to continue to use the TMPOINT Website and thus Mark subject to requirements, instructions, and/or additional guidance on the terms of the Agreement ("Additional Terms").

[25] These Additional Terms were stated in the Second Plaintiff's email issued to the First Defendant on 30 May 2015 and 8 June 2015 which, inter alia, stated:

1. *Please change the website header and replace the logo to "TMpoint Authorized Dealer". Follow it exactly as per the TM Authorized Dealer shop signage.*
2. *No changes on the TM Products & Services offering.*
3. *It's highly RECOMMENDED to 'KEEP CUSTOMER INFORMED'*

4. *Important to introduce yourself and website as a TM Authorized Dealer to avoid mis-communication to customer”*

and

“1. Change the words ‘Kedai Telekomunikasi’ to ‘Online Store’

2. Change the font to ‘DINFont’ or ‘ARIAL’. On the right handside of your shop signage ‘Phone Number’ and ‘Comp name’.”

[26] The First Defendant complied and implemented the Additional Terms pursuant to emails to the Plaintiffs via PW1 on 30 May 2015, 31 May 2015 and 8 June 2015 expressing gratitude and agreement to make the changes in accordance with the Additional Terms.

[27] However, the Plaintiffs had on or around July 2018 discovered that the TMPOINT Website was no longer being used in accordance with the Additional Terms. In this respect, the TMPOINT Website and www.tmpoint.com domain name (where the aforesaid TMPOINT Website was linked and/or operated) were used to sell products and services other than those of the Plaintiffs which included the Plaintiffs’ competitors. They included bill payments, credit advancement, vehicle insurance renewal, household products, fashion products, electronic products, children products and groceries. The TMPOINT Website also displayed trade marks belonging to the Plaintiffs’ competitors. In this connection, it is beyond doubt that the TMPOINT Website displayed products and services of MAXIS, Celcom, Yes and U Mobile who are well known Malaysian telecommunication service providers too.

[28] As a result, the Second Plaintiff issued a letter of demand dated 19 July 2018 to the First Defendant demanding the First Defendant to transfer the domain name www.tmpoint.com and all related email addresses to the First Plaintiff.

[29] Subsequently, the Second Plaintiff received a reply from a Easypay Online Sdn Bhd dated 27 July 2018 claiming to be the actual manager and operator of www.tmpoint.com domain name and has removed all references to the First Defendant in the TMPOINT Website.

[30] After an extensive search, the Plaintiffs discovered that Easypay Online Sdn Bhd is in fact previously known as CA Network Sdn Bhd having company no. 1110332-M, to wit the Second Defendant. The Plaintiffs also ascertained that the directors of CA Network Sdn Bhd are the Fourth and Fifth Defendants at all material times. The change of name was effected on 7 August 2018.

[31] Consequently, the Plaintiffs terminated the Agreement of both the First and Second Defendant and thereafter instituted this Suit against the Defendants. The First and Second Defendants continued to carry on their e-commerce business via TMPOINT Website notwithstanding that the Agreements were terminated.

Issues for Determination

[32] From the pleadings, issues to be tried and closing submissions of the parties, I distil the following principal issues based on causes of action advanced by the Plaintiffs that require determination from the Court, viz:

- (i) Breach of contract in respect of the Agreement;
- (ii) Infringement of Mark;
- (iii) Passing off of Mark;
- (iv) Passing off of domain name;
- (v) Tort of inducement of breach of the Agreement; and
- (vi) Tort of conspiracy to injure.

I will deal with them *seriatim*.

Contentions and Findings of the Court

Breach of Contract

[33] From the background facts which I have so found, there is neither doubt nor dispute that the First Defendant and the Second Defendant are bound by the terms of the Agreement. The Agreement has been duly executed by the Fourth Defendant for and on behalf of the First Defendant and Second Defendant.

[34] Moreover, I find that the Fourth Defendant has on behalf of both the First Defendant and Second Defendant accepted the Additional Terms as well as having acquiesced thereto in consideration of the Plaintiffs continuing to authorise the use of the TMPOINT Website by them. I observed that DW1 has testified as follows at the trial:

“Q: Back to my earlier question, I refer you to pages 193 and 197 of the Bundle A1, the two earlier emails, do you agree that these are Additional Terms imposed by the Plaintiffs in authorizing you to use tmpoint.com?”

A: Yes.

Q: You have complied with and implemented these conditions?

A: Yes.”

This is plainly in settlement of the dispute between the parties that arose on the scope of the First and Second Defendants’ e-commerce business *vis a vis* the Agreement which led to the consensual variation of the Agreement by the infusion of the Additional Terms. Thus, the cases of ***GB Autobat Sdn Bhd v Battery Solutions Sdn Bhd* [2018] MLJU 860** and ***TH Heavy Engineering Bhd v Daba Holdings (M) Sdn Bhd* [2018] 7 MLJ 1** pertaining to the introduction of extrinsic terms relied upon by the Defendants are distinguishable on their special facts.

[35] In ***Morello Sdn Bhd v Jaques (International) Sdn Bhd* [1995] 2 CLJ 23**, Edgar Joseph Jr FCJ held as follows:

“For the purposes of construction of contracts, the intention of the parties is the meaning of the words they have used. In *Schuler (L.) AG v. Wickman Machine Tool*

Sales Ltd. [1974] AC 235, Lord Simon of Glaisdale approved the following passage in Norton on Deeds (2nd Ed. p.50):

...the question to be answered always is, 'What is the meaning of what the parties have said?' not 'What did the parties mean to say?'...it being a presumption juris et de jure... that the parties intended to say that which they have said."

(See also ***Worldwide Rota Dies Sdn Bhd v Ronald Ong Cheow Joon [2010] 8 MLJ 297*** on instances of formation of contracts)

[36] According to the Plaintiffs, the First and Second Defendants breached the Agreement when the TMPOINT Website was used contrary to the Additional Terms, particularly when the products and services sold therein included those not belonging to the Plaintiffs. Worse still, they included products of the Plaintiffs' business competitors. The First Defendant and/or Second Defendant hence represented to the public that it owned all intellectual property rights, whether registered or otherwise on the TMPOINT Website. The TMPOINT Website has been also registered under the name of the Fourth Defendant's own name without the Plaintiff's knowledge or authority. Thus, the TMPOINT Website was used contrary to the intents of the Additional Terms of the Agreement by the First Defendant and/or Second Defendant and they therefore have no further authority to use it as well as its associated domain name.

[37] The Plaintiffs further contended that after the termination of the First Defendant and Second Defendant's respective Agreement, they continued to use the Mark, trade names as well as the www.tmpoint.com domain name for their e-commerce business.

[38] The First and Second Defendants in rebuttal contended that the ownership of the TMPOINT Website and www.tmpoint.com domain name are neither encompassed in nor governed by the Agreement. The TMPOINT Website and domain name was already created in 2004 way before the Plaintiffs used the Mark. In addition, the Defendants contended that the top level domain names that end with '.com' do not refer to any specific geographical indication and is thus different from the Plaintiffs' country code top level domain names ending with '.com.my' such as 'TM.com.my' and 'Unifi.com.my' which specifically refers to a domain name of national level, specifically Malaysia.

[39] Moreover, the Defendants contended that the Second Defendant had genuinely used the TMPOINT Website and www.tmpoint.com domain name for legitimate purposes related to its present e-commerce business. They pointed out that the Plaintiffs' Products and Services are specifically limited to telecommunication services and that the Marks were registered only in class 16 for paper and cardboard products generally and class 35 for advertising and business management. The e-commerce business of the Second Defendant is completely different from the Plaintiffs' business and the overall 'look and feel' of the TMPOINT Website is not associated with the Plaintiffs in any way.

[40] It is plain that the First Defendant and Second Defendant had the right and conducted their business as the Second Plaintiff's authorized dealer via physical shop outlet or e-commerce by virtue of the Agreement. The TMPOINT Website was used as the e-commerce vehicle which benefited both the First Defendant and Second Defendant.

[41] Hence and from my review of the Agreement, particularly the Additional Terms that were subsequently incorporated and read together as agreed, juxtaposed with the screen shots of the TMPOINT Website adduced by the Plaintiffs, I find and hold that the First Defendant and Second Defendant breached clauses 4, 6.14, 13.1.9, 16B.1, 17 or a combination of them of the Agreement prior and after the termination of the Agreement. On my objective construction of the Agreement, they are prohibited (unless otherwise authorized) from advertising and promoting products and services of other merchants concurrent with that of the Plaintiffs' products and services. The gravest mischief by them is of course the provision of bill payment services of the Plaintiffs' competitors.

[42] In the premises, I find and hold that the Second Plaintiff has successfully established that the First Defendant as well as the Second Defendant breached their respective Agreement.

Infringement of Mark

[43] The law on trade mark infringement has been recently set out by Suriyadi Halim Omar FCJ in the Federal Court case of ***Low Chi Yong v Low Chi Hong & Ors*** [2018] 1 CLJ 287 as follows:

"[27] Generally, the burden of proof in a trade mark infringement case lies with the plaintiff (in this case the appellant). He has to establish by a preponderance of evidence that he owns a valid registered trade mark (there can be no infringement if

the appellant owns an invalid trade mark), and the defendant (in this appeal the respondents) has used the plaintiff's trade mark in the course of trade without consent. That unlawful usage of the trade mark owned by the plaintiff (appellant) has caused deception or confusion among the prospective customers (*Boh Plantations Sdn Bhd v Gui Nee Chuan & Ors* [1975] 1 LNS 4; [1975] 2 MLJ 213). In the latter case of *Boh Plantations* Gill CJ had occasion to state:

In an action for infringement the plaintiff complains that the defendant has infringed his trade mark by taking in its entirety, or by taking a substantial portion of it, or by colourably imitating it, and he relies on his statutory title to the exclusive use of the mark in question for goods of a specified kind.

...

[36] Section 38 reads as follows:

38 Infringement of a trade mark

(1) A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or registered user of the trade mark using by way of permitted use, uses a mark which is identical with it or so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods or services in respect of which the trade mark is registered in such a manner as to render the use of the mark likely to be taken either

(a) as being used as a trade mark;

(b) in a case in which the use is used upon the goods or in physical relation thereto or in an advertising circular, or other advertisement, issued to the public, as importing a reference to a person having the right either as registered proprietor or as registered user to use the trade mark or to goods with which the person is connected in the course of trade; or

(c) in a case in which the use is used at or near the place where the services are available or performed or in an advertising circular or other advertisement issued to the public, as importing a reference to a person having a right either as registered proprietor or as registered user to use the trade mark or to services with the provision of which the person is connected in the course of trade.

[37] Under s. 38 of the TMA 1976 the appellant needs to establish the following ingredients, *inter alia* :

(i) the respondent used a mark identical with or so nearly resembling the trade mark as is likely to deceive or cause confusion;

(ii) the respondent is not the registered proprietor or the registered user of the trade mark;

(iii) the respondent was using the offending trade mark in the course of trade;

(iv) the respondent was using the offending trade mark in relation to goods or services within the scope of the registration; and

(v) the respondent used the offending mark in such a manner as to render the use likely to be taken either as being used as a trade mark or as importing a reference to the registered proprietor or the registered user or to their goods or services.

(see *Fabrique Ebel Societe Anonyme v. Sykt Perniagaan Tukang Jam City Port & Ors* [1989] 1 CLJ 919; [1989] 1 CLJ (Rep) 537 and *Leo Pharmaceutical Products Ltd A/S (Lovens Kemiske Fabrik Produktionsaktieselskab) v Kotra Pharma (M) Sdn Bhd (No 2)* [2012] 10 CLJ 507)."

(See also *Doretti Resources Sdn Bhd v Fitters Marketing Sdn Bhd* [2017] 7 MLJ 112)

[44] The Plaintiffs contended that it is indisputable that the First Plaintiff is the registered proprietor of the Mark in Malaysia and the Defendants are neither the registered proprietor nor registered user of the Mark. The First and Second Defendants have used a trade mark that is identical with the Mark, to wit: 'TMPOINT'. They have used in the course of trade by way of advertising in relation to goods and services of the scope of the First Plaintiff's trade mark registration. The usage of the trade mark by the First Defendant and Second Defendant were and are in such a manner as to render the use likely to be taken either as a trade mark or as importing a reference to the Plaintiffs or their goods and services.

[45] According to the Plaintiffs, a substantial portion of the members of the public might be confused and deceived because the Mark is the 'go-to' place in relation to the First Plaintiff's products and services.

[46] The Defendants in retort principally repeated their contentions as set out in paragraphs [38] and [39] above. The Defendants strenuously emphasized that they were not involved in advertising in contravention of the First Plaintiff's registered mark in class 35. Additionally, the Defendants contended that there is at all material times neither misrepresentation nor competition between the parties in the course of trade in relation to the goods and services in respect of which the Mark is registered. The Plaintiffs' services are only targeted at the Malaysian market whereas the Second Defendant's e-commerce business is targeted at worldwide customers in addition to those in the Malaysian market. There are hence significant differences in the type of customers. The Second Defendant has never represented that it is associated with the Plaintiffs and clarified that customers searching for the Plaintiffs' products and services will be logged out if they click into the Second Defendant's TMPOINT Website.

[47] From the evidence adduced before me, I am, as submitted by the Plaintiffs, satisfied that the First Plaintiff is the registered proprietor of the Mark in Malaysia and the Defendants are neither the registered proprietor nor registered user of the Mark. The Second Defendant has used the words and/or name 'tmpoint' which is well within the definition of a mark in s. 3 of the Trade Marks Act 1976. This 'tmpoint' mark which is identical with the Mark has been used as a trade mark in the course of

trade by the Second and/or Fourth Defendants having created the TMPOINT Website which is operated on the domain name www.tmpoint.com for advertising and promotion of the Second Defendant's goods and services. These are within the scope of the First Plaintiff's trade mark registration in class 35 and I so find and hold accordingly. I am aware that the Defendants have attempted to differentiate between website and domain name. Though they may be technically different in function, but I find that they operate in unison and hence ought to be treated as one for purposes of trade mark infringement here. That aside, it is plain that the adoption of an identical registered trade mark of a corporate name published whether in hard physical form or virtually in the internet for business purposes constituted usage of the trade mark. (See **University of Oxford v Oxford Law School Ltd** [2014] ALL ER (D) 104 (Jan), **Skyworld Development Sdn Bhd v Skyworld Holdings Sdn Bhd & Ors** [2019] 9 MLJ 137 and **Organo Gold Holdings Limited & Ors v Infigrams Sdn Bhd & Anor** [2019] 5 MLRH 428)

[48] Specifically as to what constituted advertising within the bounds of the registration of the Mark, I am aware that the parties took differing interpretations. The Plaintiffs referred me to the 11th Edition of Nice Classification - List of Classes with Explanatory Notes that class 35 includes mainly services rendered by persons or organisations principally with the object of help in the working or management of a commercial undertaking or help in the management of business affairs or commercial functions of an industrial or commercial enterprise as well as services rendered by advertising establishments primarily undertaking communications to the public, declarations or

announcements by all means of diffusion and concerning all kinds of goods and services. It includes the bringing together, for the benefit of others, a variety of goods (excluding the transport thereof). Enabling customers to conveniently view and purchase those goods; such services may be provided by retail services, whole sale outlets through vending machines, mail order, catalogues or by means of electronic media, for example, through web sites or television shopping programmes such as online advertising on a computer network, the provision of an online marketplace for buyers and sellers of goods and services. On the other side, the Defendants relied on the Cambridge English dictionary that defined advertising as the business of trying to persuade people to buy products or services and the activity of making products or services known about and persuading people to buy them together with that article “Managing Intellectual Property in the Advertising Industry” published by the World Intellectual Property Organisation (WIPO) that advertising is a direct part of the creative industries. As a result, the Defendants contended that the subsistence of the TMPOINT Website did not constitute advertising because the elements of persuading a customer and creative input into an advertisement are absent. Thus, the Second Defendant’s business which is merely an e-commerce platform did not fall under advertising.

[49] In the Court of Appeal case of ***Walton International Ltd v Yong Teng Hin; Pendaftar Cap Dagangan Malaysia (Interested Party)*** [2010] 8 CLJ 802, Ramly Ali JCA (later FCJ) held as follows:

“[26] Modern technology and communications have improved to such an extent that the public in Malaysia would be aware of foreign marks even though such marks had

not been previously used in Malaysia. Confusion and deception have no borders in these days of information technology age...

Furthermore in ***Philip Morris Products SA v Ong Kien Hoe & Ors*** [2010] 2 CLJ 106, Mary Lim J (now JCA) held as follows with emphasis added by me:

*“[19] From the evidence presented and from the thrust of the plaintiff’s case it is the entirety of the factual matrix and the modus operandi which needs to be weighed in making the evaluation of whether there is a case as pleaded. It is indeed true that the common law is frequently tested against new circumstances in the tort of passing off or other associated wrongs related to intellectual property. In the recent decision of *McCurry Restaurant (KL) Sdn Bhd v McDonalds Corporation (Civil Appeal No. W-02-1037-2006)* after tracing the law of passing off to the case of *Perry v. Truefitt* [1842] 49 ER 749 the Court of Appeal said:*

Notice the judgment of passing off the goods of another. That is because the words were uttered when the tort was in an embryonic state, with commerce and industry at very basic levels. But the common law is not static. It does not rest upon a Procrustean bed. It is organic. And flexible. It grows to meet changing conditions with dynamism. So, as the nature of trade and commerce developed, so did the tort. As persons found new ways of committing "theft" of intellectual property, the common law rose to the challenge. This was indeed recognized by Lord Diplock in the leading case of *Erven Warnick BV v Townend & Sons (Hull) Ltd* [1978] 2 All ER 927, who said:

Unfair trading as a wrong actionable at the suit of other traders who thereby suffer loss of business or goodwill may take a variety of forms, to some of which separate labels have become attached in English law. Conspiracy to injure a person in his trade or business is one, slander of goods another, but the most protean is that which is generally and nowadays, perhaps, misleadingly described as passing off. The forms that unfair trading takes, will, alter with the ways in which trade is carried on and business reputation and goodwill acquired. (Emphasis added)

*The modern restatement of the tort is to be found in the judgment of Sir Thomas Bingham MR in *Tattinger SA v Allbev Ltd* [1993] FSR 641:*

But it is now, as I understand, clear that the defendant need not, to be liable, misrepresent his goods to be those of the plaintiff if he misrepresents his goods or his business as being in some way connected or associated with the plaintiff’s.”

[50] After careful deliberation, I prefer the broader meaning of advertising as set out in the Nice Classification. In fact, the Nice Classification is the *de facto* international benchmark of classification for trade mark registration since 1957. In this respect, I find the Defendant's contention on the meaning of advertising self-serving and artificially restrictive based on the facts herein. The law on intellectual property rights protection must necessarily grow and rise to meet dynamic challenges including in innovative arguments made in defence against trade mark infringement and passing off. Consequently, the Second Defendant infringed the Mark as provided in s. 38(1)(b) of the Trade Marks Act 1976.

[51] Moreover, I find and hold that the Second Defendant did not obtain any authorisation from the First Plaintiff to use the Mark. Even if the Second Defendant had mistakenly construed that it had the First Plaintiff's authorisation or consent by virtue of the Agreement, this could no longer hold true upon the termination of the Agreement. In ***Low Chi Yong v Low Chi Hong & Ors (supra)***, Suriyadi Halim Omar FCJ also held as follows:

"[45] ... The next relevant question is whether the consent was still valid after his resignation from the second respondent, particularly after the withdrawal of the consent through the notices dated 20 December 2012. As stated above, the respondents argued that the consent persists due to an assignment granted by the appellant to the respondents.

[46] Black's Law Dictionary (Edited by Bryana A Garner, Deluxe, 9th edn) states that "consent" means "agreement, approval, or permission as to some act or purpose, esp given voluntarily by a competent person; legally effective assent". "Express consent" means "consent that is clearly and unmistakably stated" whereas "implied consent" means "consent inferred from one's conduct rather than from one's direct expression". Without the need of an exhaustive and laborious research, consent

entails permission given by a competent person. In this case, as given by the appellant who has a valid trade mark.

[47] Going by Black 's definitions, once that consent is withdrawn the legally effective assent ends..."

[52] Furthermore and after having closely examined the screenshots in the TMPOINT Website as adduced by the Plaintiffs, I also find and hold that the usage of the trade mark by the Second Defendant was in such a manner to render the use likely to be taken either as a trade mark or as importing a reference to the First Plaintiff or its goods and services. As submitted by the Plaintiffs, I find that the public who is interested to find out the address and services of the First Plaintiff's TMPOINT or its authorised dealer would search on Google in the internet. The TMPOINT Website will appear on the first page of the search result if TMPOINT is searched on Google. They would be led to the website hosted on the TMPOINT Website which displays the same colour shade of orange as the corporate orange used by the Plaintiffs in their TMPOINT outlets. Simply put, the Second Defendant had used the trade mark as the virtual medium to facilitate the advertising and promotion of its e-commerce business. In fact, I find that the Second Defendant and Fourth Defendant knew of the Mark and its widespread popularity and they purposefully took advantage of the same to generate traffic for their e-commerce business. In other words, they capitalized and rode on the Plaintiffs' business success. This is highly objectionable. Consequently, the cases of ***Skyworld Development Sdn Bhd & Anor v Skyworld Holdings Sdn Bhd & Ors (supra)*** and ***Merck KGAA v Xtallic Corporation [2019] 4 AMR 379*** are distinguishable on their facts in that there was no specific intention by the defendant to exploit the plaintiff's name therein notwithstanding the businesses involved were different.

This is likewise in the case of the Indian Supreme Court of ***M/S Nandhini Deluxe v M/S Karnataka Co-operative Milk Producers Federation Ltd (2018) unreported*** relied upon by the Defendants.

[53] I am mindful that the Defendants claimed they have created and used www.tmpoint.com before the First Plaintiff registered the Mark. This is however immaterial because the Defendants did nothing to invalidate the Mark or have it registered as trade mark for concurrent use pursuant to s. 20 of the Trade Marks Act 1976.

[54] In the circumstances and upon my review of the TMPOINT Website, I objectively find and hold that the average Malaysian consumer will be confused or deceived that it is a business outlet associated with the Plaintiffs. In ***Musical Fidelity Ltd v Vickers (t/a Vickers Hi-Fi) [2002] ALL ER (D) 120 (May)***, Rimer J held as follows:

“The defendant’s use of the claimant’s name as a domain name and on his website, in order to imply an ongoing trade association was indicative of the claimant’s existing reputation. That use was misleading and likely to cause confusion to those using the internet and was inherently likely to be damaging to the claimant’s reputation and goodwill. Accordingly, the claimant was entitled to summary judgment against the defendant.”

The facts here are not dissimilar. In this connection, I also find it is immaterial that the Second Defendant targeted the worldwide market because the Malaysian market has not been excluded.

[55] Premised on the above, I find that the Second Defendant infringed the First Plaintiff's Mark.

Passing Off of Mark

[56] The law on passing off is equally trite and Gunn Chit Tuan CJ (Malaya) held as follows in the Supreme Court case of **Seet Chuan Seng & Anor v Tee Yih Jia Foods Manufacturing Pte Ltd [1994] 2 MLJ 770** with emphasis added by me:

"The principle of law regarding passing off has been plainly stated by Lord Parker in Spalding v Gamage 'and that is, that nobody has any right to represent his goods as the goods of somebody else'. It is therefore wrong for a trader to conduct his business as to lead to the belief that his goods or business are the business of another. For an authority on passing off, we could do no better than to quote the words of Lord Diplock in the leading speech in Erven Warnink v Townend & Sons (Hull) Ltd 2 [at p 742]:

*My Lords, AG Spalding & Bros v AW Gamage Ltd 84 LJ Ch 449 and the later cases make it possible to identify **five characteristics which must be present in order to create a valid cause of action for passing off: (1) a misrepresentation; (2) made by a trader in the course of trade; (3) to prospective customers of his or ultimate consumers of goods or services supplied by him; (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence); and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a quia timet action) will probably do so.***

We would also refer to and quote the following test proposed by Lord Fraser in the same case [at p 755]:

It is essential for the plaintiff in a passing off action to show at least the following facts: (1) that his business consists of, or includes, selling in England a class of goods to which the particular trade name applies; (2) that the class of goods is clearly defined, and that in the minds of the public, or a section of the public, in England, the trade name distinguishes that class from other similar goods; (3) that because of the reputation of the goods, there is goodwill attached to the name; (4)

that he, the plaintiff, as a member of the class of those who sell the goods, is the owner of goodwill in England which is of substantial value; (5) that he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill by reason of the defendants selling goods which are falsely described by the trade name to which the goodwill is attached.

...

In an action for passing off, damage is also an essential element of the tort and it is necessary for the plaintiff to establish that he has suffered damage. However, if the goods in question, as in this case, are in direct competition with one another, the court will readily infer the likelihood of damage to the plaintiff's goodwill through loss of sales and loss of the exclusive use of his name."

[57] The Plaintiffs contended that they have goodwill and reputation in the 'TMPOINT' Mark because it is a well known brand and a household name which the public consumer will associate to the First Plaintiff. There are about 200 TM Outlets in Malaysia and almost every Malaysian would know Telekom Malaysia which is commonly shortened to TM. This branding has been used since 2005. TMPOINT is one of the 'go-to' places in relation to the Plaintiffs' products and services. As to misrepresentation, the Plaintiffs contended that the Defendants quietly changed and used TMPOINT Website for their purposes in breach of the limited authority granted to the First and Second Defendants in the Agreement. The Defendants neither informed the Plaintiffs nor the public consumers of the change. As a result, the Plaintiffs suffered loss.

[58] The Defendants essentially reiterated its contentions in paragraph [46] above but emphasized that there was no intention to pass off or show that the Defendants are connected or associated with the Plaintiffs. They never intended to divert business intended for the Plaintiffs. In addition, the Defendants maintained that there is not even

the slightest possibility of confusion between the Plaintiffs' services and the Second Defendant's e-commerce business. The business model and products and services offered do not resemble those of the Plaintiffs. The Defendants rely on the English cases of ***Radio Taxicabs (London) Ltd v Owner Driver Radio Taxi Services*** [2001] All ER (D) 186 and ***eFax.com Inc v Oglesby*** [2000] IP & T 992.

[59] Again from the evidence adduced before me, I am satisfied without a doubt that the Plaintiffs enjoyed the goodwill and reputation as one of the leading telecommunication services providers in Malaysia. The 'TMPOINT' brand name is plainly exclusively associated with the Plaintiffs. This is admitted by the Defendants and DW1 testified as follows:

"Q: Now Mr Teow, in all honesty, you would agree that as a Malaysian, TMPOINT is a well-known brand?

A: Yes.

...

Q: And those who come in would associate these TMPOINT outlets to Telekom Malaysia?

A: Yes."

[60] As for misrepresentation, I reiterate my findings in paragraphs [52] and [54] above. I adopted the same principles of comparison as in trade mark infringement following ***Leo Pharmaceutical Products Ltd AS (Lovens Kemiske Fabrik Produktionsaktiesselskab) v Kotra Pharma (M) Sdn Bhd*** [2009] 5 MLJ 703. In short, I am also satisfied that there is

a real likelihood that the Malaysian public would be deceived that the TMPOINT Website is associated or connected with the Plaintiffs following the objective test as laid down in the cases of ***Ho Tack Sien & Ors v Rotta Research Laboratorium SpA & Anor (Registrar of Trade Marks, Intervener)*** [2015] 4 MLJ 166 and ***T.C. Pharmaceutical Industries Co Ltd & Anor v Koay Sai Leat & Ors*** [2016] 8 MLJ 779. Moreover in ***Eignretep Logistics (S) Sdn Bhd v ESB Haulage Services Sdn Bhd & Others*** [2010] MLJU 1161, it was held that confusion would be readily inferred in relation to identical goods (services). There need not also be similarity in business as seen in the Australian case of ***The Architects (Australia) Pty Ltd t/as Architects Australia v Witty Consultants Pty Ltd & Anor*** [2002] QSC 139.

[61] As to the English cases relied on by the Defendants, particularly ***Radio Taxicabs (London) Ltd v Owner Driver Radio Taxi Services (supra)***, I again find the facts therein distinguishable because the names therein were descriptive in nature and would generally not deserve intellectual property protection. Moreover, the plaintiff/claimant therein did not establish or enjoy the requisite reputation in the name within the trade as far as the public is concerned unlike the Plaintiffs here. In addition, the defendant there did not harbour the intention of taking advantage of the plaintiff/claimant's name.

[62] I also find damages established by the Plaintiffs because actual damage need not be proved. I am nonetheless convinced that there is a probability or likelihood of damage suffered by the Plaintiffs which suffices following ***Yong Sze Fun & Anor v Syarikat Zamani Hj Tamin***

Sdn Bhd & Anor [2011] 1 MLJU 777 and ***Jasmine Food Corporation Sdn Bhd v Leong Wai Choon & Anor [2016] 5 CLJ 953***. The Second Defendant has in this regard monetarily benefitted from its e-commerce business relying on the Plaintiffs goodwill and reputation to entice its customers via the TMPOINT Website.

[63] Consequently, I find and hold that the Plaintiffs have satisfactorily established that the Second Defendant has committed passing off of the Mark.

Passing off of Domain Name

[64] Turning to the passing off of domain name, the Uniform Domain Name Dispute Resolution Policy (adopted by the Internet Corporation for Assigned Names and Numbers (ICANN)) as well as MYDRP Policy require that the domain name, which is identical or confusingly similar to a trade mark or service mark, in which the plaintiff has rights and that the defendant has no rights or legitimate interest but have registered and used the domain name in bad faith to be removed for abuse of registration.

[65] The contentions of the Plaintiffs and the rebuttal of the Defendants are basically the same as in infringement of the Mark and passing off.

[66] The TMPOINT Website is undoubtedly connected with the www.tmpoint.com domain name. DW1 testified as follows at the trial:

“Q: Who is the owner of your website, the registered owner of your website?”

A: Registered owner of the domain

Q: Website first and then domain name, separate, are they the same?”

A: Website is actually run by CA Network and the domain name itself is actually under my personal name.

Q: Right, registered under your personal name?”

A: My personal name, correct.

Q: Alright, website is run by CA Network?”

A: Easypay Online, actually we changed name to Easypay Online.

Q: Now is Easypay Online?”

A: Yes, correct.”

[67] The Defendants did not dispute the Plaintiffs’ rights in the Mark and that the TMPOINT Website is identical to it. In the course of the trial, DW1 testified as follows:

“Q: You do not deny the domain name, tmpoint.com is exactly identical with the word TMPOINT?”

A: Sorry again

Q: Do you agree that the word in the domain name is exactly identical with the word TMPOINT?

A: Yes.”

[68] Notwithstanding that the Fourth Defendant has registered www.tmpoint.com domain name in his name, I however find that the Plaintiffs have used the Mark since 2005 and have since acquired substantial and extensive goodwill and reputation in the Mark. In ***Education Testing Service v TOEFL (WIPO Arbitration and Mediation Centre Case no. D2000-0044)***, it was held that if mere registration of the domain name were sufficient to establish rights or legitimate interests, then all registrants would have such rights or interest and no complainant could succeed on a claim of abuse registration.

[69] In the circumstances, I find and hold that the Fourth Defendant had the limited right and legitimate interest to use the www.tmpoint.com domain name to facilitate the TMPOINT Website during the currency of the Agreement as varied by the Additional Terms only. Upon the termination of the Agreement, this right and legitimate interest ceased.

[70] As I have found in paragraphs [59] to [60] above, I therefore find that the Fourth Defendant and accordingly the Second Defendant used the www.tmpoint.com domain name in facilitating the TMPOINT Website after the termination of the Agreement unlawfully and in bad faith. Moreover, I find that it has been established at the trial that DW1 was

not truthful on the origin of the registration of the aforesaid domain name in his name in the first instance. He explained that he was well regarded and known as a telemarketing king and therefore the chosen name was shortened to 'tm' (This was because 'telemarketing.com' was not available) and 'point' added to signify reward; hence 'TMPOINT'. He thus registered www.tmpoint.com because that domain name was available. He later acknowledged that aforesaid domain name was actually already registered by someone else but he purchased it in 2010/2011 when he was confronted with the WHOIS records during the trial. In other words, DW1's story is inherently incredible. I am convinced that he was not just looking for any name but specifically TMPOINT as pointed out by the Plaintiffs. I am further mindful that the Fourth Defendant, in the TAD Business Session 2018 held on 20 March 2018 before this Suit, was instituted and offered to sell the TMPOINT Website to the Plaintiffs at the price of RM5,000,000.00. On the totality of the factual circumstances as emerged here, the Defendants' defence must be viewed with circumspection.

[71] In the English Court of Appeal case of ***British Telecommunications Plc and Another v One In A Million Ltd and Others*** [1999] 1 WLR 303, Aldous LJ held as follows:

"I also believe that the names registered by the defendants were instruments of fraud and that injunctive relief was appropriate upon this basis as well. The trade names were well known "household names" denoting in ordinary usage the respective plaintiff. The defendants registered them without any distinguishing word because of goodwill attaching to those names. It was the value of that goodwill, not the fact that they could perhaps be used in some way by a third party without deception, which caused them to register the names. The motive of the defendants was to use that goodwill and threaten to sell it to another who might use it for passing off to obtain money from the plaintiffs. The value in the name lay in the threat that they would be used in a fraudulent way. The registrations were made with the purpose of

appropriating the plaintiff's property, their goodwill, and with an intention of threatening dishonest use by them or another. The registrations were instruments of fraud and injunctive relief was appropriate just as much as it was in those cases where persons registered company names for a similar purpose.

...

The domain names indicate origin. That is the purpose for which they are registered. Further they will be used in relation to the services provided by the registrant who trades in domain names. Mr Wilson also submitted that it had not been established that the contemplated use would take unfair advantage of or was detrimental to the distinctive character or reputation of the plaintiff's trade marks. He is wrong as the domain names were registered to take advantage of the distinctive character and reputation of the marks. That is unfair and detrimental"

Likewise in ***Petroliam Nasional Bhd & Ors v Khoo Nee Keong [2003]*** **4 MLJ 245**, Su Geok Yiam JC (later J) held as follows:

"Similarly here, in the instant case, the defendant registering the said domain names which contain the word "Petronas", which has not only become a household name in Malaysia but is also well known internationally, is a serious issue to be tried in that the defendant is making a false representation to persons who consult the register that the registrant Araneum Consulting Services is connected or associated with the name registered and thus the owner of the goodwill in the name Petronas. Such persons would not know of the defendant and would believe that the defendant was connected or associated with the plaintiffs who are the owners of the goodwill in the said domain names. By registering the said domain names the defendant has eroded the exclusive goodwill in the name Petronas which damages the plaintiffs.

In my view the said domain names are instruments of fraud and any realistic use of them as domain names would result in passing off. This would cause irreparable injury and damage to the plaintiffs ..."

[72] I am aware that the Defendants have attempted to distinguish that the domain name in issue here is www.tmpoint.com but not www.tmpoint.com.my which might then affect the Plaintiffs because of the geographical location wherein the Plaintiffs operate. I do not

however find that cogent because the material 'TMPOINT' trade mark was adopted wholly without any distinguishing word(s). Besides, I have earlier found, the Second Defendant also used the TMPOINT Website for Malaysian customers too.

[73] In the circumstances, I therefore find and hold that the Plaintiffs have also successfully established that the Fourth Defendant and the also the Second Defendant passed off the Mark in its domain name. The Plaintiffs are hence entitled to have the offending domain name transferred to them following ***Sykt Faiza Sdn Bhd & Anor v Faiz Rice Sdn Bhd & Anor and Another Suit*** [2019] 7 MLJ 175.

Tort of Inducement of Breach of the Agreement

[74] The law on the tort of inducement to breach a contract has been set out in the Court of Appeal case of ***SV Beverages Holdings Sdn Bhd v Kickapoo (Malaysia) Sdn Bhd*** [2008] 4 CLJ 20 wherein Ahmad Maarop JCA (later PCA) held as follows with emphasis added by me:

"[17] The law regarding the tort of inducement to breach of contract as summarised in Greig v. Insole [1878] 2 All ER 449 at p. 484 was restated by this court in Kelang Pembena Kereta-Kereta Sdn Bhd v Mok Tai Dwan [2000] 2 CLJ 132 at p. 145:

At common law it constitutes a tort for a third person deliberately to interfere in the execution of a valid contract which has been concluded between two or more other parties, if five conditions are fulfilled:

First, there must be (a) "direct" interference or (b) "indirect" interference coupled with the use of unlawful means: see per Lord Denning MR in Torquay Hotel Co Ltd v. Cousins [1969] 2 Ch 106, at 138.

As to the meaning of "interference" this is not confined to the actual procurement or inducement of a breach of contract. It can cover a case where the third person prevents or hinders one party from performing his contract even though this be not a breach: see per Lord Denning MR.

Secondly, the defendant must be shown to have knowledge of the relevant contract.

Thirdly, he must be shown to have had the intent to interfere with it. Fourthly, in bringing an action, other than a quia timet action, the plaintiff must show that he has suffered special damage, that is, more than nominal damage: see Rookes v. Barnard [1964] AC 1129, at 1212, per Lord Devlin. In any quia timet action, the plaintiff must show the likelihood of damage to him resulting if the act of interference is successful: see Emerald Construction Company Limited v. Lowthian [1966] 1 WLR 691, at 703, per Diplock LJ.

Fifthly, so far as it is necessary the plaintiff must successfully rebut any defence based on justification which the defendant may put forward.

Slade J went on further to emphasise one point on the same page thus:

If these five conditions are fulfilled and the defendant is shown to have had that intention to interfere with the relevant contract which is necessary to constitute the tort it is quite irrelevant that he may have acted in good faith and without malice or under a mistaken understanding as to his legal rights; good faith, as such, provides no defence whatever to claim based on this tort: see, for example South Wales Miner's Federation v. Glamorgan Coal Co Ltd [1905] AC 239 per Lord Macnaghten."

(See also Loh Holdings Sdn Bhd v Peglin Development Sdn Bhd & Anor [1984] 2 MLJ 105)

[75] According to the Plaintiffs, the Fourth and Fifth Defendants having knowledge of the relevant Agreements used their powers as directors and made decisions in concurrence to make the First and Second Defendants breach their respective Agreement. These are intentional interferences with the Agreements by unlawful means which resulted in damages or likelihood of damages to the Plaintiffs which the Fourth and Fifth Defendants have no justification. Reliance is made on the case of

Deepak Jaikishan a/l Jaikishan Rewachand & Anor v Intrared Sdn Bhd (previously known as Reetaj City Centre Sdn Bhd and formerly known as KFH Reetaj Sdn Bhd) & Anor [2013] 7 MLJ 437.

[76] In defence, the Fourth and Fifth Defendants contended that they are in law the agents of the First and Second Defendants as directors. They were hence not third persons or parties that participated in committing the torts. In addition, they never harboured the intention to interfere with the Agreement. Finally, the Plaintiffs have failed to adduce special damages that are more than nominal damages. As such, the Plaintiffs have in the circumstances failed to satisfy all the requisite elements of the tort.

[77] There is no reported case authority to support the proposition that the director of a company is considered a third person or party for purposes of the tort for inducement of breach of contract albeit I have specifically requested the parties to undertake further research into it. It seems to me that ordinarily the third person or party should necessarily be divorced from the party in breach and will thus not encompass an agent or *alter ego* of that party. Moreover, I am also generally disinclined to treat directors or shareholders as third persons for the purpose of this tort as it would otherwise tantamount to opening a backdoor to lift the corporate veil. In the recent Court of Appeal case of ***Seow Hoon Hin v Hartalega Holdings Bhd & Ors [2019] 1 LNS 779***, it was held that it is insufficient to obscure or disturb the settled principle of separate corporate identity although the person played a prominent role in driving the company. (See also the Federal Court case of ***Giga Engineering &***

Construction Sdn Bhd v Yip Chee Seng & Sons Sdn Bhd [2015] 9 CLJ 537 which held that there must be evidence either of actual fraud or some conduct amounting to fraud in equity to justify the lifting of corporate veil).

[78] I am however mindful that the Plaintiffs alluded to the case of ***Abercrombie & Fitch Co & Anor v Fashion Factory Outlet KL Sdn Bhd & Ors*** [2008] 4 MLJ 127 to demonstrate that the directors and shareholders of the company are liable over and above the company itself for trade mark infringement. Upon reading the case in detail, I conclude that it is one of special facts particularly involving nefarious infringing lucrative activities carried out by the defendant company with a nominal paid up capital of RM2.00. It is clearly not a case on inducement to breach a contract.

[79] That notwithstanding, I am also not satisfied that the Plaintiffs have proved all the ingredients required to meet the tort of inducement to breach of contract especially through the usage of unlawful means as well as the proof of special damages. I was unable to discern what were specifically the alleged unlawful means deployed which caused the First and Second Defendants to renege on their respective contracts with the Second Plaintiff. In addition, I am not convinced that the Fifth Defendant played any material role in relation to the Agreement as well as the breach thereof.

[80] In the premises, I find and hold that the Plaintiffs have not successfully established the tort of inducement of breach of contract against the Fourth and Fifth Defendants.

Tort of Conspiracy to Injure

[81] The law on the tort of conspiracy to injure has also been succinctly set out by Ahmad Maarop JCA (later PCA) in the Court of Appeal case of **SV Beverages Holdings Sdn Bhd v Kickapoo (Malaysia) Sdn Bhd (supra)** as follows:

*“[18] In the tort of conspiracy, there must be an agreement or 'combination' of two or more with the common intention to effect an unlawful purpose or to do a lawful act by unlawful means resulting in damages to the plaintiff (*Industrial Concrete Products Bhd v Concrete Engineering Products Bhd & Other Suits* [2001] 8 CLJ 262, *Mulcahy v. R* [1868] LR 3 HL 306 as 317 and *Belmont Finance v Williams Furniture* (No. 2) [1980] 1 All ER 393 at p. 403).”*

[82] In this regard, the Plaintiffs relied on the English case of **OBG Ltd & Another v Allan and Others** [2007] 4 All ER 545 which held that the key ingredient is the defendant's intention to harm the plaintiff either as an end in itself or as a means to an end. Damage is inflicted as the means to protect or promote his own economic interest. According to them, all the Defendants conspire together by unlawful means to injure the Plaintiffs who suffered damages as the result.

[83] The Defendants denied the same and relied on the cases of ***Hamzah bin Abdul Majid v Mohd Jalani bin Datuk Hj Mohd Sidek & Ors*** [2014] MLJU 1858 and ***Repco (M) Sdn Bhd v Tan Toh Fatt & Ors*** [2013] 7 MLJ 408 to specifically show that the Plaintiffs failed to prove any conspirational agreement of overt acts which caused damage. The Defendants also repeated its stance that the TMPOINT Website was not used in bad faith and the products and services offered by the First and Second Defendants are different from that of the Plaintiffs.

[84] From the pleadings and evidence adduced by the Plaintiffs, I find that they were unable to establish all the ingredients required to prove the tort of conspiracy to injure. In particular, the Plaintiffs did not cogently identify and establish where and when the conspirational agreement precisely took place. As alluded to in paragraph [79] above, I am also not convinced that the Fifth Defendant was involved as alleged by the Plaintiffs.

[85] Consequently, I conclude that the Plaintiffs have thus failed to prove the tort of conspiracy to injure particularly because the pivotal ingredient of the conspirational agreement is unmet.

Summary of Findings and Conclusion

[86] For the foregoing reasons, I summarize my findings as follows:

- (i) I find and hold that the First Defendant and Second Defendant were in breach of their respective Agreement;
- (ii) I find and hold that the Second Defendant infringed the Mark;
- (iii) I find and hold that the Second Defendant passed off the Mark;
- (iv) I find and hold that the Second Defendant and Fourth Defendant passed off the domain name;
- (v) I find and hold that the Defendants did not commit the tort of inducement to breach a contract; and
- (vi) I find and hold that the Defendants did not commit the tort of conspiracy to injure.

[87] Premised on the above, I therefore order that judgment be entered in the following terms:

- (1) Satu perintah supaya Defendan Kedua dan/atau Defendan Keempat haruslah mengambil tindakan yang perlu untuk memindah kepunyaan dan pendaftaran Laman TMPOINT tersebut bersama-sama alamat-alamat emel yang berkaitan dengan Laman TMPOINT (@tmpoint.com) kepada Plaintiff Pertama;

(2) Satu injunksi kekal dan tetap menegah Defendan-Defendan Pertama, Kedua dan Keempat sama ada bertindak dengan sendirinya, atau bersubahat dengan mana-mana pihak, atau bertindak melalui pengarah-pengarah, pegawai-pegawai, pengganti dalam hakmilik (“successors in title”), prinsipal-prinsipal, agen-agen, sama ada berse sama atau berasingan atau mana-mana daripada mereka atau sebaliknya daripada melakukan tindakan-tindakan berikut atau mana-mana daripadanya, daripada melakukan sebarang tindakan yang melanggar atau megelirupakan Cap Dagangan TMPOINT melalui cap dagangan yang sama atau menyerupai Cap Dagangan TMPOINT;

(3) Satu siasatan tentang ganti rugi atau pada pilihan Plaintiff-Plaintif, satu akaun keuntungan bagi pembayaran semua jumlah yang didapati semasa membuat siasatan atau pengambilan akaun tersebut, terhadap Defendan-Defendan Pertama, Kedua dan Keempat secara bersama atau bersaing;

(4) Seandainya Plaintiff-Plaintif memilih untuk akaun keuntungan di bawah permohonan (3), Defendan-Defendan Pertama dan Kedua diperintahkan untuk menyediakan semua akaun-akaun yang perlu dan membuat semua pernyataan yang perlu;

(5) Faedah atas ganti rugi atau akaun keuntungan pada kadar 5% mudah setahun dari tarikh pemfailan writ sehingga pembayaran sepenuhnya; dan

(6) Kos jumlah sebanyak RM100,000.00 tertakluk kepada 4% allokatur pada peringkat perbicaraan ini dibayar oleh Defendan-Defendan Pertama, Kedua dan Keempat kepada Plaintiff-Plaintiff.

Dated this 30 December 2019

t.t.

**LIM CHONG FONG
JUDGE
HIGH COURT KUALA LUMPUR**

COUNSEL FOR THE PLAINTIFFS: BAHARI YEOW TIEN HONG (LIM ZHI JIAN AND CHOO WEN CHUN WITH HIM)

SOLICITORS FOR THE PLAINTIFFS: LEE HISHAMUDDIN ALLEN & GLEDHILL

COUNSEL FOR THE DEFENDANTS: JOEL LIM PHAN HONG (TEOH HUI CHYUAN WITH HIM)

SOLICITORS FOR THE DEFENDANTS: JOEL & MEI