

23/84

IN THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL

O N A P P E A L

FROM THE FEDERAL COURT OF MALAYSIA

B E T W E E N:

SOCOIL CORPORATION BERHAD

Appellant
(Party affected)

- AND -

NG FOO CHONG

NG FOO KOK

(Trading as Ng Brothers Import
and Export Company)

Respondents
(Applicants)

CASE FOR THE APPELLANTS

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CASE FOR THE APPELLANTS

1. This is an Appeal by the Appellants, Socoil Corporation Berhad, from a Judgment and Order of the Federal Court of Malaysia (Lee Hun Hoe C.J., Borneo, Chang Min Tat F.J., Syed Othman F.J.) dated 5 December 1980 dismissing with costs the appeal of the Appellants from the Judgment and Order of the Hon. Justice Datuk B.T.H. Lee dated 21 February 1980
20 dismissing with costs and application by the Appellants to discharge an Order made by him ex parte on 31 July 1978, and confirming the said Order whereby it was ordered pursuant to section 16 of the Trade Descriptions Act, 1972 [Laws of Malaysia - Act 87] that the trade mark "GOLDEN DRAGON" consisting of the device of a golden coloured dragon enclosed in a circle used in relation to edible oils and in particular to
30 cooking oil not manufactured by or distributed by the Respondents should be deemed for the purposes of the Trade Descriptions Act, 1972 to be false trade description.

THE FACTS

2. The material facts may be summarised as follows.

(1) The Appellant Company is registered in the States of Malaysia and has its Registered Office at Jalan Kem, Port Kelang, Selangor. The Appellants are a large and well established company carrying on

business in the extraction, processing and refining of palm and other edible oils for sale in Malaysia and other countries of the world.

(2) In 1975 the Appellants decided to manufacture cooking oil for sale in the South East Asian market and to this end instructed their Manager, Mr. Khoo Chooi Leong, to apply to various trade mark registries for registration of several trade marks which the Company proposed to use for the sale of its cooking oils. Among the marks which the Company sought to have registered was the mark "GOLDEN DRAGON" - consisting of a device of a dragon within an oval shaped frame together with the words "GOLDEN DRAGON" brand. 10

(3) At the material time a Bill had been laid before the Malaysian Parliament for the repeal of existing trade mark enactments having separate effect in the States of Sabah, Sarawak and West Malaysia and for their replacement by a single Trade Marks Act which would have effect throughout Malaysia. In consequence, Mr. Khoo sought advice from the then Deputy Registrar of Trade Marks for West Malaysia and Sabah, Mr. Kanagaratnam, as to whether it was necessary to make separate applications to register the trade mark "GOLDEN DRAGON" in all of the three States. Mr. Kanagaratnam advised Mr. Khoo that separate applications for registration would not be necessary since it was expected that the Bill would be passed very soon establishing a central Registry for all three States and that to make separate applications for the same mark would involve the Company in unnecessary expense and create extra work for the Registries concerned. (Although the Trade Marks Act 1976 in fact received the Royal Assent on 21 June 1976, the Act has not to date come into effect). 20 30

(4) In consequence of the advice received, Mr. Khoo instructed the Company's Solicitors to apply for registration of the mark "GOLDEN DRAGON" in West Malaysia, Singapore, Brunei and Hong Kong but not in Sabah or Sarawak. The Company applied for registration of the mark in West Malaysia on 13 September, 1975 (Application No. M/69579) and started to sell cooking oil in Malaysia under the trade mark "GOLDEN DRAGON" on 5 January 1976. The Appellants began to sell oil under the said trade mark in Sabah on or about 8th October 1978. 40

(5) The total sums expended by the Appellant Company directly or through its wholly owned subsidiary, Socma Sendirian Berhad, in advertising and promoting the mark "GOLDEN DRAGON" in respect of its cooking oil for the period from 8 January 1976 to 31 August 1979 amounted to M \$ 4,605,428.00 made up as follows:- 50

5.1.1976 to	30.9.1976	\$ 681,602.00
1.10.1976 to	30.9.1977	863,602.27
1.10.1977 to	30.9.1978	1,095,842.67
1.10.1978 to	31.8.1979	<u>1,964,381.06</u>

M \$4,605,428.00

(6) The value of cooking oil sold by the Appellant Company under the mark "GOLDEN DRAGON" in the corresponding period amounted in total to nearly M \$ 36½ million made up as follows:

10	1.1. 1976 to	30.9.1976	\$ 3,578,949.25
	1.10.1976 to	30.9.1977	8,342,863.80
	1.10.1977 to	30.9.1978	11,982,090.00
	1.10.1978 to	31.8.1979	<u>12,590,996.14</u>

M\$36,494,899.19

In consequence of the Appellant Company's promotion of the trade mark "GOLDEN DRAGON" the mark has become one of the leading brands of cooking oil in Malaysia.

20 (7) The Appellant Company is the registered proprietor of the mark "GOLDEN DRAGON" in Brunei under number 7815 in Class 29 in respect of edible fats and oils and dated 1st December 1976. The Company was registered as proprietor of the mark "GOLDEN DRAGON" in Hong Kong under number 1081 for the same goods with effect from 26th October 1977. The Appellants' applications for registration of the trade mark "GOLDEN DRAGON" in West Malaysia and Singapore are still pending. The former application was approved by the Registrar of Trade
30 Marks and gazetted in the Government Gazette on 31 March 1977. However, on advertisement of the mark, the Respondents filed an objection to it on 25th June 1977 and, in consequence of this objection, it has not to date been registered in West Malaysia.

40 (8) By Originating Motion dated 13 June 1979 the Respondents applied to the High Court in Borneo at Kota Kinabalu for an Order pursuant to section 16 of the Trade Description Act, 1972 ("the 1972 Act") that the trade mark "GOLDEN DRAGON", consisting of the device of a golden coloured dragon enclosed in a circle used in relation to edible oils and in particular to cooking oil not manufactured or distributed by the Respondents, should be deemed for the purposes of the 1972 Act to be a false trade description. The Respondents' Notice of Motion which was not served on the Appellants or any other party was supported by an Affidavit affirmed by one Ng Foo Kewan on 14 December 1978. In the said Affidavit Mr. Ng deposed, inter alia

- (i) that he was the Shipping and Export Manager of the Respondents, Ng Brothers Import and Export Company, which had a place of business in Jalan Klang, Kuala Lumpur (para. 1).
- (ii) that the Respondents were the registered proprietors in the State of Sabah of the trade mark consisting of a device of a golden coloured dragon enclosed in a circle and the words "GOLDEN DRAGON" in respect of "edible oils" (para. 3). 10
- (iii) that the said trade mark had been registered in the State of Sabah on 22 January 1976 (para. 4);
- (iv) that for a few months cooking oil not of the Respondents' manufacture and bearing an identical trade mark and device to the Respondents' registered trade mark had been sold in Sabah (para. 10).
- (v) that the use of the trade mark "GOLDEN DRAGON" and device of a golden coloured dragon enclosed in a circle in connection with the sale of cooking oil was calculated to deceive and to lead the public to believe that such cooking oil was the product and manufacture of the Respondents (para. 11). 20
- (9) On 31 July 1979 Justice Datuk B.T.H. Lee made an ex parte Order in the terms of the Respondents' Notice of Motion.
- (10) On 8 November 1979 the Appellants as a party affected by the said Order, issued a Notice of Motion for an Order discharging the said Order of 31 July 1979. The Appellants' application was heard by B.T.H. Lee J. on 11 January 1980. In a reserved Judgment delivered on 21 February 1980 the learned Judge dismissed the Appellants' application with costs and confirmed the Order dated 31 July 1979. 30
- (11) In his Judgment B.T.H. Lee J. held, inter alia:
 - (i) that it was plain from the clear and explicit words of section 16 of the 1972 Act that any person having a registered trade mark who establishes that his rights in respect of such trade mark are being infringed in the course of trade can apply to the High Court and obtain an order declaring that the infringing trade mark is a false trade description in its application to such goods as may be specified by the Order 40
 - (ii) that a person who desires to obtain an order under section 16(1) of the 1972 Act must show that 50

Record, p.27,
lines 35-43

(a) he is the proprietor of a registered trade mark; and

(b) that some other person is infringing that registered trade mark in the course of trade,

and that the question for determination was whether the Respondents had established these two ingredients

Record,
p.27,lines
48-p.28,
line 2

10 (iii) that the evidence seemed incontrovertible that the Respondents were the proprietors of the trade mark consisting of the device of a golden coloured dragon enclosed in a circle and the words "GOLDEN DRAGON"

Record,
p.30,lines
18-21

20 (iv) that the absence of any evidence of user or promotion and advertisement of the mark by the Respondents was irrelevant in determining the matter: there was nothing in section 16 (1) of the 1972 Act which imposed on an applicant an obligation to adduce evidence of user or of promotion and advertisement of the mark

Record p.31
lines 1-12

30 (v) that there was similarly no requirement imposed by section 16(1) or by any other section that the Notice of Motion should be served on any affected party or that the application should be heard inter partes and that the Appellants had not advanced any cogent grounds by the ex parte Order should be discharged

Record p.31
lines 12-42

40 (vi) that the fact that there was a dispute between the Appellants and the Respondents concerning the registration of the trade mark in West Malaysia and that no mention of such dispute had been made in the Respondents' Affidavits in support of the ex parte application was wholly irrelevant in the context of an application relating to the use of the trade mark in Sabah

Record p.32
lines 1-18

(vii) that, since the registration of the trade mark by the Respondents in Sabah on 22 January 1976, the Appellants had not availed themselves of their right under section 27 of the Sabah Trade Marks Ordinance, 1949 (No.14 of 1949) ("the 1949 Ordinance") to oppose the registration of the "GOLDEN DRAGON" trade mark by the Respondents in Sabah

Record p.32
lines 19-39

50 (viii) that sections 33, 47 and 55 of the 1949 Ordinance on which reliance was placed by the Appellants, afforded no basis for discharging the ex parte Order in that

(a) the Appellants had not applied to the Court

or the Registrar for concurrent use of the trade mark pursuant to section 33;

(b) the Appellants had not applied to the Court to take off the Register any trade mark which had been registered on either of grounds (a) or (b) in section 47;

(c) that the Appellants had nowhere in their Affidavits claimed that they had continuously used the "GOLDEN DRAGON" trade mark in Sabah prior to 22 January 1976 when the trade mark was registered by the Respondents, as provided by section 55

Record p.32,
line 40-p.34,
line 39

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(ix) that the 1949 Ordinance was a "written law relating to trade marks" for the purposes, and within the meaning, of section 16(1) of the 1972 Act but that an order made under section 16 could not have application throughout the whole of Malaysia if the written law relied on in the application applied to Sabah only and that the Respondents had only sought enforcement of their trade mark rights in Sabah

Record p.34,
line 40-
p.35, line
15

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(x) that it was not in controversy that the Appellants had been manufacturing and distributing cooking oil with the mark "GOLDEN DRAGON" in Sabah and that, the Appellants' mark not being registered as a trade mark in Sabah, was accordingly an infringement of the Respondents' registered trade mark

Record p.36,
lines 17-23

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(xi) that it was immaterial to the application under section 16 of the 1972 Act:

(a) that the Appellants had been wrongly advised by the Deputy Registrar of Trade Marks that it would not be necessary to seek registration of the trade mark in Sabah and Sarawak which assertion had in any event not been supported by an Affidavit by the Deputy Registrar himself

Record p.36,
lines 25-34

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(b) that the Appellants had incurred over \$4½ million to advertise and promote the mark "GOLDEN DRAGON" and had sold more than \$36 million worth of cooking oil under the said mark, which figures were not in any event supported by any documents

Record p.36,
lines 35-44

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(12) On 5 March 1980 the Appellants issued a Notice of Appeal against the said Order and

Judgment and on 28 April 1980 served a Memorandum of Appeal setting out the grounds thereof.

(13) The Appeal was heard by the Federal Court (Lee Hun Hoe C.J. Borneo, Chang Min Tat F.J., Syed. Othman F.J.) on 9 September 1980. In a reserved Judgment delivered on 5th December 1980, the Federal Court dismissed the Appeal with costs.

10 (14) In its Judgment the Federal Court held, inter alia:

- (i) that the Appellants' reasons for failing to seek registration in Sabah of the "GOLDEN DRAGON" trade mark were immaterial and irrelevant to the question before the Court, namely, whether the Order made on 31 July 1979, should be discharged or not Record p.55, lines 18-23
- 20 (ii) that the fact that the Appellants had between 1975 and 1979 spent over \$4½ million to advertise and promote the mark and had in the same period sold over \$36 million worth of cooking oil under the said mark was not supported by documents and was in any event immaterial and irrelevant to the question whether the Court ought to discharge the Order of 31 July 1979 Record p.57, lines 7-24
- 30 (iii) that it was likewise irrelevant whether the Appellants had registered the mark in West Malaysia, Singapore, Hong Kong, Brunei or Timbuctu: there remained three different sets of trade mark laws in Malaysia and a dispute in one jurisdiction did not necessarily mean that there was a dispute in another jurisdiction: any dispute between the parties in respect of a mark in West Malaysia was entirely immaterial and irrelevant in either Sabah or Sarawak because of different legislation on the matter Record p.57, line 25-p.58, line 7
- 40 (iv) that the Respondents had the right to seek whatever remedy they considered appropriate to protect their proprietorship in the trade mark in Sabah: they chose to invoke the provisions of section 16 of the 1972 Act and the Appellants had failed to show that an order could not be made under that Act Record p.58, lines 19-25
- 50 (v) that the learned Judge was wrong to accept as correct the contention of the Respondents that an order made under section 16 of the 1972 Act could not have application throughout Malaysia if the written law (i.e. the Sabah Trade Marks Ordinance) applied to Sabah only: there was nothing to prevent the

- Record p.58,
lines 26-46
- Respondents seeking enforcement of their proprietary rights in Sabah over the "GOLDEN DRAGON" trade mark and the Order of the learned Judge had full force and effect throughout Malaysia by virtue of section 7(2) of the Courts of Judicature Act, 1964
- (vi) that section 55 of the 1949 Ordinance was not applicable, the Appellants not having claimed to have used the "GOLDEN DRAGON" mark continuously in Sabah prior to the date when the mark was registered by the Respondents 10
- Record p.59,
lines 30-50
- (vii) that, on the evidence before him, the learned Judge was right to make the Order and to dismiss the application to discharge the Order
- Record p.59,
line 51-p.60,
line 2
- (15) By Order dated 25 September 1981, the Federal Court of Malaysia (Raja Aslan Shah, Ag. L.P., Salleh Abas F.J., Abdul Hamid F.J.) granted final leave to the Appellants to appeal to His Majesty, the Yang Di-Pertuan Agong against the whole of the decision of the Federal Court dated 5 December 1980. It was further ordered that there would be no Order as to a stay of execution. 20

THE ISSUES

3. The principal questions raised in the Appeal are whether, in the circumstances of the present case, B.T.H. Lee J. was correct in law in making an order under section 16 of the 1972 Act on the ex parte application of the Respondents and in subsequently confirming such order and whether the Federal Court were correct in law in refusing to discharge such order on the Applicants' appeal. 30

4. The 1972 Act which by virtue by Section 1(2) is stated to apply to the whole of Malaysia was passed for the purpose of consolidating and amending the laws relating to merchandise marks "with new provisions prohibiting misdescription of goods provided in the course of trade and false or misleading indications as to the price of goods". As the long title of the Act makes apparent, the aim of the Act was to protect the public against deception by the application of false or misleading descriptions to goods supplied or offered for supply in the course of trade. To this end, section 3(1) of the Act provides: 40

"(1) Any person who, in the course of a trade or business:- 50

- (a) applies a false trade description to any goods; or
- (b) supplies or offers to supply any goods to which a false trade description is applied

shall be guilty of an offence."

5. By section 4(1) a "trade description" is defined as:-

10 "..... an indication, direct or indirect, and by whatever means given, of any of the following matters with respect to any goods or parts of goods"

There are then listed in the subsection (1) separate categories including

"(j) person by whom manufactured, produced, processed or reconditioned."

6. By section 5(1) of the Act a false trade description is defined as

"..... a trade description which is false to a material degree."

By section 5(2) it is provided:-

20 "(2) A trade description which, though not false, is misleading, that is to say, likely to be taken for such an indication of any of the matters specified in section 4 as would be false to a material degree, shall be deemed to be a false trade description."

7. Section 16 of the Act, under which the present proceedings were brought by the Respondents, provides, so far as is material:

30 "(1) Where any person being a proprietor or registered user of a registered trade mark within the meaning of any written law relating to trade marks or being otherwise entitled at law to the protection of a trade or other mark or a get-up for any goods or services established:-

(a) in the case of a registered trade mark, that his rights in respect of such trade mark are being infringed in the course of trade within the meaning of the written law; or

40 (b) in the case of a trade or other mark or get-up for any goods or services, that his rights in respect of such trade or other mark or get-up are being infringed in the course of trade as a result of which he has a right of action for passing off

"the High Court may on the application of such person make an order declaring that the infringing trade or other mark or get-up as the case may be is for purposes of this Act a false trade description in its application to such goods as may be specified in the order."

An order made under section 16(1) by any High Court in Malaysia (which is referred to as a "trade description order" - section 16(2) is admissible in evidence in any proceedings under the Act in which it is relevant as conclusive proof of a false trade description (section 16(3)) and remains in force for a period of five years from the date on which it is made unless renewed by the High Court on the application of the original applicant for the order or his successor in title (section 16(4)).

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8. Part VI of the Act contains provisions as to offences. By section 18 of the Act a person guilty of an offence under the Act for which no penalty is specified is liable on conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding two years or to both. The Act further contains provisions for the seizure and detention of goods in respect of which an offence under the Act has been, or is suspected, of having been, committed (section 28) and for the forfeiture of such goods (section 32).

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9. It is apparent from the terms of section 16(1) of the Act, and in particular from the use of the permissive form "the High Court may make an order", that a discretion is conferred on the Court to grant or refuse relief under the section as may be appropriate in the circumstances of each case. It is also apparent from its context that section 16, although capable of being invoked only by a person with an interest in a trade or other mark, was not intended primarily for the purpose of protecting the private rights of that person or restraining the infringement of trade marks, but was designed principally to protect the public against deception by the use of false or misleading trade marks.

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Record p.58,
lines 9-23

10. It is submitted that contrary to the Judgment of the Federal Court section 16 was not designed to confer on the proprietor of a registered trade mark, who claimed an infringement of his mark, a protective remedy additional to the remedies which lie in proceedings at common law or under the relevant trade mark legislation; still less was it designed to make such a remedy available as of right on a mere claim in ex parte proceedings that his trade mark was being infringed.

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11. It is further submitted that, consistently with the general purpose of the section and of the 1972 Act, it is inappropriate that a trade description order should be made under section 16 in a case where

- (i) no evidence exists that the public are or are likely to be misled by the use of an allegedly infringing trade mark and
- 10 (ii) there is no evidence that the proprietor of the registered trade mark has ever made use of the mark in relation to the goods covered by the registration.

In such cases it is submitted that the proprietor should be left to pursue his civil remedies of an injunction or damages at common law or under the relevant trade mark legislation against the person or persons alleged to have infringed the trade mark.

20 12. Further, as the Federal Court held in its Judgment a trade description order made under section 16 has application throughout Malaysia with the consequence that the use of the trade mark in any part of Malaysia by any person other than the person in whose favour the Order has been made or his successor in title, is an offence and is punishable under section 18 of the Act. It is, accordingly, submitted that it is wholly inappropriate that such an order should be made on the application of a person who is the
30 proprietor or registered user of a registered trade mark in one State of the Federation only, in a case where

Record p.58,
lines 27-46

- (i) another person is the proprietor or registered user or is otherwise entitled to the protection of the law in respect of the trade mark or of a similar trade mark in other parts of Malaysia, and
- 40 (ii) there exists a dispute as to the use of, or entitlement to, the trade mark or a similar trade mark in other parts of Malaysia.

13. In his Judgment, B.T.H. Lee J. held that in order to entitle him to relief by way of the grant of a trade description order under section 16 of the Act, an applicant has to establish two ingredients only:

- (i) that he is the proprietor or registered user of a registered trade mark; and
- 50 (ii) that some other person is infringing that registered trade mark in the course of trade.

Record p.27,
line 35-
p.28,
line 2

Record p.56,
lines 17-32

In its Judgment the Federal Court repeated with apparent approval the formulation by the learned Judge of the two ingredients which an applicant is required to establish in order to be entitled to the grant of a trade description order under section 16. It is respectfully submitted that the learned Judge and the Federal Court erred in law in

- (a) failing to give any or any adequate effect to the discretion deferred on the Court by section 16 of the Act and 10
- (b) failing to take into account in the exercise of their discretion, and holding to be irrelevant to an application for an order under section 16, the facts and matters relied on by the Appellants in opposition to the Order.

14. It is submitted that, in granting the original Order of 31 July 1979 and thereafter confirming the same, the High Court and the Federal Court failed to exercise their discretion in accordance with the terms of section 16 or to give any or any proper weight to the following material facts and matters in the exercise of such discretion:- 20

- (1) At the date of the making of the original Order, the Appellants had already asserted a proprietary right to the "GOLDEN DRAGON" trade mark in respect of cooking oil in Malaysia by virtue of their prior Application No. M/69579 filed in the West Malaysian Registry on 13 September 1975. This said Application was filed several months before the registration by the Respondents of the "GOLDEN DRAGON" trade mark in the State of Sabah. 30
- (2) At the date of registration of the mark by the Respondents on 22 January 1976, the Appellants were already using their "GOLDEN DRAGON" trade mark in Malaysia: the Appellants' cooking oil was on the market in West Malaysia under their "GOLDEN DRAGON" mark on 5 January 1976 and had been extensively advertised in the media throughout Malaysia from a still earlier date. 40
- (3) Use by the Appellants of their "GOLDEN DRAGON" mark in relation to their cooking oil had been extensive throughout Malaysia and elsewhere in South East Asia, since January 1976. In particular sales of the Appellants/"GOLDEN DRAGON" 50

10 cooking oil commenced in Sabah in 1978 and continued until the grant of the trade description order to the Respondents. The Affidavit evidence filed on behalf of the Appellants established that in the period from 8 January 1976 to 31 August 1979 over \$4½ million was expended by the Appellants in advertising and promoting the "GOLDEN DRAGON" mark and that in the same period the total value of sales by the Appellants of cooking oil under the mark was nearly \$36½ million. There was further evidence undisputed by the Respondents that through the efforts of the Appellants, the trade mark "GOLDEN DRAGON" had become well-known and that the said mark had become one of the leading brands of cooking oil in Malaysia.

20 (4) In contrast, there was no evidence that, at the date of their original motion or at any time before or after the date of registration of the "GOLDEN DRAGON" trade mark, the Respondents had ever used the mark either in Sabah or elsewhere in Malaysia in relation to cooking oil or any other commodity. Nor was there any evidence that the Respondents had at any time taken any steps to publicise or advertise their trade mark, whether in Sabah or elsewhere.

30 (5) No evidence was adduced to show that the public in Sabah or elsewhere were or were likely to be deceived by the Appellants' use of the "GOLDEN DRAGON" trade mark into believing that the cooking oil sold under the mark was manufactured or produced by the Respondents or by any person or persons other than the Appellants who had made the trade mark well known. Having regard to the matters in (3) and (4) above, no such evidence could
40 in fact have been adduced prior to the date of the Order.

50 (6) At the date of the Appellants' application for registration of their "GOLDEN DRAGON" mark a Bill had already been laid before Parliament for the unification of the trade mark laws of West Malaysia, Sarawak and Sabah and for the substitution of the three separate Registries in the said territories by one single Registry for the whole of Malaysia. The omission of the Appellants to apply for separate registration of their "GOLDEN DRAGON" mark on Sabah was a bona fide omission, consequent upon advice received from the Registrar of Trade Marks in Kuala Lumpur (being the Registrar for both West Malaysia and Sabah) that a separate application for registration

was unnecessary in the light of the new Bill. The Bill in fact received the Royal Assent in June 1976 but is not yet in force; on the coming into force of the new Act, the Appellants' Application No. M/69579, if and when the same proceeds to registration would take effect throughout Malaysia.

(7) The granting and subsequent confirmation of the trade description order (which the Federal Court has held to be of full force and effect throughout Malaysia) would preclude the Appellants from lawfully continuing to use the "GOLDEN DRAGON" trade mark or asserting any rights in the said mark in any part of Malaysia, notwithstanding the fact that:

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(i) the Appellants applied for registration of the mark in West Malaysia before the date of registration of the Respondents' mark, and were thereby themselves persons entitled to the protection of the mark;

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(ii) the Appellants had extensively advertised and published the mark throughout Malaysia and had for several years sold very substantial quantities of cooking oil under the mark in Malaysia and in other parts of South-East Asia;

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(iii) the Respondents registration of the mark related only to Sabah;

(iv) the Respondents had adduced no evidence to establish the use by them of the mark in Sabah or elsewhere in Malaysia or at all.

The Order would render the Appellants liable to prosecution and the Appellants' goods bearing the mark liable to seizure and detention and was calculated to destroy the goodwill of the Appellants' business.

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(8) The granting and subsequent confirmation of the Order would similarly prejudice the Appellants' pending application for registration of the "GOLDEN DRAGON" mark in West Malaysia, now under opposition by the Respondents, and any future applications for registration in the said State or any States in Malaysia. The grant and confirmation of the Order would further destroy ab initio any claim by the Appellants to any rights in the said mark at common law anywhere in Malaysia.

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(9) There being no reason of urgency and no other reason relied on by the Respondents, the trade description order should not have been made on an ex parte application. Further, the Court should, in the exercise of its discretion, not have confirmed the ex parte order in circumstances in which the Applicants had failed to disclose all relevant facts to the Court and in particular:

- 10 (a) the identity of the Appellants;
- (b) the fact that the Appellants had made a prior application in West Malaysia for registration of the "GOLDEN DRAGON" mark, which Application was being opposed by the Respondents;
- (c) the fact, well known to the Respondents, that the Appellants had publicised and used the "GOLDEN DRAGON" mark extensively in Malaysia.
- 20 (10) Having regard to the dispute between the parties concerning the trade mark, to the comparative use made of the mark by the Appellants and the Respondents and to the fact that the Respondents' registration of the mark was confined to Sabah and the Respondents were only seeking to enforce their rights in Sabah whereas the Order under section 16 would be effective throughout Malaysia, it was
- 30 inappropriate to make any such order: the respective rights of the parties should be determined under the relevant trade mark laws in force in the relevant States or territories.

15. It is submitted that, in the circumstances of the present case, the learned Judge should, in the proper exercise of the discretion conferred by section 16 of the 1972 Act, have refused to make a trade description order under section 16 on the ex parte application of the Respondents or, alternatively, should have discharged the Order on

40 the application of the Appellants. It is further submitted that the Federal Court erred in law in failing to discharge the trade description Order made and confirmed by the learned Judge.

CONCLUSION

16. In the premises, the Appellants respectfully submit that the Judgment of the Federal Court was wrong and ought to be reversed and that this Appeal ought to be allowed with costs for the following among other

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R E A S O N S

(1) BECAUSE, in making and/or refusing to discharge

the Trade Description Order made on 31 July 1979 under section 16 of the 1972 Act, B.T.H. Lee J. and the Federal Court erred in law in failing to exercise properly or at all the discretion conferred by section 16;

(2) BECAUSE B.T.H. Lee J. and the Federal Court erred in law in failing to have regard to, and in rejecting as irrelevant, facts and matters material to the exercise of the discretion conferred by section 16;

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(3) BECAUSE in the proper exercise of his discretion B.T.H. Lee J. should, in the circumstances of the present case, have refused to make an ex parte Order under section 16 of the 1972 Act, alternatively he or the Federal Court should have discharged such Order on the application of the Appellants.

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NICHOLAS BRATZA

LOW CHEE CHOON

JOHN BURRELL Q.C.

