

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

10 NG FOO KOK
(Trading as Ng Brothers Import
and Export Company)

Respondents
(Applicants)

CASE FOR THE RESPONDENTS

RECORD

1. This appeal is against the concurrent decisions of the High Court in Borneo at Kota Kinabalu (The Hon'ble Justice Datuk B.T.H. Lee) and of The Federal Court of Malaysia (Lee Hun Hoe, Chief Justice of Borneo, and Federal Justices Chang and Syed Othman).

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2. The facts are simple, and not, at least so far as relevant, contested. The Respondents (the Ng brothers) are the proprietors of registered trade mark No. 19862, registered in Sabah. The date of registration is 22nd January 1976. The mark is registered for edible oils. It consists of the device of a Golden Coloured Dragon enclosed in a circle and the words "Golden Dragon."

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30 3. The Registration was made pursuant to the provisions of the Sabah Trade Marks Ordinance (Cap.142), which is the relevant legislation for the territory concerned. The Ordinance corresponds, so far is material, to the current United Kingdom Trade Marks Act of 1938. The Ng brothers are also the registered proprietors in Sabah since 1973 of the "Double Dragon" trade mark No. 16293 and the "Double Phoenix" trade mark No. 16493. Each of

these also consists of the device of a dragon as a distinctive feature. The Respondents use their mark in Sabah, though the existence of such use is not material to this appeal, and the evidence as to it is accordingly scanty.

p.64 4. In 1978 the Respondents learned of an infringement of their registered mark. The infringement consisted of the use upon tins of cooking oil of the words "Golden Dragon" and a similar golden dragon device to that of the registered mark. There are concurrent findings of fact that the Appellants' device so nearly resembles that of the Respondents as to be likely to cause deception or confusion. Shortly after learning of this use the Respondents made application under the provisions of s.16 of the Trade Descriptions Act 1972 to the High Court in Borneo for an Order declaring that the infringing mark is, for the purposes of that Act, a false trade description. They proved all they needed to prove, namely that their mark was duly registered and that it was infringed. So the Order was made on 31st July 1979.

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5. The Appellants are the manufacturers of the oil bearing the infringing mark. They applied, unsuccessfully to the High Court and then, by way of appeal, to the Federal Court, for the Order to be rescinded. The instant appeal is from the decision of the Federal Court.

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6. Section 16(1) of the Trade Descriptions Act 1972, so far as is material, reads:

"Where any person being a proprietor
.... of a registered trade mark within
the meaning of any written law relating
to trade marks 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

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(b)

the High Court may on the application of such person make an order declaring that the infringing trade ... mark ... is for the purposes of this Act a false trade description ..."

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7. The Appellants have suggested a number of reasons why the Order should not have been made. Firstly they say that the power to make

Orders under s.16 should only be exercised in "plain and obvious cases where there is no challenge to the right, title and registration of the proprietor of the mark." That may be so. This is a plain and obvious case.

10 8. Secondly they suggest the fact that they have obtained and are seeking registration of their mark in other jurisdictions and have promoted their mark in those jurisdictions and in Sabah is somehow relevant. It is plainly not. Trade mark rights are by their nature limited in scope to the territory of registration. It is a common occurrence in international trade that similar marks are in different hands in different territories.

20 9. Thirdly they suggest that the Order has "for all practical purposes predetermined exercise of powers by several Registrars of Trade Marks as the latter would be bound by or give effect to the Order." This contention, so far as it can be understood, is both irrelevant and fallacious. In particular the fact that the Appellants mark infringes in Sabah does not mean it infringes anywhere else and no Registrar outside Sabah would or could be influenced by the Order. So far as Sabah is concerned, the Order does not preclude the Appellants from seeking to have their mark registered, or from seeking to have the Respondents' mark removed. The fact that neither
30 of these courses would be likely to succeed is not because of the Order but because of the Respondents' prior registration and use.

10. Fourthly the Appellants suggest that they can place reliance upon a number of provisions of the Trade Marks Ordinance (Sabah). They have referred variously to Sections 33, 47, 52 and 55. None are in point:

40 (i) Section 33 (correspondent to s.12(2) of the United Kingdom 1938 Act) permits the registration of a second mark which is identical to or nearly resembles an existing mark "in case of honest concurrent use or other special circumstances." The Appellants have not made any application for such registration. Nor on the facts could they successfully do so. The section gives no defence to an infringement action.

50 (ii) Section 47 (corresponding to s.26 of the U.K. Act) permits applications for removal of registered trade marks to be made on the grounds of non-use. No such application has been made, nor, on the facts could successfully be made. And again the section gives no defence to an infringement action. Section 52(4) does provide a defence where the defendant

is himself using a registered trade mark. The Appellants are not using such a mark in Sabah, and so the section has no application here.

(iii) Section 52(4) (corresponding to section 4(4) of the U.K. Act) provides a defence where a defendant is using his own registered mark. Since the Appellants have no such mark in Sabah, the provision is inapplicable.

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(iv) Section 55 (corresponding to s.7 of the U.K. Act) provides a defence where the defendant can show a vested right by way of continuous use prior to the date of the proprietor's registration or use whichever is the earlier. There are concurrent findings of fact that the Appellants have no prior use in Sabah. So this section has no application.

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11. The decisions of the Courts below, it is respectfully submitted, correctly deal with each of the relevant contentions of the Respondents. There was, however, one further matter discussed which is not germane to the key issue in the case, namely whether the Order declaring the Appellants mark a false trade description has effect throughout Malaysia or merely in Sabah. The learned Trial Judge held that it did not have effect outside Sabah whilst the Federal Court expressed the view that the Order had wider effect. It is submitted that it is not necessary to deal with this issue to dispose of the appeal. If, however, contrary view is taken, it is the Respondents' contention that the Order, whilst taking effect throughout Malaysia in the sense that it must be recognised as an Order of the High Court throughout Malaysia, in practice only operates in Sabah because the "written law" under which it was made is only the Sabah Trade Marks Ordinance.

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12. In the result it is submitted that this appeal should be dismissed for the following amongst other

R E A S O N S

BECAUSE the Appellants mark infringes the Respondents registered mark in Sabah.

BECAUSE the Respondents said registered mark is valid and no or no sufficient case has been shown for impugning such validity.

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BECAUSE no seriously arguable defence to a claim of infringement was shown by the Appellants.

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BECAUSE section 16 of the Trade Descriptions Act
1972 applies to cases of clearly infringed
registered trade marks

BECAUSE each of the Decisions below is right.

ROBIN JACOB

PORRES ROYAN

