

# BEHN MEYER EUROPE GMBH & ANOR v LEE CHEN CHAO & ORS

[CaseAnalysis](#)

[2023] MLJU 264

## [Behn Meyer Europe GmbH & Anor v Lee Chen Chao & Ors \[2023\] MLJU 264](#)

Malayan Law Journal Unreported

HIGH COURT (KUALA LUMPUR)

AZLAN SULAIMAN JC

CIVIL SUIT NO WA-22IP-26-06 OF 2022

31 January 2023

*Cyndi Chow (with Chiang Yi) (Josephine, L K Chow & Co) for the plaintiffs.  
Nabila Shamsudin (Chris Lee & Partners) for the defendants.*

### Azlan Sulaiman JC:

#### JUDGMENT Overview


[1] This is an application for summary judgment of a claim for trademark infringement, passing off and unlawful interference in trade. I allowed it because I found that the bare denials, ignorance of the Plaintiffs' intellectual property rights (feigned or otherwise) and the attempt to shift the blame onto third party "suppliers" were not triable issues and did not at all warrant a full trial.

Salient background

[2] In 1840, Theodor August Behn and Valentin Lorenz Meyer, two young entrepreneurs from Hamburg, Germany, established Behn, Meyer & Co. in Singapore. 180 years on, that enterprise has developed into a multinational business they would surely be proud of. Its core businesses include fertilizers and crop protection, petrochemicals, and polymers. This action is about the former.

[3] The 1<sup>st</sup> Plaintiff has two trademarks registered in Malaysia, namely Trademark No: 2018072674 and Trademark No: 2018072685 (collectively "**the Marks**") in the following marks:



At all material times, the 1<sup>st</sup> Plaintiff is the registered proprietor of the  pursuant to Certificate of Registration Trade Mark No. 2018072685 and trademark of



pursuant to Certificate of Registration Trade Mark No. 2018072674 for a period of ten (10) years from 26.4.2018 to 26.4.2028 in Class 1 ("**Behn Meyer Trademarks**"), which can be summarized as follows:

Trade Marks	Class	Certificate of Registration
	1	2018072685

Trade Marks	Class	Certificate of Registration
	1	2018072674

[4] Class 1 for the Trademarks (for the purpose of this action) includes chemicals for use in industry, agriculture, horticulture and forestry; compost, manures, fertilizers; chemicals for the agrochemical industry; and chemicals for use in aquaculture. One of the many products manufactured, sold and marketed under the Marks is a fertilizer called “Nitrophoska”.

[5] By a series of agreements (none of which were disputed or rebutted), the 2<sup>nd</sup> Plaintiff is the sole and exclusive distributor of Nitrophoska fertilizers in Malaysia, and is also authorized to use the Marks for marketing and distribution purposes.

[6] In or around September 2021, the Plaintiffs discovered that the Defendants, through the 4<sup>th</sup> Defendant, had advertised, distributed, sold and offered for sale counterfeit Nitrophoska fertilizers bearing the name of the Plaintiffs’ products and/or the Marks and/or the 2<sup>nd</sup> Plaintiffs’ name and address (collectively, “**the Defendants’ Products**”)

“*蓮花村大小事。*”

on a Facebook group named . Pragmatically, the Plaintiffs conducted their own sleuth operation to verify their suspicions of trademark infringement and passing off. This included:

- (i) sending WhatsApp messages to the 4<sup>th</sup> Defendant, who confirmed that the Defendants’ Products bearing the name of the Plaintiffs’ products were available for sale;
- (ii) placing an order for some of the Defendants’ Products;
- (iii) arranging for the Plaintiffs’ representatives to meet with the 1<sup>st</sup> and 2<sup>nd</sup> Defendants at the place of business of Supreme Construction in Parit Pulai, Serom, Ledang Johor, at which meeting the 1<sup>st</sup> Defendant introduced himself as the seller of those products and the 2<sup>nd</sup> Defendant introduced himself as the owner of Supreme Construction; and
- (iv) Purchasing some of the Defendant’s Products through which the 1<sup>st</sup> Defendant issued an invoice bearing the name of the 3<sup>rd</sup> Defendant, Pulai Biotech Sdn Bhd.

[7] The Plaintiffs then lodged a report with the *Kementerian Perdagangan Dalam Negeri Dan Hal Ehwal Pengguna*, who then conducted a raid at the premises of Supreme Construction, seized the Defendants’ Products on site, and subsequently issued Supreme Construction with a compound for RM35,000.00 which was halved on appeal and paid.

[8] On 28.6.2022, the Plaintiffs filed this action against the Defendants and, after they jointly entered their appearance and filed their defence, the Plaintiffs filed the Plaintiffs’ Application.

[9] The issues arising for consideration are whether the Plaintiffs are entitled to summary judgment for each of their claims, i.e. for trademark infringement, passing off and unlawful interference with trade, and if so, whether they are entitled to the relief sought.

Preliminary findings

[10] I would first find that the Plaintiffs’ Affidavit complies with the requirements of [Order 14 rule 2](#) of the *Rules of Court*. By the decision of the Federal Court in *National Company For Foreign Trade v Kayu Raya Sdn Bhd* [1984] 2 MLJ 300, it was therefore up to the Defendants to show why summary judgment should not be given against them.

[11], In this regard, I would note that the Defendants only filed a defence and an affidavit opposing the Plaintiffs’ Application, but did not file any written submissions pursuant to the Court’s directions. Even then, the allegations in the defence which were more or less repeated in their affidavit, were either bare denials or of ignorance of the Marks or of the Plaintiffs’ intellectual property rights. Further, their allegations of having purchased the Defendants’ Products from third parties (allegedly, Om Sri Vinayagar Enterprise and Phoenix Aluminium Sdn Bhd) were not backed up by any documents.

[12] In *Binary Force Sdn Bhd v Lembaga Pelabuhan Johor* [\[2009\] MLJU 296](#), Vernon Ong JCA (now FCJ) said:

*“Reverting to the averments abovementioned in the statement of defence. The matters pleaded in the statement of defence are not evidence. In the absence of any form of documentary or other evidence in support, these averments are no more than bare statements. It is, in the Court’s view incumbent upon the defendant to produce affidavit evidence in support of these assertions. It must be shown that not only is there an issue but that the issue is triable. The determination of whether an issue is triable or not depends on the facts or the law arising from the facts of each case as disclosed in the affidavit evidence.*

[13] Thus, not only do I have just the Plaintiffs’ Submissions to consider, but the Defendants are taken to have made bare allegations and, by not filing any reply submissions, have further opted not to rebut the Plaintiffs’ Submissions. Even then, it was still for the Court to decide on the facts, circumstances and the evidence whether the Plaintiffs were entitled to summary judgment of their claim.

Summary judgment for trademark infringement

[14] Section 54 of the Trademarks Act, 2019 sets out the various acts which amount to infringement of registered trademarks. In *Low Chi Yong (t/a Reynox Fertichem Industries) v Low Chi Yong & Anor* [\[2018\] 1 MLJ 175](#), Suriyadi FCJ adroitly summarized what a plaintiff must, on the preponderance of evidence, establish for trademark infringement, namely:

- (i) That he owned a valid, registered trademark;
- (ii) That the defendants had used the trademark in the course of trade without its consent; and
- (iii) That the unlawful usage of the plaintiff’s trademark has caused deception and/or confusion among the prospective customers.

[15] The Defendants do not raise any dispute to the Marks or to their validity. So, the first prerequisite is established.

[16] From the Facebook postings, the Whatsapp representations, the invoice and the physical sale of the Defendants’ Products at the premises of Supreme Construction, I would hold that the Plaintiffs have established the other two prerequisites for establishing trademark infringement, more so when the products that the Defendants advertised for sale and actually sold to the Plaintiffs all carried the Marks and/or the 2<sup>nd</sup> Plaintiff’s name and address.

Summary judgment for passing off

[17] The three elements for passing off are:

- (i) Goodwill and reputation in the plaintiff’s business;
- (ii) A misrepresentation by the defendants in the course of trade to either prospective or ultimate customers; and
- (iii) Damage has resulted or is likely to result.

(see: *Meidi (M) Sdn Bhd v Meidi-Ya Co. Ltd, Japan & Anor* [\[2008\] 6 MLJ 433](#) and *Yong Sze Fun & Anor (t/a Perindustrian Makanan & Minuman Layang-layang) v Syarikat Zamani Hj. Tamin Sdn Bhd & Anor* [\[2012\] 1 MLJ 585](#))

[18] In the Plaintiff’s un rebutted averments of their business, I do find that they do have considerable goodwill and reputation. In the Facebook postings, the Whatsapp representations, the invoice and the physical sale of the Defendants’ Products at the premises of Supreme Construction, I would further hold that there is misrepresentation by the defendants in the course of trade to either prospective or ultimate customers. By selling counterfeit products using the Marks, I would hold that there is likelihood of damage by the Defendants’ passing off.

[19] Actual damage need not be proved and the likelihood of damage is sufficient. The likelihood of damage would include the loss of sales to the Plaintiffs by the diversion of customers to the Defendant’s Products, more so when the Defendants are operating in a similar field of business to the Plaintiffs; depreciation and diminution of the Plaintiffs’ goodwill and reputation arising from the counterfeit nature of the Defendants’ Products; and exposure to liability or risk of litigation, to name just a few of many.

**[20]** I would therefore hold that the Plaintiffs have established that the Defendants have committed passing off. Summary judgment for unlawful interference with trade

**[21]** In *Megnaway Enterprise Sdn Bhd v Soon Lian Hock (sole proprietor of the firm Performance Audio & Car Accessories Enterprise)* [\[2009\] 3 MLJ 525](#), Low Hop Bing J (as he then was) held that the elements for unlawful interference with trade were:

- (i) Interference with the plaintiff's trade or business;
- (ii) Unlawful means;
- (iii) Intention to injure the plaintiff; and
- (iv) The plaintiff is injured thereby.

**[22]** For the same reasons which I found that the Defendants had infringed the Plaintiffs' trademark and had passed off the Defendants' Products as the Plaintiffs', I would similarly hold that the Defendants have unlawfully interfered with the Plaintiffs' trade.

**[23]** Similarly, in *Hew Chai Seng (t/a Pertiland Trading Co) v Metronic Integrated System Sdn Bhd & Anor* [\[2017\] 7 MLJ 1](#), Azizah Nawawi J said:

*"The plaintiff's third cause of action against the defendant's is for the tort of unlawful interference with the plaintiff's trade and business. In view of my finding that the defendants have committed trade mark infringement and passing off, then the defendants have unlawfully interfered with the plaintiff's trade and business."*

The relief

**[24]** The Plaintiff is naturally seeking summary judgment for all the relief it prays for in paragraphs 37(a) to (m) of its Statement of Claim.

**[25]** Given that I had found that the Defendants have infringed the 1<sup>st</sup> Defendant's trademark, that the Defendants have committed the tort of passing off and that the Defendants have unlawfully interfered with the Plaintiffs' trade, I would grant summary judgment for the declarations to that effect in paragraphs (a), (b) and (c).

**[26]** In paragraph 37(d), the Plaintiffs seek injunctions to restrain the Defendants *et al* (in simple terms):

- (i) from infringing the 1<sup>st</sup> Plaintiff's trademarks;
- (ii) from using the Marks;
- (iii) from passing off; or
- (iv) from printing or using the Marks on any advertisements, notices, signboards, websites or documents without the Plaintiffs' consent and agreement.

**[27]** Learned Counsel for the Plaintiffs has rightly brought to my attention the decision of the Court of Appeal in *Binariang Communications Sdn Bhd v I&P Inderawasih Jaya Sdn Bhd* [\[2000\] 3 MLJ 321](#), which approved of the decision of Zakaria J (as he then was) in *Fabrique Ebel Societe Anonyme v Syarikat Perniagaan Tukang Jam City Port & Ors* [\[1988\] 1 MLJ 188](#) that there is no restriction in law preventing a plaintiff from obtaining an injunction in summary judgment proceedings.

**[28]** As I fully concur and have no reason to disagree, I therefore allowed the injunctive relief sought.

**[29]** Prayer (e) is for an order for the destruction of any products in the possession, power custody or control of the Defendants bearing the Marks or the brands or the name "Behn Meyer" and the confirmation by affidavit that they do not have any such products, within 30 days of judgment. Prayer (f) is for an order for the discovery / production by the Defendants of all documents relating to receipt of the Defendants' Products from suppliers and sellers, and the onward sale of them to customers, etc. Prayer (g) is for a public apology by the Defendants to be published in local newspapers (Bahasa Malaysia, English and Mandarin) and for the Defendants to bear the costs thereof. I allowed those too.

**[30]** Prayers (h) is for damages or an account of profits (at the Plaintiffs' option), and prayers (i), (j) and (k) are for

additional damages for trademark infringement, general damages for passing off, and general damages for unlawful interference with the Plaintiffs' trade. I also allowed those.

[31]The claim in prayer (I) for interest on all those sums with interest at 5% per annum from the date of the writ until full settlement is also in accordance with [s. 11](#) of the [Civil Law Act, 1956](#), and I so allowed it.

[32]I also made an order for liberty to apply, to cover any unforeseen difficulties or conflicts in the enforcement of the any of the relief granted.

[33]As for costs, I ordered the Defendants to pay the Plaintiffs costs of RM8,000.00, subject to allocatur.

[34]One additional matter needs to be addressed. When the Plaintiff's Application came up for hearing before me, Counsel for the Defendants informed me that she had not filed any written submissions for the Defendants because, sometime in late October 2022, she was informed by them that they wanted to change solicitors. Further, despite following up on that with them, they had not appointed new solicitors to take over the conduct of the matter from her firm, who need only have filed a Notice of Change of Solicitors. So, she asked whether the Court would consider postponing the hearing of the Plaintiffs' Application pending her filing an application to discharge her firm from acting for the Defendants. She also informed me that she had advised them of the consequences of not filing written submissions and not appointing new solicitors.

[35]I was not prepared to postpone the hearing of the Plaintiffs' Application. At the Case Management of the Plaintiffs' Application on 14.10.2022, deadlines for filing of written submissions by 22.11.2022 and reply submissions by 13.12.2022 had been issued, and the failure of the Defendants to appoint new solicitors or file written submissions as directed indicated a general disinterest on the part of the Defendants. Postponing the hearing of the Plaintiffs' Application to enable the Defendants' solicitors to apply to discharge themselves, obtain that order and then serve it on the several Defendants would be unfair to the Plaintiffs who had abided by the Court's directions. Moreover, that discharge application could easily have been filed in November and December, without disrupting the date scheduled for the hearing of the Plaintiffs' Application. As I had also said earlier, the pleadings, the Plaintiffs' Application, the Affidavits and the Plaintiffs' Written Submissions merited the Plaintiffs' Application being allowed. No purpose would be served by delaying that.