



IN THE HIGH COURT OF MALAYA

AT SHAH ALAM

[CIVIL SUIT NO. 22NCVC-148-02/2013]

BETWEEN

ST. JOHN AMBULANS MALAYSIA

... PLAINTIFF

AND

PJ UNIFORM SDN BHD

... DEFENDANT

GROUNDS OF JUDGMENT

Introduction

1. This is an action brought by St. John Ambulans Malaysia against a retailer of uniform clothing for the unauthorized use of the  emblem (“SJAM emblem”).

2. The Plaintiff is non-profit charitable statutory body incorporated under the St. John Ambulans Malaysia (Incorporation) Act 1972 (“SJAM Act”).

3. The Defendant is a private limited company involved in the business of manufacture, sales, supply and retail of uniform clothing under the “Professor” brand name.

4. In this action, the Plaintiff claimed against the Defendant for trade mark infringement pursuant to the Trade Marks Act 1976 and common law passing off.

The Trial Process

5. The trial of this action took three days from 2 to 4 September 2014.

6. The trial documents which included the documentary evidence were marked as bundles A, B1 to B3, C1 to C2, D, E and exhibits P1 to P10.

7. The following witnesses testified for the respective parties:

- (i) Dato Dr Low Bin Tick (PW1), the Commander-in-Chief of the Plaintiff;
- (ii) Dato Yeo Kim Thong (PW2), the Selangor State Commander of the Plaintiff and chief operating officer of St. John Ambulans Malaysia (Kawasan Pantai Selangor);
- (iii) Phuah Kin Keong (PW3), the information technology manager of St. John Ambulans Malaysia (Kawasan Pantai Selangor);
- (iv) Colin Lye Kok Yin (PW4), a director of Camps & Apparels Corporation Sdn Bhd; and
- (v) Yap Kwee Yin (DW1), the founder director of the defendant company.

8. After the close of trial, the parties concurrently submitted their written closing arguments in chief and in reply with case authorities. There was an oral clarification held with counsel on 6 November 2014 and the parties thereafter submitted further written submissions and case authorities as requested.

Background Facts

9. The Plaintiff has since the early 1900s a presence in Malaysia through the St. John Ambulance Association and St. John Ambulance Brigade and provided humanitarian and charitable services. By the SJAM Act, the Plaintiff in 1972 became a statutorily incorporated body with objects as specified in the statute. The objects pursuant to s. 5 of the SJAM Act are to:

- (a) encourage and promote all works of humanity and charity for the relief of persons in sickness, distress, suffering and danger without any distinction of race, class, colour or creed;
- (b) render aid to the sick and wounded in war or in peace and to promote such permanent organisations in time of peace so that such aid may immediately be available in time of emergency and such aid shall include the provision of the technical reserves for the medical services of the Government and armed forces of Malaysia;
- (c) promote, encourage and co-ordinate the work of the Corporation in all aspects in Malaysia; and
- (d) promote, encourage and co-ordinate contacts between themselves and similar organisations under the name of St. John in other countries, the Red Cross Society and other similar voluntary or statutory organisations.



10. In the course of providing humanitarian and charitable services, the Plaintiff relied upon the SJAM emblem for identification as well as promotion of its public profile.

11. The Plaintiff in 2010 filed an application for trade mark registration of the SJAM emblem with the Intellectual Property Corporation of Malaysia in Class 25 for “articles of clothing, footwear, and headgear”.

12. The Intellectual Property Corporation of Malaysia on 9 July 2011 issued to the Plaintiff the Trademark Registration Certificate No. 2010017565 for the SJAM emblem.

13. The Plaintiff in 2010 also appointed its authorized distributor Camps & Apparels Corporation Sdn Bhd to market and retail goods including uniform and clothing that displayed or imprinted the SJAM emblem.

14. The Plaintiff in 2011 issued public warning notices against unauthorized use of the SJAM emblem.

15. The Defendant was extended a copy of the warning notice on 24 October 2011. By letter dated 8 November 2011, the Defendant admitted receipt of the warning notice and acknowledged the contents thereof.

16. The Plaintiff on 11 November 2012 and 29 November 2012 made trap purchases of T-shirts having the SJAM emblem imprinted on them at the Defendant's retail premises in SS 2 Petaling Jaya and Tesco Hypermarket Mutiara, Selangor respectively.

17. The Plaintiff through its solicitors Messrs. Josephine, LK Chow & Co on 7 December 2012 made a complaint to the Enforcement Division of the Ministry of Domestic Trade, Cooperatives and Consumerism (Petaling Jaya branch) against the Defendant.

18. Accordingly and on the same day, the Enforcement Division of the aforesaid Ministry raided the Defendant's retail premises in SS 2 Petaling Jaya and Tesco Hypermarket Mutiara, Selangor. There were 159 T-shirts that allegedly infringed the SJAM emblem seized from the Defendant.

19. In addition the Plaintiff by its solicitors Messrs. Josephine, LK Chow & Co's letter dated 12 December 2012 demanded from the Defendant to execute a letter of undertaking to apologize vide a public advertisement as well as to compensate the Plaintiff.

20. The Defendant replied vide its solicitors Messrs Cheng Poh Heng & Co's letter dated 19 December 2012 refusing to provide the required undertaking.

21. In response, the Plaintiff vide its solicitors Messrs. Josephine, LK Chow & Co's letter dated 19 December 2012 threatened to commence legal proceedings against the Defendant.

22. Thereafter, there were several letter exchanges between the solicitors of the parties but no resolution was achieved. The Defendant adamantly wanted the Plaintiff to authorize the Defendant to retail T-shirts, clothings and uniform with the SJAM emblem.

23. The Plaintiff then commenced this suit on 1 February 2013.

Contentions of the Plaintiff

24. The Plaintiff in this suit basically contended that the Defendant:

(i) infringed the Plaintiff's registered trade mark pursuant to s. 38 of the Trade Marks Act 1976; and/or

(ii) committed passing off of the Plaintiff's SJAM emblem following *Seet Chuan Seng & Anor v. Tee Yih Jia Foods Manufacturing Pte Ltd* [1994]

2 MLJ 770 and *H&R Johnson Tiles & Anor v. H&R Johnson (M) Bhd*
[1998] 4 MLJ 13.

25. Accordingly the Plaintiff sought for a declaration that the Plaintiff is the common law proprietor of the SJAM emblem and consequential injunctive, compensatory and other reliefs as pleaded against the Defendant.

Contentions of the Defendant

26. The Defendant in gist put the Plaintiff to strict proof and contended that the reputation and goodwill of the Plaintiff did not depend on the SJAM emblem but the charitable services and first aid training courses provided by the Plaintiff.

Findings of the Court

Trade mark infringement

27. I will firstly deal with the alleged trade mark infringement and in this regard, it is necessary to reproduce the following provisions of the Trade Marks Act 1976:

“3. Interpretation

(1) In this act, unless the context otherwise requires:-

"in the course of trade", in relation to the provision of services, means in the course of business; ...

"trade mark" means, except in relation to Part XI, a mark used or proposed to be used in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services and a person having the right either as proprietor or as registered user to use the mark whether with or without an indication of the identity of that person, and means, in relation to Part XI, a mark registrable or registered under the said Part XI; ...

(2) In this Act:-

(a) references to the use of a mark shall be construed as references to the use of a printed or other visual representation of the mark;

(b) references to the use of a mark in relation to goods shall be construed as references to the use thereof upon, or in physical or other relation to, goods; and

(c) references to the use of a mark in relation to services shall be construed as references to the use thereof as a statement or as part of a statement about the availability or performance of services.

25. Registration

1) Any person claiming to be the proprietor of a trade mark used or proposed to be used by him may make application to the Registrar for the registration of that mark in of the Register in the prescribed manner.

28. Opposition to registration

(1) Any person may, within the prescribed time from the date of the advertisement of an applicant for the registration of a trade mark, give notice to the Registrar and applicant of opposition to the registration.

35. Rights given by registration

(1) Subject to the provisions of this Act, the registration of a person as registered proprietor of a trade mark (other than a certification trade mark) in respect of any goods or services shall, if valid, give or be deemed to have been given to that person the exclusive right to the use of the trade mark in relation to those goods or services subject to any conditions, amendments, modifications or limitations entered in the Register.

36. Registration prima facie evidence of validity

In all legal proceedings relating to a registered trade mark (including applications under section (45) the fact that a person is registered as proprietor of the trade mark shall be prima facie evidence of the validity of

the original registration of the trade mark and of all subsequent assignments and transmissions thereof.

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 use as a trade mark;

(b) in a case in which the use is use 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 use 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.

40. Acts not constituting infringement

(1) Notwithstanding anything contained in this Act, the following acts do not constitute an infringement of a trade mark -

(a) the use in good faith by a person of his own name or the name of his place of business or the name of the place of business of any of his predecessors in business;

(b) the use in good faith by a person of a description of the character or quality of his goods or services, and in the case of goods not being a description that would be likely to be taken as importing any reference as is mentioned in paragraph 38(1)(b) or paragraph 56(3)(b) ;

(c) the use by a person of a trade mark in relation to goods or services in respect of which he has by himself or his predecessors in business, continuously used the trade mark from a date before:-

(i) the use of the registered trade mark by the registered proprietor, by his predecessors in business or by a registered user of the trade mark; or

(ii) the registration of the trade mark,

whichever is the earlier;

(d) in relation to goods connected in the course of trade with the registered proprietor or a registered user of the trade mark if, as to those goods or a bulk of which they form part, the registered proprietor or the registered user in conforming to the permitted use has applied the trade mark and has not subsequently removed or obliterated it or has at any time expressly or impliedly consented to the use of the trade mark;

(dd) the use by a person of a trade mark in relation to goods or services to which the registered proprietor or registered user has at any time expressly or impliedly consented to;

(e) the use of the trade mark by a person in relation to goods or services adapted to form part of, or to be accessory to, other goods or services in relation to which the trade mark has been used without infringement of the right given or might for the time being be so used, if the use of the trade mark is reasonably necessary in order to indicate that the goods or services are so adapted and neither the purpose nor the effect of the use of trade mark is to indicate otherwise than in accordance with the facts a connection in the course of trade between any person and the goods or services; and

(f) the use of a trade mark, which is one of two or more registered trade marks which are substantially identical, in exercise of the right to the use of that trade mark given by registration as provided by this Act.

82. *Unregistered trade marks*

(2) Notwithstanding subsection (1), nothing in this Act shall be deemed to affect the right of action against any person for passing off goods or services as those of another person or the remedies in respect thereof.”

28. In *Fabrique Ebel Societe Anoyhme v. Syarikat Perniagaan Tukang Jam City Port & Ors* [1988] 1 MLJ 188, Zakaria Yatim J (as he then was) said at p 191:

“In order to establish infringement of a trade mark under section 38(1)(a), the plaintiff has to satisfy the following five requirements:

- (1) The defendants used the mark identical with the plaintiff's mark.*
- (2) The offending mark was used by persons who have not been authorised or licensed by the plaintiff.*
- (3) The defendants were using the offending mark in the course of trade.*
- (4) The defendants used the offending mark in relation to goods in respect of which the trade mark is registered.*
- (5) The defendants used the offending mark in such a manner as to render the use of the mark likely to be taken as being used as a trade mark.”*

These requirements were also applied in *Abercrombie & Fitch Co & Anor v. Fashion Factory Outlet KL Sdn Bhd & Ors* [2008] 4 MLJ 127.

29. At the outset, I find that the SJAM emblem is at all material times a valid and subsisting trade mark properly registered by the Registrar of Trade Marks and therefore enjoyed the privileges and protection under s. 35 of the Trade Marks Act. That aside, there was never any challenge mounted by the Defendant pursuant to s. 28 of Trade Marks Act.

30. It is a common fact that the SJAM emblem used by the Defendant is imprinted on its retailed T-shirt clothings. A sample T-shirt was made available in court from the trap purchase of the Plaintiff. This SJAM emblem is not identical to the registered SJAM emblem. Nonetheless, the SJAM emblem used by the Defendant in my view exhibited very close resemblance. It is not obvious unless a meticulous comparison is undertaken. There are three minute differences, to wit:

(i) There is a dot after the acronym “St” in the emblem used by the Defendant whereas the dot is situated beneath the alphabet “t” of “St” in the registered SJAM emblem;

(ii) There are two dots, one before and one after the word “Malaysia” in the emblem used by the Defendant but none in the registered SJAM emblem;

(iii) The registered SJAM emblem distinctly displayed two lions and two unicorns passant gardants (Royal beasts) flanking the eight pointed St. John cross. The lions and unicorns in the emblem used by the Defendant are less distinctive. In the words of PW2, the faces of the unicorns in the Defendant’s emblem looked like dogs!

31. There are five key elements to sustain actionable infringement. It is firstly necessary to establish that the Defendant used an identical mark as elucidated in the aforementioned cases of the high court. However, it is stated in the textbook *Trade Mark Law and Practice in Malaysia* by Teo Boon Kwang at p 242 that the mark used by the defendant must be identical or nearly resembling the registered trade mark as is likely to deceive or cause confusion. Also in the textbook *Australia Law of Trade Marks and Passing Off 2nd ed.* by Shanahan DR, it is stated that the mark used must be substantially identical with or deceptively similar to the registered mark. In the premises, it is my view that the offending mark need not be identical to the registered mark. It suffices if the mark is substantially identical that will likely deceive or confuse.

32. It is a question of fact whether a mark is substantially identical that will likely deceive or confuse; see *Aristoc Ltd v. Rysta Ltd* [1943] 60 R.P.C. 87 CA. It is not an objective evaluation solely by the court itself but it is my opinion that the court is entitled to take into account its own views on the evidence adduced by the parties.

33. The Defendant here relied on the case of *Consitex SA v. TCL Marketing Sdn Bhd* [2008] 3 MLJ 54 where Ramli Ali J (now FCJ) held at p 593-594 [58] that: “*The burden of proof is on the plaintiff to prove that there exists the element of deception or confusion. No such evidence has*

been produced to date to prove this and the court satisfied there is no real tangible danger of confusion.”

34. The Plaintiff in clarification cited the case of *Leo Pharmaceutical Products AS (Lovens kemiske Fabrik Produktionsaktieselskab) v. Kotra Pharma (M) Sdn Bhd* [2009] 5 MLJ 703 where Low Hop Bing J (as he then was) said at p 731 [G]: “[The] plaintiff in a trademark infringement case is only required to show a likelihood of confusion as actual confusion. A likelihood is sufficient to attract liability.”

35. The Plaintiff here relied upon the testimony of PW2 which I accept that customers who had bought the T-shirts from the Defendant sought to return them to the Plaintiff in request for an exchange from the Plaintiff. I am however mindful and discarded the hearsay portion of his testimony that the customers complained to him that they had wasted time running around thinking that the defendant was the authorized seller of the Plaintiff’s products. To my mind, the fact that the customers sought to return the T-shirts to the Plaintiff is suggestive that they were deceived by the emblem mark on the T-shirts sold by the Defendant. In fact, the Defendant in the testimony of DW1 admitted that the emblem mark imprinted on its T-shirts was confusing and deceptively similar. The relevant excerpt of the cross examination of DW1 by the Plaintiff’s counsel is reproduced as follows:

“[Counterfeit and original T-shirts shown to DW1]



Q. Do they both carry a SJAM logo with the name St. John Ambulance?

A. Yes.

Q. Do they both have the logo appearing on the pocket of the left of the front? (Front of t-shirts shown to DW. T-shirts are turned over) Do they appear on the same centre part of the T-shirts?

A. Yes.

Q. Do they both carry the 8 pointed SJAM cross?

A. Yes.

Q. They carry depictions of the British Royal beasts?

A. Yes.

Q. Both have a logo circular in nature, one smaller circle and one outer bigger circle?

A. Yes.

Q. Both black inked?

A. Yes.

Q. Based on your answers, I put it to you these T-shirts are confusing and deceptively similar, since you have agreed to everything I say?

A. Yes."

36. In the circumstances as well as my own findings in paragraph [29] above, I hold that the SJAM emblem used by the Defendant nearly resembled the registered SJAM emblem and had caused deception and confusion. I have also noted that the plaintiff in *Neutrogena v. Golden* [1996] R.P.C. 473 established infringement notwithstanding that the number of persons shown to be confused was really quite small. The critical point is that the finding of substantial resemblance could be made although it was not possible to derive any quantitative or qualitative measure of the confusion.

37. Secondly the element that the Defendant used the SJAM emblem without the authorization or license of the Plaintiff is plainly proved from the testimonies of PW2 and DW1 as well as the documentary evidence particularly the correspondences in 2011 and 2012 between the parties.

38. As to the third element that the Defendant used the offending SJAM emblem in the course of trade, this is also plainly proved from the trap purchases of the Plaintiff in November 2012 and raid by Enforcement Division of the Ministry of Domestic Trade, Cooperatives and Consumerism on 7 December 2012.

39. Fourthly in respect of the element that the Defendant used the offending SJAM emblem in relation to goods in respect of the trade mark is registered, this is also plainly satisfied. The Defendant used the offending

SJAM emblem on T-shirts and this is prohibited by reason that the SJAM emblem has been registered as a trade mark in class 25 that encompassed clothing.

40. The fifth and final element requires that the Defendant used the offending SJAM emblem in such a manner as to render the use of the mark likely to be taken as being used as a trade mark. In *Trade Mark Law and Practice in Malaysia* by Teo Boon Kwang at p 242, this element is also satisfied if the usage imported a reference to the registered proprietor or the registered user or to their goods or services. This element is also plainly established simply by reason that the SJAM emblem on T-shirts sold by the Defendant were meant for consumers to wear them for SJAM activities.

41. Thus the Plaintiff has *prima facie* established a case of infringement against the Defendant under s. 38(1)(a) and/or (b) of the Trade Marks Act 1976.

42. The Defendant did not rely on statutory defenses afforded in s. 40 of the Trade Marks Act 1976.

43. Firstly the Defendant challenged the Plaintiff's *locus standi* to commence this suit by reason that the Plaintiff acted illegally and *ultra vires* in breach of the objects of the SJAM Act. This is because the Plaintiff

according to the Defendant has to show that the Plaintiff is trading to maintain this action. Secondly and more importantly, the main plank of the Defendant's defense is that the Plaintiff is not entitled to enforce the registered trade mark because the Plaintiff has been statutorily incorporated as a charitable and humanitarian organization. The Plaintiff is not profit making and hence isn't an entity connected in the course of trade. The Defendant relied on s. 3 of the Trade Marks Act that the mark must be used in the course of trade to connect the goods or services with that mark. The cases of *Lim Yew Seng v. Hummel International Sports & Leisure A/S* [1996] 3 MLJ 7 and *Jost Cranes GmbH & Co v. Josh Cranes Sdn Bhd* [2010] 4 MLJ 191 were referred to in support to show that trading involved that of a commercial nature.

44. I find and hold that the Defendant's contentions to be misconceived and unmeritorious. As to the *locus standi* point, it is not a pleaded issue and must be discarded in *limine*. Nevertheless, the Defendant questioned the regularity of the internal management of the Plaintiff including registration with the Companies Commission of Malaysia, Inland Revenue Department, etc. It is my view that the Defendant as an outsider is itself without *locus standi* and disentitled to challenge any irregularity in the management and affairs of the Plaintiff. That aside, the Defendant has also not adduced cogent and compelling evidence that the Plaintiff was mismanaged as alleged. Furthermore, no legal authority was cited that the Plaintiff being a statutorily incorporated charitable non-profit making organization is obliged to so register with the authorities as contended by

the Defendant. In any event, this *locus standi* point is closely connected with the course of trade point which I will deal in turn.

45. On in the course of trade point, it is firstly my view that the Defendant ought more appropriately to have made the challenge to the Registrar of Trade Marks under s. 28 of the Trade Marks Act since it affected the business of the Defendant. But that course was never pursued.

Secondly, the Defendant has chosen to narrowly construe the definition of “in the course of trade” and “trade mark” defined in the Trade Marks Act as necessarily requiring the registered proprietor to be undertaking a commercial business. This requirement is however not so expressed in the statute. In fact s. 3 of the Trade Marks Act defined “in the course of trade” to be “in relation to services to be only in the course of business”. Business is defined in the *Concise Oxford English Dictionary* 11th revised ed. as “a **person’s regular occupation or trade**” or “a **person’s concern**” or “commercial activity”. They are disjunctive. In Wikipedia - The Free Encyclopedia, business is defined as follows: “A **business**, also known as an enterprise or a firm, is an organization involved in the trade of goods, services, or both to consumers. Businesses are prevalent in capitalist economies, where most of them are privately owned and provide goods and services to customers in exchange for other goods, services, or money. **Businesses may also be not-for-profit or state-owned**. A business owned by multiple individuals may be referred to as a company.” (emphasis added). That notwithstanding I am also fortified by s. 3 of the Trade Marks Act which affords room for a more



flexible and purposive construction from the phrase “unless the context otherwise requires” in its opening paragraph.

I am hence of the view that the meaning of course of trade should be liberally interpreted to encompass the provision of any form of services rendered including that by non commercial business or undertakings. Otherwise it is inexplicable as to why and how other emblems, logos or marks of charitable and/or nonprofit making organizations such as the World Wildlife Fund and even the Bar Council Malaysia have been registered as trade marks. The Plaintiff also cited an extract from the Public Counsel Law Center that: *“trademarks provide trade recognition in the marketplace and convey to consumers goodwill, both of which provide to the owner (whether a profit or nonprofit business) a competitive advantage. A nonprofit can use a trademark to distinguish its services and goods from those of other entities, and to allow consumers to have an understanding of and be able to rely on the quality of the particular services or goods with which particular trademarks are used.”* The underlying rationale is simply because the public associates these organizations with their mark. The reputation and competitive edge of these organizations need protection and they are accordingly safeguarded from unauthorized users if they are registered as trade marks.

Be that as it may and thirdly, I am of the opinion that it is in any event clear by ss. 4, 12 and 13 of the SJAM Act; the Plaintiff may with the approval of its Council enter into contracts and raise funds/income through the sale of products. These products would of course incorporate the registered SJAM emblem. In other words, the Plaintiff is also authorized to engage in commercial trade that is incidental to its primary statutory objects. From the

testimony of PW1 and PW2 who are both members of the Council of the Plaintiff, the marketing and retailing of goods including uniform clothing that displayed the SJAM emblem have been outsourced to its authorized retailer, Camps & Apparels Corporation Sdn Bhd. The Plaintiff received financial returns in consideration thereof from Camps & Apparels Corporation Sdn Bhd. In this regard, Camp & Apparels Corporation Sdn Bhd can be said to be the agent of the Plaintiff in the trading of products that incorporated the registered SJAM emblem. Consequently I find that the Plaintiff has also in the circumstances lawfully and actively engaged in some trade that is incidental to its main charitable and humanitarian objects. Put simply, the Plaintiff has in this sense hence participated in the course of trade even if the Trade Marks Act required commercial business to have been undertaken to come within the ambit of the statute.

46. Accordingly I find and hold that the Defendant had infringed the registered trade mark of the Plaintiff pursuant to s. 38(1)(a) and/or (b) of the Trade Marks Act 1976.

Passing off

47. The Plaintiff also contended that the Defendant committed the tort of passing off. Although the redress of passing off has been more often sought when a mark is not registered as a trade mark following s. 82 of the Trade Marks Act, it is permissible for a plaintiff to combine the action for

infringement of a registered trade mark with the tort of passing off; see *Seet Chuan Seng v. Tee Yih Jia Foods Manufacturing Pte Ltd (supra)*.

48. The elements of passing off are found in the following speech of Lord Diplock in the House of Lords case of *Erven Warmink BV v. J Townsend & Sons (Hull) Ltd (the Advocat case)* [1979] AC 731: “My Lord, *Spalding V. Gamage* and the later cases make it possible to identify five characteristics which must be present in order to create a valid cause of action of passing off:

- (1) *A misrepresentation;*
- (2) *made by a trader;*
- (3) *to prospective customers;*
- (4) *which is calculated to injure the business or goodwill of another trader (in the sense that it is reasonably foreseeable);and*
- (5) *which causes actual damage to a business or goodwill of the trade by whom the action is brought or (in a qua timet action) will probably do so.”*

This speech was adopted in *Seet Chuan Seng & Anor v. Tee Yih Jia Foods Manufacturing (supra)*.

The House of Lords subsequently in *Reckitt & Colman (products) Ltd v. Borden Inc* [1990] R.P.C. 341 reduced the elements of passing off to three, to wit:

- (1) The plaintiff must establish a goodwill or reputation to the goods or services which he supplies in the mind of the purchasing public;

(2) The plaintiff must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by him are the goods and services of the plaintiff; and

(3) The plaintiff must demonstrate that he suffered or in a *qua timet* action that he is likely to suffer damage.

This case was followed in *H&R Johnson Tiles Ltd & Anor v. H&R Johnson (M) Bhd (supra)*.

49. The defences advanced by the Defendant are also threefold:

Firstly, the Plaintiff could not claim to have acquired goodwill in a trade or business;

secondly, there was no misrepresentation, confusion or deception; and

the Plaintiff thirdly could not have suffered any loss or damage.

50. As to goodwill, the Defendant referred to the classical English case of *Inland Revenue Commissioners v. Muller & Co's Margarine Ltd* [1901] AC 217 that goodwill must emanate from a particular centre or source that has the power of attraction to bring customers home to the source from which it emanates. In addition, the Defendant relied on the court of appeal case of *Yong Sze Fun & Anor v. Syarikat Zamani Hj Tamin Sdn Bhd & Anor* [2012] 1 MLJ 585 where Abdul Malik Ishak JCA followed the above case and held at p 639 [115] and p 642 [125] as follows:

“Four discerning features of goodwill may be listed:

- *(a) that goodwill is the benefit added to the business through extensive trading operations which attracts custom;*
- *(b) that trademark or get up is the badge and indicia that signifies, indicates and identifies the goodwill and the business;*
- *(c) that goodwill is created through and by means of trading activities; and*
- *(d) that the more extensive the trading activities are, which must necessarily include sales and promotion, the more value that would be attached to the goodwill...*

In a nutshell, passing off protects the goodwill and reputation attached to the business of any claimant. And this goodwill - a precious commodity, is generated from trading activities which ultimately lead to consumer recognition. And because goodwill must be attached to a business, the claimant must therefore be conducting business in order to claim goodwill and reputation...It makes sense that a claim can only be advanced in relation to an identifiable business. It is crystal clear therefore that it is injury to the goodwill in a business which is actionable in a claim for passing off.” (emphasis added)

In short, the Defendant is again harping on the inability of the Plaintiff to be having goodwill by reason that the Plaintiff is not at all material times engaged in commercial business.

51. I observed in *Seet Chuan Seng & Anor v. Tee Yih Jia Foods Manufacturing (supra)* that the plaintiff is required to establish goodwill or reputation. This is disjunctive. And in *Service Master (M) Sdn Bhd v. MHL*

Servicemaster Sdn Bhd & Anor [1998] 1 CLJ 459 RK Nathan J held at p 467 that: “Although the words goodwill and reputation are often used interchangeably there is in law a difference. Goodwill requires business activity. Reputation is, being renowned without necessarily having a business reputation.”

52. The reputation of the Plaintiff as the provider of charitable and humanitarian services to the public is renowned and even conceded by the Defendant. It is a given that the SJAM emblem and its usage are integral to the Plaintiff’s reputation. In my opinion the unchallenged reputation of the Plaintiff *ipso facto* adequately meets the first element of the tort. Nevertheless even if goodwill in the course of business is necessary, it is my view that this must be liberally construed to include non commercial business or undertakings. It is seen from the case of *British Diabetic Association v. Diabetic Society Ltd and Ors* [1995] 4 All ER 812 that the notion of trade in passing off action is given a wide context and that included activity of charitable organizations. There is no case authority provided by the Defendant to show otherwise.

53. On the facts of this case as found in paragraphs [35] to [37] and [39] hereinabove, I find that the first two of the three elements of the tort have been made out by the Plaintiff against the Defendant. This is particularly because the SJAM emblem must necessarily be displayed on uniform/clothing worn by members in the course of the Plaintiff’s provision of charitable and humanitarian business or undertaking in order for the

public to identify and associate with the Plaintiff. Also for misrepresentation, I noted from the *H&R Johnson Tiles Ltd* case that it is unnecessary for the Plaintiff to show actual confusion. A likelihood of confusion would be sufficient and I find it proved on the facts of the case herein.

54. As to the third element on damage, it was held in *Yong Sze Fun & Anor v. Syarikat Zamani Hj Tamin Sdn Bhd & Anor (supra)* that actual damage need not be proven. It is sufficient to show a probability of damage. On the facts, I find that the Defendant, despite the Plaintiff's warning not to market and retail clothing bearing the SJAM emblem, has flagrantly continued to do so in business competition with the Plaintiff's authorized retailer. In the result, it is axiomatic that the Plaintiff suffered loss of earnings through the loss of sales of its authorized retailer. Moreover from the evidence adduced, the Defendant's T-shirts are of inferior quality and yet sold at a higher price which can be detrimental to the reputation of the Plaintiff that there is no control over the uniformity and quality of products carrying their name.

55. In the premises, I find and hold that the Defendant is also liable to the Plaintiff for passing off the SJAM emblem.

Conclusion

56. In summary, I find that the justice of the case is not with the Defendant. The Defendant seems insistent to want to continue trading using the SJAM emblem though clearly unauthorized by the Plaintiff to do so. The defences of the Defendant here are to my mind overly legalistic in the futile attempt to defeat the Plaintiff's claim.

57. Accordingly, I enter judgment for the Plaintiff as follows;

(1) I declare that the Plaintiff is the common law proprietor of the SJAM emblem as per Schedule A of the statement of claim;

(2) I order a perpetual injunction prohibiting and restraining the Defendant, whether acting by itself, the directors, officers, servants, agents, franchisees or anyone of them from:

(a) infringing the Plaintiff's registered SJAM emblem trade mark through its use in the course of trade of marks that are identical to or so nearly resembling the registered SJAM trade mark;

(b) using in any manner whatsoever the Plaintiff's registered SJAM emblem trade mark or resembling it on or relating to articles of clothing, shoes and headgear;

(c) passing off or attempting to pass off any goods that do not belong to the Plaintiff as goods belonging to the Plaintiff through the use (in any style, manner or form) in the course of business or in connection with the Plaintiff's registered SJAM emblem trade mark or resembling it by deceiving or nearly resembling it to mislead the trade world and the public

and/or inducing the belief that the Defendant's business is a business that is authorized by the Plaintiff or in any way connected with the Plaintiff;

(d) printing or using in any manner whatsoever the Plaintiff's registered SJAM emblem trade mark or resembling it by deceiving or nearly resembling it to mislead in any advertisement, notice, signboard, website or document without the permission and consent of the Plaintiff;

(3) I order the destruction of all or any products in the possession, power, custody and care of the Defendant bearing or resembling the Plaintiff's registered SJAM emblem trade mark and verification on oath that the Defendant is not in possession, power, custody or control of any such products;

(4) I order that an account of profits made by the Defendant for the wrongdoing or an inquiry into damages by the registrar with interest thereon at 5% per annum from 1 February 2013 till full realization; and

(5) I order the Defendant to pay the costs and expenses for the preparation and publication of notices in the local Malay, Chinese and English press to notify the trade and public that goods bearing the SJAM emblem sold or offered for sale by the Defendant are not authorized by the Plaintiff and to express regret of the Defendant's activities within 21 days from the date of this order.



(6) I order that costs be paid by the Defendant to the Plaintiff.

Dated: 4 DECEMBER 2014

(LIM CHONG FONG)
JUDICIAL COMMISSIONER
HIGH COURT SHAH ALAM

Counsel:

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with her); Josephine, L K Chow & Co*

For the defendant - Cheng Poh Heng; Cheng Poh Heng & Co