

**IN THE HIGH COURT OF MALAYA AT KUALA LUMPUR
(COMMERCIAL DIVISION)**

IN THE FEDERAL TERRITORY OF KUALA LUMPUR

CIVIL SUIT NO. WA-22IP-21-02/2018

BETWEEN

JYOTHY LABORATORIES LIMITED

PLAINTIFF

AND

1. PUANESWARAN A/L RENGANATHAN

2. BUMITULIN HERBAL WORLD (M) SDN BHD

3. THANGA RAJOO A/L MALAYAPPAN

DEFENDANTS

HEARD TOGETHER WITH

**IN THE HIGH COURT OF MALAYA AT KUALA LUMPUR
(COMMERCIAL DIVISION)**

IN THE FEDERAL TERRITORY OF KUALA LUMPUR

CIVIL SUIT NO. WA-24IP-5-03/2018

BETWEEN

JYOTHY LABORATORIES LIMITED

PLAINTIFF

AND

BUMITULIN HERBAL WORLD (M) SDN BHD

DEFENDANT

GROUND OF JUDGMENT

Introduction

1. This is an intellectual property dispute having multiple causes of action on breach of contract, breach of copyright, passing off, unlawful interference with trade and removal of trademark.
2. These actions have been initiated via a writ action no WA-22IP-21-02/2018 ("Suit") and an originating summons no. WA-24IP-5-03/2018 that was subsequently ordered to be converted to a writ action too ("Converted OS").

3. The Plaintiff (“Jyothy”) in both the Suit and Converted OS is a limited company incorporated in India which is involved in the business of manufacturing, marketing and distribution of washing liquids, toothpastes, household insecticides, soaps, face wash and air care products.
4. The First Defendant (“Puaneswaran”) in the Suit is a Malaysian individual who also trades as a sole proprietorship in the name of TSR Herbal World which is principally involved in the business of trading in perfumeries, cosmetics, soap and toiletries products.
5. The Second Defendant (“Bumitulin”) in the Suit as well as the sole Defendant in the Converted OS is a private limited company incorporated in Malaysia involved in the business of trading in herbal and healthcare products in Malaysia.
6. The Third Defendant (“Rajoo”) in the Suit is a Malaysian individual, former director of Bumitulin and a shareholder of another company Perusahaan Bumi Tulin Sdn Bhd (“PBSB”). Rajoo’s son Anantha Krishna a/l Thanga Rajoo is a 50% shareholder and co-director of Bumitulin as well as a director of PBSB.
7. In the Suit, Jyothy is in paragraph 52 of its amended statement of claim claiming for the following reliefs:

- (A) An order for a permanent injunction to stop and prohibit the Defendants whether acting by themselves, directors, officers, servants, contractors, agents, successors in title and/or associated or affiliated companies or any of them howsoever from doing or attempting to do, whether directly or indirectly, the following acts:-
- (i) Passing off and/or attempting to pass off their good and business as and for the Plaintiff's good and business;
 - (ii) Infringing and/or attempting to infringe the Plaintiff's intellectual property rights in relation to the "Neem Active" trademark;
 - (iii) Doing anything that is harmful or prejudicial to the Plaintiff's intellectual property rights as well as the distinctiveness of the "Neem Active" mark;
 - (iv) Using, exhibiting, making public, stating or displaying in any form or way any trademark, sign indication or description or anything that is similar to the Plaintiff's "Neem" and "Active" maintain ("Plaintiff's "Neem Active" trademark") and similar artistic work of the Neem Active Toothpaste which comprises of the words

“Neem” and “Active” with the device of leave at the left corner of the packaging, and additional leaves attached to a tooth on the right corner of the packaging with the word “Neem Protects”, “Calcium Strengthens” and “Mint Freshens” in green as well as the words “Complete care” in red (“Artistic Work of the Neem Active Toothpaste”);

- (v) Applying to register a trademark or the registration of any mark that is closely resembling the Plaintiff’s “Neem Active” trademark/Get-Up which comprises of the Artistic Work of the Neem Active Toothpaste;
- (vi) Manufacturing, producing, importing, exporting, marketing, promoting, keeping, supplying, distributing, selling, dealing with or using for any trade or business purposes, or to sell or offer or make available to sell or keep or trade with any goods or carry out any business or dealings that use any indication, description, sign or trademark and representation or anything that is identical, similar or closely resembles the “Neem Active” trademark or that is infringing the Plaintiff’s intellectual property rights;
- (vii) Using on or in relation to any goods, business or any dealings or materials used on or in or in relation to any

advertising and promotional materials including but not limited to signboards, advertisements, promotions, brochures, pamphlets, magazines, newspapers, packaging or any documents or any materials in any type or nature any signs, indications, representations or description or trademark that resembles the Plaintiff's "Neem Active" trademark as described in paragraph 52A(iv) above;

(viii) Representing, stating or describing in any form or way that the Defendants have any right or authorization to use the "Dr Neem" trademark;

(ix) Allowing, assisting, aiding, undertaking or causing any other persons or party to commit acts mentioned in paragraphs 52(i) to 52A(viii) hereinabove or anything that goes against the injunction and this paragraph;

(B) A permanent injunction to restraint the Defendants whether acting by themselves, their directors, officers, servants, contractors, agents, successors in title and/or associated or affiliated companies or any of them howsoever from doing any of the following:-

- (i) Infringing and/or assisting, facilitating, authorizing, causing or enabling others to infringe the Plaintiff's copyright in the "Neem Active" mark and Artistic Work of the Neem Active Toothpaste;
- (ii) In any way, reproduce the Artistic Work of the Neem Active Toothpaste or any substantial part of the Artistic Work of the Neem Active Toothpaste in any material form;
- (iii) Manufacturing, producing, importing, exporting, marketing, promoting, keeping, supplying, distributing, selling, dealing with or using for any trade or business purposes, or to sell or offer or make available to sell or keep or trade with any goods or carry out any business or dealings that contains unauthorised reproduction of the Artistic Work of the Neem Active Toothpaste to the public;
- (iv) Converting the Plaintiff's copyright in the Artistic Work of the Neem Active Toothpaste by committing any acts which infringes such copyright or in any way howsoever;

(C) A declaration that:-


- (i) The Defendants have committed the tort of passing off against the Plaintiff by carrying out a business and dealing with its goods, in particular its toothpaste, as and for the Plaintiff's business and/or goods;
 - (ii) That the Plaintiff is the copyright owner of the "Neem Active" trademark and Artistic Work of the Neem Active Toothpaste;
 - (iii) Plaintiff is the common law owner of the trade marks comprising of, containing and referring to "Neem" ("Plaintiff's "Neem" Trade Mark)" and "Neem Active" ("Plaintiff's "Neem Active" Trade Mark") (collectively referred to as the "Plaintiff's Trade Marks") when they are used on or in relation to toothpastes;
 - (iv) The Plaintiff's "Neem Active" mark is a well known mark; and
 - (v) The Plaintiff's copyright in the 'Neem Active" mark and Artistic Work of the Neem Active Toothpaste has been infringed by the Defendants;
- (D) An Order against the Defendants that the Defendants have to, within 14 days from the date of the Order or Judgment or

in any time frame that is given or agreed upon by the Plaintiff to do the following:-

- (i) Within the said time frame above, deliver to the Plaintiff any and every goods, dealings, information, documents, communications, records, transport documents, bills of lading, insurance policies, custom forms, purchase orders, goods, invoices, receipts, advertising materials, promotional materials, packaging and other materials that are connected and related to the Plaintiff's "Neem Active" trademark in the manner as described in paragraph 52A(iv) above; and
 - (ii) Disclose to the Plaintiff in writing via an Affidavit which has to be affirmed and filed by the Defendants in this Honourable Court and served on the Plaintiff's solicitors disclosing and stating each and every details and dealings of the Defendants in relation to the Defendant's goods and business that uses the "Dr. Neem" trademark;
- (E) An Order against the Defendants that the Defendants must within 7 days after paragraph 52(D) above is complied with or on the date fixed or agreed by the Plaintiff, make and file in this Honourable Court and serve on the Plaintiff's solicitors an Affidavit verifying and identifying the Defendant's

materials, business and goods that uses the “Dr. Neem” trademark or any trademark similar with or almost similar with the Plaintiff’s “Neem” and/or “Neem Active” trade mark no longer exist, is not available, not found, not sold, not supplied, not distributed, not offered for sale and not exposes to the public and for sale in the market;

(F) An Order for the publication of a public apology notice by the Defendants for their wrongful infringement of copyright in the “Neem Active” trademark and Artistic Work of the Neem Active Toothpaste and for passing off, in 2 daily national newspapers in Malaysia that are chosen by the Plaintiff with the cost to be borne by the Defendants themselves and the said notice shall follow the text, format and design fixed and approved by the Plaintiff, and the said publication shall be published within 30 days from the Order or Judgment of this case;

(G) An Order that the  (“Dr. Neem”) trademark, bearing Trade Mark Registration No. 2014001321 has been entered into the Register of Trade Marks without sufficient cause and/or wrongfully remaining in the said Register;


(H) An Order for Trade Mark Registration No. 2014001321 to be cancelled, expunged and/or removed from the Register of Trade Marks;

- (I) An Order that the Registrar of Trade Marks of the Intellectual Property Corporation of Malaysia (“MyIPO”) shall, after service of a copy of this Order on him, pursuant to Regulation 75 of the Trade Marks Regulations 1997, rectify the Register of Trade marks by cancelling, expunging and/or removing Trade Mark Registration no. 2014001321, as the case may be, and cause this fact to be published in the Official Journal or gazetted in the Government Gazette within 14 days of the said service;
- (J) An inquiry as to damages or at the Plaintiff’s option for all causes of action after the Defendants’ compliance with paragraphs 52(D) (i) and (ii) above, account of profits and an order for payment of all sums found due upon the making of such inquiry or taking of such account;
- (K) General damages to be assessed arising from breach of contract and unlawful interference with trade;
- (L) Exemplary and/or aggravated damages;
- (M) Costs including but not limited to the Plaintiff’s solicitors’ fees and other expenses incidental to this action;
- (N) Interests; and

(O) Such further and other relief as this Honourable Court deems appropriate.

8. In the Converted OS, Jyothy in paragraph 25 of its statement of claim claimed for the following reliefs:

(A) A Declaration that the Plaintiff is the common law owner of the trade marks consisting of, containing and referring to “Neem” and “Neem Active” when they are used on or in relation to toothpastes;

(B) An Order that the “” (“Dr. Neem”) trade mark, bearing Trade Mark Registration No. 2014001321, has been entered into the Register of Trade Marks without sufficient cause and/or wrongfully remaining in the said Register;

(C) An Order for Trade Mark Registration No. 201400321 to be cancelled, expunged and/or removed from the Register of Trade Marks;

(D) An Order that the Registrar of Trade Marks of the Intellectual Property Corporation of Malaysia (“MyIPO”) shall, after service of a copy of this Order on him, pursuant to Regulation 75 of the Trade Marks Regulations 1997, rectify

the Register of Trade marks by cancelling, expunging and/or removing Trade Mark Registration no. 2014001321, as the case may be, and cause this fact to be published in the Official Journal or gazetted in the Government Gazette within 14 days of the said service;

- (E) Exemplary and/or aggravated damages;
- (F) Costs including but not limited to the Plaintiff's solicitors' fees and other expenses incidental to this action;
- (G) Interests, and;
- (H) Such further and other relief as this Honourable Court deems appropriate.

9. Rajoo in turn in the Suit counterclaimed in paragraph 91 of the statement of defence and counterclaim for the following reliefs:

- (a) Suatu Deklarasi bahawa Defendan Ketiga adalah pemilik lazim "Neem";

- (b) Suatu Perintah Defendan Ketiga diberikan kebebasan untuk mendaftarkan cap dagangan “Neem” di Perbadanan harta Intelek Malaysia (“MyIPO”) di dalam Kelas 3;
- (c) Suatu Deklarasi bahawa Defendan ketiga adalah pemilik lazim “Herbal Neem”;
- (d) Suatu Perintah Defendan Ketiga diberikan kebebasan untuk mendaftarkan cap Dagangan “Herbal Neem” di Perbadanan harta Intelek Malaysia (“MyIPO”) di dalam Kelas 3;
- (e) bahawa Plaintiff membayar kepada Defendan ketiga wang sejumlah RM800,000.00 (minimal) untuk setahun dinilai sebagai kerugian pendapatan tempoh enam (6) tahun mulai 2015 sehingga 2021 akibat kemungkiran kontrak sebanyak RM4.8juta dan/atau jumlah yang taksirkan oleh Mahkamah Mulia ini;
- (f) Kos pengiklanan, promosi dan pemasaran RM 3.8 juta bagi tahun 2002-2013 dan/atau jumlah yang ditaksirkan oleh Mahkamah yang Mulia ini;
- (g) Gantirugi Teladan;

- (h) Gantirugi Kerterlalu;
- (i) Gantirugi kehilangan dan nama baik jumlah yang taksirkan oleh Mahkamah yang mulia ini;
- (j) Kos;
- (k) Relif-relif dan atau perintah lain yang difikirkan sesuai oleh Mahkamah yang mulia ini.

Preliminary

10. During the pre trial case management, there was a consent order issued dated 30 July 2018 where, amongst others, the trial is bifurcated in that the assessment of damages/taking account of profits will be conducted subsequent to the trial on liability of the parties.
11. The trial of both the Suit and Converted OS was done jointly and took 2 days on 15 and 16 October 2018. The documentary evidence comprised of bundles A1, A2, B1, B2, C1, C2, C3, C4, C5 and D which were consented to carry status A in respect of bundles A1 and A2 and status B in respect of bundles B1 to C5.

During the course of the trial, exhibits D1 to D12 were proved and admitted in evidence.

12. The witnesses who testified for Jyothy are as follows:

- (i) Dineshchandra Shantilal Shah ("PW1"), the Legal Attorney for Jyothy;
- (ii) Pradosh Thonur Gopalakrishnan ("PW2"), a Jyothy's officer in its Purchase and International Department;
- (iii) Permesuri a/p Letchumanan ("PW3"), formerly an accounts clerk of Bumitulin.

13. The sole witness who testified for Puaneswaran, Bumitulin and Rajoo is Thanga Rajoo a/l Malayappan ("DW1") to wit Rajoo himself.

14. After the conclusion of the trial, the parties simultaneously furnished their closing written submissions in chief and written submissions in reply. I heard oral clarification of counsel on 24 January 2019.

Background Facts

15. These are the relevant background facts derived from the list of agreed facts and as found by me from the evidence adduced by the parties at trial.
16. The Calcutta Chemical Company Limited (“CCCL”) was established in India in 1916 and involved in the manufacture and distribution of consumer products including Margo soap and Neem toothpaste. CCCL used and in 1950 registered the “Neem” and Calchemico’s Neem Tooth Paste” trademarks with the Intellectual Property Office of India bearing Trade Mark Registration nos. 146242 and 142532 respectively. CCCL subsequently in 2004 registered the “Neem Active” trademark with the Intellectual Property Office of India bearing Trade Mark Registration no. 1283910.
17. Sometime in 1996, Henkel SPIC India Limited (“HSPIC”) (owned by Henkel, a German company founded in 1876) entered into a memorandum of understanding with Shaw Wallace India to acquire CCCL. As the result, HSPIC launched the Neem toothpaste bearing the “Neem” trademark in 1997.
18. By 2000-2001, CCCL became a subsidiary company of HSPIC. In 2004, the name CCCL was changed to Henkel India Ltd (“HIL”).

19. By an order of the Madras High Court dated 26 April 2005, HSPIC and HIL were amalgamated but the merged entity continued to conduct their respective businesses.
20. Subsequently HSPIC was renamed as Henkel India (“HI”) and in 2009 entered into an exclusive manufacturing arrangement with VVF (India) Limited for its Margo soap, Neem toothpaste and Fa soap and exported the same overseas including to Malaysia.
21. On 24 August 2012, HIL was renamed Jyothy Consumer Products Limited (“JCPL”).
22. Also sometime in 2011-2012, HI was acquired by JCPL. Subsequently by an order of the Bombay High Court dated 12 April 2013, JCPL was amalgamated with Jyothy.
23. Separately in 1996, Rajoo established his Malaysian sole proprietorship Perusahaan Bumitulin (“PB”) which is involved in the business of importing and selling herbal healthcare products such as the Nilgiri Gymnema tea in Malaysia. He used the slogan “Herbs for Healthy Living”.
24. In 1997, Rajoo set up Bumitulin and operated together with PB under one roof. The slogan was changed to “Herbal for Healthy Living” In the course of his business, Rajoo procured from a

Sunsan Corporation and distributed shampoo containing Neem/daun Semambu in Malaysia.

25. By an Overseas Distribution Agreement dated 15 December 2001 (“2001 Agreement”) executed between PB and CCCL, PB was appointed as CCCL’s authorized distributor for Calcutta’s Neem Active toothpaste in Malaysia, Singapore, Thailand, Brunei, Indonesia and Philippines. The salient terms of the 2001 Agreement include the following clauses:

“2.4 This appointment shall be for a period of three years effective from this day and the same shall be extended for such further periods as may be mutually agreed between the parties, in writing.

3.1 CCCo shall provide the said product in standard export packing and in accordance to PERUSAHAN’s specifications duly accepted by CCCo in writing and shall always ensure that the quality of the product is maintained.

4.1 PERUSAHAN shall market the said product only in the countries authorized by CCCo. PERUSAHAN shall not sell, market or distribute nor appoint any other party to sell, market or distribute in any other contry or any other product competing with the said product without the prior written approval of CCCo.

4.2 PERUSAHAN shall be solely responsible to procure and obtain the relevant documents, licenses and permits for

importing, marketing and distributing the said products in the said countries. PERUSAHAAN shall always comply with all relevant statutory regulations and keep CCCo safe of any litigation or damage to the reputation of CCCo and the said product.

4.4 PERUSAHAN shall make a proper application within 30 days from the date hereof the registration of the said product's brand name with the Trade Mark Registration Authorities in each of the said countries and complete the registration within six months or such time as may be extended in writing by CCCo."

26. Subsequently by another Overseas Distribution Agreement dated 17 February 2005 ("2005 Agreement") executed between PB and CCCL, PB was again appointed as CCCL's authorized distributor for Calcutta's Neem Active toothpaste but only in Malaysia. The salient terms of the 2005 Agreement include the following clauses:

"2.4 This appointment shall be for a period of three years with retrospective effect from 15th December 2004 and the same shall be extended for further periods as may be mutually agreed between the parties, in writing.

3.1 CCCo shall provide the said product in standard export packing and in accordance to PERUSAHAN's specifications duly accepted by CCCo in writing and shall always ensure that the quality of the product is maintained.

4.1 PERUSAHAN shall market the said product only in the countries authorized by CCCo. PERUSAHAN shall not sell, market or distribute nor appoint any other party to sell, market or distribute in any other country or any other product competing with the said product without the prior written approval of CCCo.

4.2 PERUSAHAN shall be solely responsible to procure and obtain the relevant documents, licenses and permits for importing, marketing and distributing the said products in the said countries. PERUSAHAAN shall always comply with all relevant statutory regulations and keep CCCo safe of any litigation or damage to the reputation of CCCo and the said product.

4.4 PERUSAHAN shall make a proper application within 30 days from the date hereof the registration of the said product's brand name with the Trade Mark Registration Authorities in each of the said countries and complete the registration within six months or such time as may be extended in writing by CCCo."

27. Finally by a Business Development Agreement dated 10 October 2008 ("2008 Agreement") between PB and HIL, PB was appointed as HIL's business development representative in Malaysia. The salient terms of the 2008 Agreement include the following:

"1. The agreement is effective from 10th October 2008, and shall remain in force until either party deciding the termination of this agreement as per clause no. 19.

2. *“Products” shall mean such of the products being manufactured and/or marketed by the Company which are to be marketed by the BDR and Company from time to time (mentioned in Annexure-1) including advertisement and sales promotion material, packaging material and other related items in such quantities as may be despatched by the Company from time to time.*

5(a) *BDR shall, during the continuance of the agreement, purchase all of its requirements of the products from the Company and shall diligently and faithfully distribute these products in the territory and shall use its best endeavours to improve the goodwill of the Company in the territory and shall sell the products in as many outlets in the said territory as possible and shall ensure the best possible displays of the products in the sales outlets in the said territory.*

5(b). *BDR shall not do anything that may prevent the sale or interfere with the development of sales of the Company’s product in the territory during or at any time after the expiry of the contract.*

14(a). *The trade marks of the brands/products supplied by the Company and the goodwill symbolized thereby shall be exclusive property of the Company or of the owner of the trade mark who may have licensed use thereof to the Company, as the case may be and BDR shall not claim any rights, title or interest (therein directly or indirectly). BDR shall not bring such title of validity thereof into issue at any time even after the expiration or termination of this Agreement or do or suffer to be done any act or thing which might impair the Company’s (or the owner’s) ownership of the said trade marks.*

14(b). The Company shall indemnify BDR against any claims or demands made against BDR on account of the user of the said marks on the Products, provided BDR promptly notifies the Company of any claims and demands and co-operates fully with the Company to defend such claim and/or demand. If BDR comes to know of any infringement of the said mark by any third party, it shall forthwith advise the Company of the same. BDR will at all times if so required by the Company render to the Company, all assistance to restrain infringement or threatened infringement of any such trade mark, trade name, copyright, design, label, wrapper or display material or passing off of Company's products.

14(c).The trade marks and Copyright in respect of the products sold by BDR as per terms of this agreement, shall not be used by BDR in anymanner whether it is prejudicial to the interest to the company or not and such violation would result invalidation of this Agreement.

16(B)(1). In view of the assistance, expertise and proprietary know-how placed at the disposition of BDR, and in order to protect such expertise and know-how, BDR shall not, during the term of this Agreement, either directly or indirectly, import, distribute, sell or promote the sale, or carry on any such activities for or be associated with any company dealing in goods which compete with or are similar to any product of the Company. Any exemption to this prohibition must be agreed to in writing by the Company."

28. The products listed in Annexure-1 to the 2008 Agreement included Neem Tooth paste.

29. Hence in between 2003 and 2015, PB imported the Neem Active toothpaste for distribution in Malaysia.
30. In 2014 Bumitulin filed the application for registration “Dr. Neem” Trademark which was duly registered by MyIPO as Trade Mark Registration no. 2014001321 and Puneswaran manufactured and marketed the Dr. Neem toothpaste as displayed in his website http://drneem.com.my/index.php?route=product//product&product_id=56 that carried Bumitulin’s registered trademark as the brand of the product in Malaysia.
31. By early 2015, the 2008 Agreement was terminated and Jyothy in consequence appointed NSR Imex Resources Sdn Bhd (“NSRIR”) as its new Malaysian distributor.

Issues for Determination

32. From the pleadings, list of issues to be tried and submissions of the parties, the broad principal issues for determination in the Suit and Converted OS may in my view be distilled as follows:
- (i) Whether PB/Rajoo breached his obligations under the 2001 Agreement, 2005 Agreement and 2008 Agreement;

- (ii) Whether the 2008 Agreement was lawfully terminated;
- (iii) Whether the “Dr. Neem” trademark bearing Trade Mark Registration no. 2014001321 was lawfully registered;
- (iv) Whether Rajoo, Bumitulin and Puaneswaran committed acts of passing off of Jyothy’s “Neem” and/or “Neem Active” trademarks because of usage of “Dr Neem” trademark and get-up of the Dr. Neem toothpaste;
- (v) Whether Rajoo, Bumitulin and Puaneswaran infringed the copyright of Jyothy’s Neem Active toothpaste packaging; and
- (vi) Whether Rajoo, Bumitulin and Puaneswaran unlawfully interfered with Jyothy’s business.

33. I will deal with them seriatim including the subsidiary issues that arose thereunder.

Contentions of Parties and Findings of the Court

Breach of Contractual Obligations

34. First and foremost and notwithstanding that all the agreements to wit; the 2001 Agreement, 2005 Agreement and the 2008 Agreement had been entered between PB and Jyothy's predecessors, I find that the parties to the Suit have treated that they were bound by them. I therefore find and hold that these agreements were either implicitly novated or adopted via estoppel by convention between Rajoo and Jyothy; see ***Boustead Trading (1985) Sdn Bhd v Arab-Malaysian Merchant Bank Berhad*** [1995] 4 CLJ 283.
35. From the background facts and realities of the circumstances that then existed, I find as submitted by Jyothy that Rajoo through PB had been appointed to market the Neem Active toothpaste in Malaysia due to his experience and possibly also expertise of the Malaysian consumer market. However, I further find that there was no intention of Jyothy assigning or transferring its intellectual property rights particularly trademark to PB/Rajoo including the rebranding of "Neem Active" to "Herbal Neem".

36. Moreover I find that Jyothy had furnished to Rajoo a copy of the packaging of its “Neem Active” toothpaste to assist in customizing it for the Malaysian consumer market and obtain the approval of the then National Pharmaceutical Control Bureau of Malaysia.
37. The breach of contractual obligation contended by Jyothy is basically that PB/Rajoo in 2014 caused or allowed Bumitulin to file its application for registration of the “Dr. Neem” toothpaste in MyIPO. This is in breach of clauses 14(a), (b) and (c) of the 2008 Agreement.
38. This is however denied by PB/Rajoo in that he was dutibound and hence obliged by clause 4.4 of the 2001 Agreement as well as the 2005 Agreement to make the application. Accordingly, he made the application in good faith.
39. I find PB’s/Rajoo’s defence implausible. This is because by 2014 the obligations of the parties were then governed by the 2008 Agreement which did not contain the equivalent clause 4.4 of the 2001 Agreement and 2005 Agreement. That aside, I do not find that the application had been made in good faith in fulfilment of PB’s duty under the aforesaid clause 4.4 in any event. If that had been the case, PB would have made the application in the name of Jyothy and not Bumitulin. It was instead done by Rajoo in bad faith in business competition with Jyothy. This is a blatant breach of clauses 14(a) and 14(c) of the 2008 Agreement. It is in my view

irrelevant that Rajoo or Bumitulin had by then garnered voluminous sales and reaped a wide reputation for its get up of his/its herbal products including toothpaste. Accordingly it is obvious that PB/Rajoo in order to hide his tracks did not also inform Jyothy as required under clause 14(b) of the 2008 Agreement.

40. Consequently, I find and hold that PB/Rajoo breached his contractual obligations in clauses 14(a), (b) and (c) as so contended by Jyothy.

Termination of the 2008 Agreement

41. In essence, PB contended that Jyothy wrongfully appointed NSRIR as its Malaysian distributor without prior consent or even notification to PB. It is in other words a repudiatory breach of contract by Jyothy; see ***Rasiah Munusamy v Lim Tan & Sons Bhd [1985] 2 MLJ 291***.
42. This is flatly denied by Jyothy. According to Jyothy, PB had since late 2014 displayed no interest in the importation of Jyothy's products such as the Neem Active toothpaste and Margo soap. It eventually led to the mutual termination of the 2008 Agreement.

43. From the evidence adduced before me, it is evident in Jyothy's email to Rajoo dated 1 October 2014 sent by PW2 to DW1 that Jyothy had difficulty working with PB/PBSB at that time and sought for the proof of ownership of its importer/distributor. There was only a curt response from PB by return email of even date.

Subsequently by PB's emails to Jyothy dated 26 February 2015 and later 13 May 2015 sent by DW1 to PW2 and several others, PB complained on product price increases and as well as the GST impact which resulted in recent unexpected sudden sales drop. This is substantiated by the following testimony of PW2 during trial under cross examination:

“Q: Now, do you, do you agree with me Mr Rajoo was always interested in the business with, with you all?”

A: He was not always. He's, he was interested initially, but it was slightly it was coming down over a period of time.

Q: Slightly coming down means slightly down or same, or is he interested?

A: His interest was coming down. When we called, he won't be available.

Q: *When did he told you he is not interested in doing business with you*

A: *He was not even picking up the calls.*

...

Q: *He did not say ah?*

A: *But he was saying that I am not interested because GST is coming in 2015 I think. If my memory is right, it was in 2015 and he was talking about GST is coming, business is difficult. He was avoiding the costs.*

...

Q: *Now, with that in mind, I'm going to ask more important question to you. Now Question 16, and Answer 16, 2015. If Perusahaan Bumitulin had paid no interest in the importation business of the Plaintiff. Is that true?*

A: *... When I met him, the market is very bad. The market is not doing good. And we are going with GST. The GST, we wanted to have a different company name. That is what he has-*

Q: *Who told you? How would Rajoo told you?*

A: *He came, he came at us.*

Q: *He came and told you where?*

A: *Yes, in India.*

... What I'm saying is, in 15, after March 15, they have changed the company name to NSR because they have told us that it is due to GST. So –

Q: *Who mean, they means who? They, they told you?*

A: *It is Rajoo & Nisha. Both of them came to my office."*

44. In the circumstances, I find as asserted by Jyothy that Rajoo was no longer interested in carrying on the distributorship of Jyothy's products. Besides price increase, GST payment and the declining consumer market that motivated the disinterestedness, I find that Rajoo was then also keener to concentrate on the sales of the products of his or his connected business entities particularly Bumitulin and PBSB. From the conduct of the parties, it was

therefore agreed that the distributorship is substituted from PB to NSRIR.

45. This is corroborated by Jyothy's letter dated 11 June 2015 to the National Pharmaceutical Control Bureau of Malaysia informing the Bureau of the change of distributorship to NSRIR. In addition, this is also corroborated by PB's letter dated 25 June 2015 to the National Pharmaceutical Control Bureau of Malaysia authorizing the change of the distributorship. It is an admission by PB. I am nonetheless aware Rajoo has suggested that the aforesaid PB's letter was forged but he did not appoint a hand writing expert to verify the authenticity of the signatory. The burden of proof of forgery is plainly upon him but he failed to satisfactorily discharge it with cogent evidence; see ***Astana International Sdn Bhd & Ors v RHB Bank Berhad & Ors* [2012] 1 LNS 94**. I therefore exercise my discretion to admit PB's letter dated 25 June 2015 pursuant to s.73A (2) of the Evidence Act 1950 in order not to delay the conclusion of the trial. That aside, I am also aware that Rajoo suggested PW3 who is a former PB employee hijacked Rajoo's business as contained in the 2008 Agreement. I find that this is again not proved by Rajoo after listening to his testimony as well as that of PW3. I find the latter to be a more credible and believable witness in light of the probabilities of the entire circumstances prevailing at that time including intention and motives gleaned from the documentary evidence.

46. Premised on the above, I therefore find that the 2008 Agreement was mutually terminated as contended by the parties around June 2015. I also noted that there was no contemporaneous protest whatsoever by PB/Rajoo against the termination having been unlawfully or wrongfully imposed upon by Jyothy. This would not have been the natural reaction if it was otherwise. Therefore, I find and hold that Rajoo's contention that the 2008 Agreement was repudiated is misconceived and unsustainable.

Registration of "Dr. Neem" Trademark

47. Jyothy contended that its predecessors had initially marketed, advertised and distributed toothpaste bearing the "Neem" mark. Subsequently, they adopted the "Neem Active" trademark and had sold the Neem Active toothpaste throughout India and all over the world. As the result, Jyothy has acquired the reputation and goodwill in its business by virtue of the usage of the "Neem" and "Neem Active" trademarks worldwide.
48. By virtue of the 2001 Agreement, 2005 Agreement and 2008 Agreement, Jyothy further contended that its predecessors via PB used their "Neem Active" trademark for their toothpaste in Malaysia since 2001. Consequently, Jyothy has also acquired the reputation and goodwill in its business by virtue of the "Neem" and "Neem Active" trademark in Malaysia. That notwithstanding, Jyothy

also contended that it is the rightful and common law proprietor of the “Neem” and “Neem Active” trademark in Malaysia too.

49. Since Bumitulin has in 2014 duly registered the “Dr. Neem” trademark with MyIPO in Class 3 via Trade Mark Registration no. 2014001321, Jyothy consequently contended that it is an aggrieved person for purposes of challenging the trademark registration obtained by Bumitulin. Jyothy relied on the Federal Court cases of ***Maclaren International Limited v Lim Yat Meen* [2009] 4 CLJ 749**, ***LB (Lian Bee) Confectionery Sdn Bhd v QAF Ltd* [2012] 2 MLRA 211** and ***Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, Interested Party)* [2015] 6 MLJ 465**.
50. In opposition thereto, Bumitulin contended that Rajoo is instead the common law proprietor of the “Neem” and “Herbal Neem” trademarks because he was the first user of the “Neem” trademark in Malaysia. Hence, Jyothy did not have monopoly and exclusive right over the “Neem” trademark despite it has obtained registration via Indian Trade Mark Registration nos. 142532 and 146242.
51. From the evidence adduced before me, I find that Jyothy through its predecessors had plainly used the “Neem Active” trademark in Malaysia by virtue of the importation and sale of its Neem Active toothpaste by PB for many years. This is amply evidenced by

documentary evidence such as invoices and packing lists of the toothpastes. I am satisfied that Jyothy has at all material times the genuine and present intention to continue to sell its Neem Active toothpaste in Malaysia.

52. If Rajoo is found to be the common law proprietor of the “Neem” trademark, there would undoubtedly be unfair business competition detrimental to Jyothy particularly to its Malaysian business expansion in light of the presence of Bumitulin’s registered “Dr. Neem” trademark since they are competing in the same consumer market.
53. In the premises, I find and hold that Jyothy has sufficient interest and is thus an aggrieved person to challenge Bumitulin’s registered “Dr. Neem” trademark pursuant to the Trade Marks Act 1976. In ***Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, Interested Party)(supra)***, Azahar Mohamed FCJ held as follows with emphasis added by me:

“[27] There was not much dispute that the plaintiff was a person aggrieved and therefore had sufficient locus standi to initiate this present cause of action against the defendant for rectification of the defendant’s tiger stripes design trademark. In fact, the point as to whether the plaintiff was a person aggrieved had been settled by this court in McLaren International Ltd v Lim Yat Meen [2009] 5 MLJ 741; [2009] 4 CLJ 749 and LB (Lian Bee) Confectionery Sdn Bhd v QAF Ltd [2012] 4 MLJ 20; [2012] 3 CLJ 661 (see also The Agricultural and Processed Food Products Export Development Authority of India (APEDA) & Ors v Syarikat Faiza Sdn Bhd [2011] 2 MLJ 768; [2011] 9

CLJ 394 and Godfrej Sara Lee Ltd v Siah Teong Teck & Anor (No 2) [2007] 7 MLJ 164; [2008] 7 CLJ 24).

[28] A person aggrieved is a person who has used his mark as a trademark or who has a genuine and present intention to use his mark as a trademark in the course of a trade which is the same as or similar to the registered trademark that the person wants to have removed from the register. The person must be someone who has some element of legal interest, right or legitimate expectation in its own mark which is being substantially affected by the presence of the registered trademark. The interest and right must be legal or lawful."

54. The law on common law proprietorship of a trademark has also been dealt with in ***Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, Interested Party)***(supra) where Azahar Mohamed FCJ held as follows with emphasis added by me:

"[39] The law governing the foundation, which led to common law proprietorship over a trademark or source identifier, as we have summarised above, has been well settled. The case of Fazaruddin bin Ibrahim v Parkson Corp Sdn Bhd [1997] 4 MLJ 360 reiterates the established legal position under common law that a first user of a mark is lawfully entitled to use the said mark. In the case of Fazaruddin bin Ibrahim v Parkson Corp Sdn Bhd, the court held that in common law, the first person who uses a trademark becomes the proprietor of the mark. Abdul Malik Ishak J (as he then was) said the following:

The basic common law principle is this: the first person who uses a trademark of an appropriate type within a country becomes the proprietor of the mark (Re Registered Trade Mark 'Yanx' ex p Amalgamated Tobacco Corp Ltd (1951) 82 CLR 199 at p 203; Thunderbird Products Corp v Thunderbird Marine Products Pty Ltd (1974) 131 CLR 592 at p 603; Moorgate Tobacco Co Ltd v Philip Morris Ltd (No 2) (1984) 59 ALJR 77 at p 83). It is said that a person who becomes proprietor of a trademark in this way is entitled at

common law to restrain a person who later commences to use the trademark.

[40] *In the case of Lim Yew Sing v Hummel International Sports & Leisure A/S [1996] 3 MLJ 7, the Court of Appeal held that there was nothing unlawful under the Act for a Malaysian trader to become the registered proprietor of a foreign mark used for similar foreign goods provided that the foreign mark had not been used at all in Malaysia. Mahadev Shanker JCA said:*

Trade mark law is very territorial in many aspects. So, it will be useful to keep in the forefront of our minds that, however distasteful it may be for a trader in one country to appropriate the mark of a foreign trader who is using that mark in a foreign country, there is nothing unlawful under the Trade Marks Act 1976 for a Malaysian trader to become the registered proprietor of a foreign mark used for similar foreign goods provided that the foreign mark has not been used at all in Malaysia.

...

[47] *So we would hold that he who first uses a trademark owns the said trademark under common law and that such common law ownership would in turn entitle him to file for trademark application as a bona fide applicant, pursuant to s 25(1) of the Act.”*

55. The application of the law on analogous facts is seen, amongst other cases, in ***Hai-O Enterprise Bhd v Nguang Chan [1992] 4 CLJ 1985*** and more recently in ***Wieland Electric GMBH v Industrial Automation (M) Sdn Bhd [2014] 10 MLJ 445***.

56. In the former case, Mahadev Shankar J (later JCA) held as follows:

[1] *A foreign manufacturer who places his trade mark upon his product which he intends to export for sale into Malaysia is the proprietor of*

that mark: Estex Clothing Manufacturers Pty. Ltd. v. Ellis & Goldstein Ltd. followed.

[2] *An importer of such goods, notwithstanding the acquisition of a commercial reputation therefore, does not acquire any proprietary rights over a manufacturer's mark merely by being a conduit from manufacturer to ultimate consumer: Riv-Oland Marble Company (Vic) Pty. Ltd. v. Settef P.A. referred.*

[3] *Such an importer who registers himself as the proprietor of the manufacturer's mark, even where he does so with the knowledge of the manufacturer, must be treated as having been wrongly registered: Re Apollinaris Company's Trade Marks applied. Re Diehl K.G. Application not followed. North Shore Toy Company Ltd. v. Charles L. Stevenson Ltd.; In the matter of Registered Trade Mark "Certina"; Thunderbird Products Corpn. v. Thunderbird Marine Products Pty. Ltd. and *Tai Muk Kwai & Ors. v. Luen Hup Medical Co.* [1998] 1 LNS 309 also referred to.*

[4] *To become a proprietor of a trade mark, so as to be regarded as a true importer's mark, the importer must activate a qualitative change in the mark so as to dissociate any connotation that mark may have with the manufacturer, so that in the minds of the Malaysian public it is associated exclusively with the importer alone: Bayer Pharma Pty. Ltd. v. Farbenfabriken Bayer AG; Moorgate Tobacco v. Phillip Morris; Aristoc Ltd. v. Rysta Ltd.; Karo Step Trade Mark, referred to.*

[5] *A Malaysian trader who is not an importing agent of a foreign manufacturer, may register himself as proprietor of a mark which may so closely resemble the foreigner's mark, provided only he can show that the foreigner's mark has never been used or intended to be used here: Aston v. Harley Manufacturing Company; (DARIO) Impex Electrical v. Weinbaum; Yanx; Obermeier, referred to.*

[6] A written consent by a foreign manufacturer to a local importer to register his trade mark locally cannot be treated as an assignment unless the goodwill of the business of the manufacturer is also assigned: Pinto v. Badman referred.

[7] The registration, even if with the consent or knowledge of the foreign manufacturer, by a local importer of himself as proprietor of the foreign manufacturer's mark where his role is that of an importersimpliciter, will be regarded as having been obtained by fraud on the Registrar and the Malaysian public: Thunderbird; The Seven-Up Co.; Gynomin; Farley (Aust) Pty. Ltd. v. J.R. Alexander & Sons (Qld) Pty. Ltd.; Pinto v. Badman referred to."

57. In the latter case, Azizah Nawawi JC (now J) held as follows:

"[29] From the agency agreement and the e-mails of the first defendant, it is without doubt that it was the plaintiff who is the owner of the marks and they were the ones who first intended that their mark should be used in Malaysia. I am therefore of the considered opinion that the plaintiff was the first to use the Wieland trademarks in Malaysia and, therefore, is the rightful proprietor pursuant to s 25(1) of the Act 175.

[30] However, the first defendant submitted that they are the one who 'popularised' the Wieland trademarks and the Wieland goods in Malaysia. On this I agree with the submission of the plaintiff any act of the first defendant in promoting the Wieland trademarks and the Wieland goods forms part of its obligations to the plaintiff as its sales agent in Malaysia. Such activities do not accord the defendant any ownership rights over the Wieland trademarks. Goodwill in the Wieland trademark through such use by the defendant, if any, would accrue to the plaintiff. In Jost Cranes's case, Justice Azahar (as His Lordship then was) held as follows:

It is true that the Respondent had incurred various expenses in its efforts to promote and sell the construction cranes bearing the JOST Mark. Having regard to the factual matrix of the present case, in my view, such promotional efforts to sell the construction cranes bearing

JOST Mark were construction cranes of the Applicant's manufacture (and not of the Respondent's); and further that promotional efforts to sell goods bearing a certain trademark can be taken or deemed to be use of the said mark.

[31] It was also held in Hai-O Enterprise Bhd's case that an importer of such goods, notwithstanding the acquisition of a commercial reputation thereof, does not acquire any proprietary rights over a manufacturer's mark merely by being a conduit from manufacturer to ultimate consumer.

[32] Bearing in mind that the first defendant was only appointed as the sales agent and distributor for Wieland products in Malaysia on or about 21 May 2001 pursuant to the agency agreement, the first defendant cannot claim proprietorship of the Wieland trademarks in Malaysia."

58. On the facts of this case, I therefore find and hold that Jyothy through its predecessors is the common law proprietor of the "Neem" and "Neem Active" trademarks in Malaysia. The usage of these trademarks were via the importation and distribution of the Neem Active toothpaste began since 2001. PB/Rajoo was merely the importer and Malaysian distributor who did not have any proprietary intellectual property rights. It has been further made explicitly in clause 14 of the 2008 Agreement.
59. This is also confirmed by this Court in Originating Summons no. WA-24IP-4-03/2017 commenced by Jyothy against PB for the expungement of the registration of the "Herbal Neem Active Complete Care" trademark applied for in the name of PB. In that case, my predecessor Wong Kian Keong JC (now J) held on 11 December 2017 that Jyothy is the common law owner of the "Neem" and "Neem Active" trademark and accordingly expunged

the mark as sought. I also noted that the packaging of PB's "Herbal Neem Active Complete Care" toothpaste plainly printed that "Neem Active" is the registered trademark of Jyothy.

60. I am aware that Rajoo has claimed that he is the first user of the "Neem" trademark in Malaysia but I find that he failed to lead cogent evidence to substantiate his claim. There is only some evidence that he merely distributed herbal shampoos for Sunsan Corporation which contained Neem and Shikakai. He was definitely not the manufacturer or producer of those shampoos. I noticed that the trademark on those shampoos is actually "Sunsan Herbal Shampoo". In fact, Rajoo has admitted to the contrary at the trial that in order to import and distribute the Neem Active toothpaste into Malaysia, he had proposed to Jyothy amendments in compliance with local importation regulations such as the addition of the words "Herbal", "Daun Semambu" and "ubat gigi" in Malay, Tamil and Mandarin languages to the packaging. He would not have done so if he was indeed the first user. Likewise and more pertinently, Bumitulin failed to lead any evidence that it was the first user and hence the common law proprietor of the "Neem" mark. There is not an iota of it.

61. The claim of Jyothy is to expunge Bumitulin's "Dr. Neem" registered trademark. It is provided in ss. 14(1), 25(3), 40(2) and 45 of the Trade Marks Act 1976 as follows:

“14. Prohibition on registration

(1) A mark or part of a mark shall not be registered as a trade mark-

(a) if the use of which is likely to deceive or cause confusion to the public or would be contrary to law;

(b) if it contains or comprises any scandalous or offensive matter or would otherwise not be entitled to protection by any court of law;

(c) if it contains a matter which in the opinion of the Registrar is or might be prejudicial to the interest or security of the nation;

(d) if it is identical with or so nearly resembles a mark which is well-known in Malaysia for the same goods or services of another proprietor;

(e) if it is well-known and registered in Malaysia for goods or services not the same as to those in respect of which registration is applied for:

Provided that the use of the mark in relation to those goods or services would indicate a connection between those goods or services and the proprietor of the well-known mark, and the interests of the proprietor of the well-known mark are likely to be damaged by such use;

(f) if it contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the mark for such goods in Malaysia is of such a nature as to mislead the public as to the true place of origin of the goods; or

(g) if it is a mark for wines which contains or consists of a geographical indication identifying wines, or is a mark for spirits which contains or consists of a geographical indication identifying spirits, not originating in the place indicated by the geographical indication in question.

25. Registration

(3) Subject to the provisions of this Act, the Registrar may refuse the application or may accept it absolutely or subject to such conditions, amendments, modifications or limitations, if any, as he may think right to impose.

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.

45. Rectification of register

(1) Subject to the provisions of this Act-

(a) the Court may on the application in the prescribed manner of any person aggrieved by the non-insertion in or omission from the Register of any entry or by any entry made in the Register without sufficient cause or by any entry wrongfully remaining in the Register, or by any error or defect in any entry in the Register, make such order for making, expunging or varying such entry as it thinks fit;

(b) the Court may in any proceeding under this section decide any question that may be necessary or expedient to decide in connection with the rectification of the Register;

(c) in case of fraud in the registration, assignment or transmission of a registered trade mark or if in his opinion it is in the public interest to do so, the Registrar may himself apply to the Court under this section;

(d) an order of the Court rectifying the Register shall direct that notice of the rectification be served on the Registrar in the prescribed manner and the Registrar shall upon receipt of the notice rectify the Register accordingly.”

62. In the circumstances herein, Jyothy firstly contended that Bumitulin’s registration of the “Dr. Neem” trademark was procured fraudulently since it was made with the knowledge of the prior right of Jyothy following ***Hai-O Enterprise Bhd v Nguang Chan***

(supra). Mahadev Shankar J (later JCA) held as follows therein with emphasis added by me:

"I say this because the fraud that is here referred to is not just the fraud on the foreign manufacturer. It is the fraud on the Registrar and through the Registrar on other traders and the Malaysian public. As between an importer and his manufacturer it may well be that he has consent to register, as did the importer, in Diehl or Riv-Oland [1988] AIPC 90-577 at p. 38-459 or North-Shore 45. But as to the Registrar and the public other considerations apply.

Some assistance may be derived from a comparison with the concept of a contract being rescinded when there is a fundamental breach and saving it where the failure to comply is merely collateral or severable. It seems to me that the object of s. 37(a), (b) and (c) is directed to a consideration of the integrity of the mark. Does it tell a lie about itself? Kerly - ("Kerly") deals with this matter at para. 11-04 p. 178 where the author says that what is meant by fraud in this section has not been precisely defined but goes on to say it might be fraud for a person to procure the registration of a trade mark of which he knows he is not entitled to claim the exclusive use - for instance if he knows that it is in use by another trader. The other example given is that of the agent of a foreign manufacturer registering the trade mark of the latter in his own name. (Gynomin and National Bell Co., were read to me at length). Kerly further states on the authority of Bentley v. Lagonda [1947] 64 RPC 33 that unless actual deception is alleged it is not possible to contend that the registration was obtained by fraud. Shanahan p. 248 is very much more trenchant. He refers to Williams J in Farley's case at p. 493 and then says this:

Presumably, a false claim to proprietorship involving a breach of s. 40 could receive the protection of s. 61 only if the claim were made innocently in ignorance of the prior use of the mark by another. Where the claim is made with knowledge of the prior rights of another this should amount to fraud on the Registrar and fall within the exception."

63. Also in **Luk Lamellen Und Kupplungsbaau GmbH v South East Asia Clutch Industries Sdn Bhd** [1997] 2 MLJ 724, Abdul Aziz J (later JCA) held as follows:

“In making the application, they must have claimed that the trade mark belonged to them because, by s 25 of the Act, they had to claim that they were the proprietors of the trade mark in order to qualify to apply. Since they were not, it was a false claim made for a dishonest purpose, which was to become the registered proprietors of a trade mark that belonged to somebody else. It was a falsehood practised on the registrar to achieve a result that was adverse to the interests and rights of the applicants as the lawful proprietors of the trade mark.

...

The primary reason why the applicants claimed that the respondents' registration of the trade mark had been obtained by fraud was because in applying for registration, the respondents falsely claimed they were the proprietors of the trade mark. It was fraud directly on the registrar, and indirectly on the applicants and the public as well.”

64. In both the cases, the consequence is that the registered trademark was expunged pursuant to s. 45 of Trade Marks Act 1976. The facts of this case are not dissimilar. I have found that Jyothy was the first user and hence common law proprietor of the “Neem” and “Neem Active” trademarks in Malaysia at the material time and Rajoo/PB knew of it as far as toothpaste is concerned.

65. As to the knowledge of Bumitulin, it may be imputed if the corporate veil is lifted exposing that Rajoo/PB has been its *alter ego*. In the Federal Court case of **Solid Investment Ltd v Alcatel-Lucent (M) Sdn Bhd (previously known as Alcatel Network Systems (M) Sdn Bhd)** [2014] 3 MLJ 785, Hasan Lah FCJ held as follows:

*“[46] We agree with the Court of Appeal that the learned trial judge erred in lifting the corporate veil of the defendant to make the defendant liable to account to the plaintiff. The reason given by the learned trial judge was that it was in the interest of justice to prevent associated companies of Alcatel Group including the defendant from darting in and out with the corporate labyrinth before the court. We also agree with the Court of Appeal that there must be evidence either of actual fraud or some conduct amounting to fraud in equity to justify the lifting of corporate veil. The position of the law on this subject had been clearly stated by Gopal Sri Ram JCA (as he then was) in *Law Kam Loy v Boltex Sdn Bhd* [2005] MLJU 225; [2005] 3 CLJ 355 at p 362 as follows:*

*In my judgment, in the light of the more recent authorities such as *Adams v Cape Industries Plc*, it is not open to the courts to disregard the corporate veil purely on the ground that it is in the interests of justice to do so. It is also my respectful view that the special circumstances to which Lord Keith referred include cases where there is either actual fraud at common law or some inequitable or unconscionable conduct amounting to fraud in equity ...”*

In the subsequent Federal Court case of ***Giga Engineering & Construction Sdn Bhd v Yip Chee Seng & Sons Sdn Bhd & Anor*** [2015] 6 MLJ 449, it was held that it is settled law that there must be evidence of actual fraud or some conduct amounting to fraud in equity to justify lifting the corporate veil.

66. It is not disputed here that Rajoo’s son is the 50% shareholder and co-director of Bumitulin. He is presently only 24 years of age. Rajoo was also formerly a director of Bumitulin. I am therefore satisfied that Rajoo is at all material times the master mind behind Bumitulin. I also find that he was instrumental in causing Bumitulin to commit fraud in equity by the registration of “Dr. Neem” trademark with MyIPO. This was done for his/PB’s benefit to evade the contractual obligation owed to Jyothy under the 2001

Agreement, 2005 Agreement and 2008 Agreement by dishonestly misappropriating Jyothy's intellectual property rights in its "Neem Active" trademark in business competition. It is my opinion that Rajoo's conduct in the circumstances is inequitable or unconscionable.

67. There is hence presence of special circumstances as well as it is in the interest of justice to lift the corporate veil of Bumitulin following ***Chanel v Melwani² International Sdn Bhd & Ors and Other Suits*** [2017] 6 MLRH 175 and I exercise my judicial discretion to lift Bumitulin's corporate veil. By so lifting, Rajoo's knowledge on the first user and Jyothy's common law proprietorship of the "Neem Active" trademark are imputed to Bumitulin.
68. As the result and just as in ***Hai-O Enterprise Bhd v Nguang Chan (supra)*** and ***Luk Lamellen Und Kupplungsbaau GmbH v South East Asia Clutch Industries Sdn Bhd (supra)***, I find that Bumitulin had committed fraud on the registrar for purposes of s. 45 of the Trade Marks Act 1976 because it procured the registration of "Dr. Neem" trademark albeit it had knowledge of the Jyothy's intellectual property rights particularly its common law proprietorship of the "Neem" and "Neem Active" trademarks as the first user in Malaysia in respect of toothpaste.
69. Jyothy has secondly contended that the concurrent existence of Bumitulin's "Dr. Neem" toothpaste and its Neem Active toothpaste

creates the likelihood of deception or confusion between the Malaysian consumers. Reliance is made on the case of **Consitex SA v TCL Marketing Sdn Bhd [2008] 2 MLRH 380** and the Court of Appeal case of **Bata Ltd v Sim Ah Bah & Ors [2006] 3 CLJ 393**. In the latter case, James Foong JCA (later FCJ) held as follows with emphasis added by me:

"[25] In considering whether there would be confusion and deception to the public by the existence of two allegedly similar trade marks, it is necessary, at the outset, to state that similarity per se is acceptable, so long as it does not lead to a likelihood of confusion or deception - see Kerly on Law of Trade Marks & Trade Names, 13th edn paras. 16-32. And confusion and deception here should be precipitated to those probable customers or purchasers of goods who may be misled into purchasing one party's goods sold under that party's trade mark for that of the other. A possibility of confusion is not sufficient. There must be "a real tangible danger of confusion" - see Farwell J in Re William Bailey (Birmingham) Ltd's Application 52 RPC 153 @ line 24. To ascertain whether there is a likelihood of confusion and deception, we find the following passage in the Australian case of Australian Woollen Mills Limited v. F.S. Walton And Company Limited [1937] 58 CLR 641 @ 658 worthy of adoption:

In deciding this question, the marks ought not, of course, to be compared side by side. An attempt should be made to estimate the effect or impression produced on the mind of potential customers by the mark or device for which the protection of an injunction is sought. The impression or recollection which is carried away and retained is necessarily the basis of any mistaken belief that the challenged mark or device is the same. The effect of spoken description must be considered. If a mark is in fact or from its nature likely to be the source of some name or verbal description by which buyers will express their desire to have the goods, then similarities both of sound and of meaning may play an important part. The usual manner in which ordinary people behave must be the test of what confusion or deception may be expected. Potential buyers of goods are not to be credited with any high perception or habitual caution. On the other hand, exceptional carelessness or stupidity may be disregarded. The course of business and the way in which the particular class of goods

are sold gives, it may be said, the setting, and the habits and observation of men considered in the mass affords the standard. Evidence of actual cases of deception, if forthcoming, is of great weight.

[26] Broadly speaking, the factors can be summarized as follows:

(a) the idea of the mark is to be regarded;

(b) the elements of the mark must be taken as a whole;

(c) imperfect recollection of the mark by customers or purchasers should be taken into account;

(d) the aural as well as the visual aspect of a customer towards the mark is relevant; and

(e) all the circumstances of the trade to be considered:

see Tiga Gajah Cho Heng Sdn Bhd v. Majuperak Tepung Beras Sdn Bhd [1997] 1 CLJ Supp 52) adopting those stated in Kerly's Law of Trade Marks & Trade Names, 12th edn from paras 17-08 to 17-21."

70. Recently, Zulkefli FCJ (later PCA) held as follows in the Federal Court case of ***Yong Teng Hing b/s Hong Kong Trading Co & Anor v Walton International Ltd*** [2012] 6 MLJ 609 with emphasis added by me:




[26] *As regards the test of confusion and deception it is now well settled. The decision of the House of Lords in the case of Bali Trade Mark [1969] RPC 472 in interpreting s 11 on the UK Trade Marks Act which is equivalent to our s 14(1)(a) of the Act is highly instructive. Lord Upjohn held in that case at p 496 on the test of likelihood of confusion and deception, as follows:*

What then, is the test? This must necessarily be a question of fact and degree in every case ... It is not necessary in order to find that a mark

offends against section 11 to prove that there is an actual probability of deception leading to passing off or (I add) an infringement action ... It is sufficient if the result of the registration of the mark will be that a number of persons will be caused to wonder whether it might not be the case that the two products came from the same source.

[27] Confusion and deception as envisaged by s 14(1)(a) of the Act in our view is a question of fact and degree. The likelihood of confusion and deception can never be ruled out in the present case simply because the goods sought to be registered by the appellant fall in class 9 whilst the goods that have been sold and traded by the respondent fall in other classes such as class 25. Further, the more well known or unusual a trademark, the more likely is that consumers might be confused into believing that there is a trade connection between goods or services bearing the same or a similar mark. In the case of Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc [1998] All ER (EC) 934; [1999] RPC 177 the court therein held that a lesser degree of similarity between the goods and services may be offset by a greater degree of similarity between the marks and vice versa."

71. The "Neem Active" trademark as used in its toothpaste packaging versus the "Dr. Neem" trademark as used in its packing are closely in resemblance when visually compared below side by side:

<p>Plaintiff and / or Plaintiff's predecessors' Neem Active Toothpaste (bearing "Neem Active" trade mark)</p>	<p>Defendants' Herbal Neem Active Complete Care Toothpaste (bearing "Dr. Neem" trade mark)</p>
 <p>[see Tab No. 13, pages 377 – 379 of Bundle B1]</p>	  <p>[see Tab No. 14, pages 380 – 382 of Bundle B1]</p>

72. It is trite law as held in the Federal Court case of ***Ho Tack Sien & Ors v Rotta Research Laboratorium SpA & Anor and Another Appeal; Registrar of Trade Marks (Intervener)*** [2015] 3 MLRA 611 that all relevant circumstances must be taken into account and the question whether or not there is real likelihood of deception of the public is ultimately for the court and not for the witnesses to decide.

73. By sheer comparison of the trademarks seen in the respective toothpaste packaging, I find and hold as submitted by Jyothy that there is prominent visual display of the word “Neem” in bold green letters and is of substantially similar if not identical font as a mark for both parties. The word “Neem” has same letters spelt with the letter “N” in uppercase. Moreover the pronunciation of both marks is also substantially similar with accentuation on the word “Neem”.
74. That notwithstanding, I find that both the “Neem Active” as well as the “Dr. Neem” mark are used for identical goods, to wit, toothpaste. These toothpastes are sold in the same market and segment of the public consumers, typically housewives in sundry shops and supermarkets. They are thus in direct competition.
75. I am therefore of the considered view that by the general imperfect recollection of the typical public consumer, there is real likelihood of confusion or deception following the Federal Court case of **MI & M Corporation & Anor v A. Mohamed Ibrahim** [1964] 1 MLRA 439; see also the Australian High Court case of **Jafferjee v Scarlett** (1937) 57 CLR 115.
76. In the premises, I consequently find and hold that Jyothy as the aggrieved person has successfully made out a case to rectify the register pursuant to s. 45 of the Trade Marks Act 1976 in respect of Bumitulin’s registered trademark “Dr. Neem” by reason of fraud on the registrar as well as having created confusion or deception *vis a*

vis the “Neem Active” trademark. Nonetheless, I observed that the registered mark has been obtained for the whole of class 3. Since the aforesaid fraud and creation of confusion or deception concerned only Jyothy’s Neem Active toothpaste, I am of the opinion that the reasonable and proper relief would not be to expunge or cancel the whole of the registration but to vary the registration by adding a disclaimer, limitation or exclusion of its coverage to toothpaste. This is in my view fair because both parties are presently marketing in Malaysia their respective toothpaste only in direct competition with each other. Put simply, one should not have monopoly over the other. I noted a similar order was made in ***Fraser & Neave Ltd v Yeo Hiap Seng* [1982] 1 MLJ 122.**

77. For completeness, I do not however find that “Neem Active” is a well known mark because the stringent criteria required in Regulation 13B of the Trade Marks Regulations 1997 have not been cogently proved by Jyothy. In fact, PW1 admitted at the trial they are not well known like other brands such as Colgate.
78. I am also aware that Bumitulin has contended that Jyothy and its predecessors did not obtain exclusive rights and monopoly over the word “Neem” in the trade mark register in India since 1950 because there is a disclaimer to the Indian Trade Mark Registration nos. 142532 and 146242. In addition, Bumitulin also contended that the word “Neem” cannot be considered as a special or distinctive word to be monopolized because it has been used to describe the quality and characteristics of the product. The word “Neem” is a common

word. As submitted by Jyothy, I find and hold that notwithstanding the trademark may be subject to a disclaimer of the non-distinctive word, the registered proprietor has the right to the use of the combination of the distinctive and non-distinctive elements of the mark. They still ought to be read together. In the premises, both words in Jyothy's "Neem Active" trademark as used in its Neem Active toothpaste must be read together nonetheless. I draw support from the English case of ***Paton Calvert Cordon Bleu Trade Mark* [1996] R.P.C. 94** where MJ Tuck of the UK Registrar's office held as follows:

"As Lloyd-Jacob put it in Ford-Werke's Application (1995) 72 RPC 191 at 195 lines 30 to 38, a disclaimer does not affect the significance which a mark conveys to others when used in the course of trade. Disclaimers do not go into the market place, and the public generally has no notice of them. In my opinion matter which is disclaimed is not necessarily disregarded when questions of possible confusion or deception of the public, as distinct from the extent of a proprietor's exclusive rights are to be determined."

See also ***Granada Trade Mark* [1979] R.P.C. 303.**

79. In addition, I am mindful that Rajoo/Bumitulin has also contended that the word "Neem" is a generic and non-distinctive word incapable of registration but I find it to be a red herring and self serving contradictory argument because Bumitulin's registered trademark "Dr. Neem" itself also carried the word "Neem".

Passing Off

80. In this regard, Jyothy contended that all Puaneswaran, Bumitulin and Rajoo have passed off the “Dr. Neem” trade mark and get up of the their toothpaste as Jyothy’s “Neem” and “Neem Active” trademark used in its toothpaste which is confusingly or deceptively similar to that belonging to Jyothy. The tort of passing off is premised on the principle of preventing unfair competition and is to prevent one party from passing off its goods and/or business as that of another thereby damaging the reputation and goodwill of the other party. Jyothy referred and relied on the English case of **A.G. Spalding & Bros v A.W. Gamage Ltd [1915] 32 R.P.C. 273** where Lord Parker held as follows:

“Nobody has any right to represent his goods as the goods of somebody else.

...

There appears to be considerable diversity of opinion as to the nature of the right, the invasion of which is the subject of what are known as passing off actions. The more general opinion appears to be that the right is a right of property. This view naturally demands an answer to the question – property in what? Some authorities say property in the mark, name or get up improperly used by the Defendant. Others say property in the business or goodwill likely to be injured by the misrepresentation. Lord Herschell in Reddaway v Banham expressly dissents from the former view; and if the right invaded is a right of property at all, there are, I think strong reasons of preferring the latter view.”

In the Court of Appeal case of **Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors [2004] 4 MLJ 358**, Nik

Hashim JCA (later FCJ) summarized the principles relating to passing off as follows:

“35. Thus in summary, the respondents had to establish three elements at trial in order to demonstrate that the appellant had passed off their medicinal wine as that manufactured and sold by the respondents:

- (i) reputation*
- (ii) misrepresentation; and*
- (iii) damage.”*

81. Puaneswaran, Bumitulin and Rajoo in gist jointly denied that they passed off Jyothy’s business in Malaysia as so alleged because their nature of business is not the same in that they are selling a host of herbal products. Save for toothpaste, the other products are not the same.

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

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

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

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

It is essential for the plaintiff in a passing off action to show at least the following facts: (1) that his business consists of, or includes, selling in England a class of goods to which the particular trade name applies; (2) that the class of goods is clearly defined, and that in the minds of the public, or a section of the public, in England, the trade name distinguishes that class from other similar goods; (3) that because of the reputation of the goods, there is goodwill attached to the name; (4) that he, the plaintiff, as a member of the class of those who sell the goods, is the owner of goodwill in England which is of substantial value; (5) that he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill by reason of the defendants selling goods which are falsely described by the trade name to which the goodwill is attached.

...

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

83. As to goodwill, it has been pronounced in ***Syarikat Zamani Hj Tamin Sdn Bhd & Anor v Yong Sze Fun & Anor [2006] 5 MLJ 262*** that the trade mark or get up is the badge and indicia that indicates and identifies the goodwill and business. Subsequently

in ***Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, Interested Party)*** (supra), Azahar Mohamed FCJ elaborated as follows:

“...The law of passing off governs the protection of common law or unregistered trademarks. The tort of passing off is common law wrong. Passing off does not protect the use of a mark, name, get up or any other sign which is distinctive of a business, but the goodwill of the business that uses them. Goodwill accumulated through use is the property right that is protected.”

84. From the evidence adduced before me, I am satisfied that the “Neem Active” mark is the badge and indicia that identifies Jyothy’s goodwill and reputation. Towards this end, it is plain from the background facts that Jyothy through PB as distributor of its Neem Active toothpaste since 2001 aggressively carried out marketing, promotional and advertisement activities in Malaysia as evidenced by scripts in radio programme advertisements and newspaper advertisements. This is also not denied by Rajoo. As the result, there has been substantial sale of the Neem Active toothpaste as evidenced by PB’s importation of them which is adequately substantiated by the documentary shipping and payment evidence. Consequently this has generated and Jyothy has thus acquired substantial goodwill and reputation as far as the sale of Neem Active toothpaste is concerned in Malaysia and I so find accordingly; see ***Compagnie Generale Des Eaux v Compagnie Generale Des Eaux Sdn Bhd*** [1996] 3 AMR 4015.

85. In respect of misrepresentation, it was held by Zakaria Yatim J (later FCJ) in ***Pakai Industries Bhd v Chen Yew Industries Sdn Bhd*** [1991] 3 CLJ Rep 383 as follows:

“To satisfy the requirement of misrepresentation the applicant must prove two points, firstly that the mark in question has become distinctive of its goods, and second the respondent’s use of the mark is likely to deceive or cause deception.”

Subsequently in ***Leo Pharmaceutical Products Ltd A/S v Kotra Pharma (M) Sdn Bhd (No 2)*** [2009] 13 MLRH 385, Low Hop Bing J (later JCA) held as follows:

“It is an established principle of law that where the alleged passing off is based on the similarity of trade marks, the principles of comparison of the marks are the same as those arising under infringement of trade mark.”

86. In the circumstances, I therefore reiterate paragraphs 71 to 75 above and affirmatively hold that the “Dr. Neem” trademark has substantially similar, essential and striking features with that of the “Neem Active” trademark. Also in the English case of ***United Biscuits (U.K.) Ltd v Asda Stores Ltd*** [1997] R.P.C. 513, Walker J held as follows:

“There is a good deal of authority for the proposition that long use of a particularly distinctive get-ups does (without creating monopoly) place on a new competitor (minded to use a similar get-up) a special obligation to avoid confusion.”

See also *Warmal Wil Heavy Duty Pumps Sdn Bhd v Pump Matrix Engineering Sdn Bhd* [2018] MLRHU 1.

87. Consequently given the similarities of the “Neem Active” and “Dr. Neem” trademarks, I further find that there is likelihood of confusion or deception. Actual confusion is not required as held in *Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors* (supra). Accordingly in *Syarikat Zamani Hj Tamin Sdn Bhd & Anor v Yong Sze Fun & Anor* (supra), it was held that mere proof of the possibility of association would be sufficient.
88. From the totality of the evidence adduced before me, I find that there is possibility of association by reason of the similar, essential and striking features between the “Dr. Neem” trademark and the “Neem Active” trademark which involve the same toothpaste products that are sold through the same trade channels for the same Malaysian consumer market. They were in direct business competition. As the result, I find and hold that there is misrepresentation due to the likelihood of the resultant confusion or deception.
89. Finally with regard to damage, Abdul Malik Ishak JCA held as follows in the Court of Appeal case of *Yong Sze Fun & Anor (t/a Perindustrian Makanan & Minuman Layang-Layang) v Syarikat Zamani Hj Tamin Sdn Bhd & Anor* [2012] 1 MLJ 585:

“[240] The law is settled. Actual damage need not be proven. It is sufficient to show a probability of damage. In this regard, the case of HP Bulmer Ltd and Showerings Ltd v J Bollinger SA and Champagne Lanson Pere Et Fils [1978] RPC 79 immediately comes to the forefront. There, Buckley LJ had this to say at p 95 of the report:

It is well settled that a plaintiff in a passing off action does not have to prove that he has actually suffered damage by loss of business or in any other way. A probability of damage is enough, but the actual or probable damage must be damage to him in his trade or business, that is to say, damage to his goodwill in respect of that trade or business. 'Goodwill' is a word of wide import.”

Moreover, Gunn Chit Tuan CJ (Malaya) held as follows in the Supreme Court case of **Seet Chuan Seng & Anor v Tee Yih Jia Foods Manufacturing Pte Ltd** (*supra*):

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

90. In the premises, I infer and hence find that Jyothy has indeed suffered damages in consequence of the misrepresentation.
91. It is common ground that Bumitulin (having Rajoo as its *alter ego* as found by me in paragraphs 64 to 67 above) is the registered proprietor of the “Dr. Neem” toothpaste as manufactured and distributed for sale by Puaneswaran. As all the elements of

goodwill, misrepresentation and damage have been established, I therefore find and hold that Jyothy has therefore successfully proved the tort of passing off against all of them. I am mindful that they have carried on business selling other herbal products unassociated with Jyothy but the fact remains that they have concurrent business competition in toothpaste which is to my mind sufficient to justify the tort of passing off. I am also mindful that they have contended the quantity of Dr. Neem toothpaste sold is small but that is to my mind a question of quantum of damages rather than that of liability.

Copyright infringement

92. In this respect, Jyothy contended that it has ownership of the copyright subsisting in the artistic work on the packaging of the Neem Active toothpaste. This artistic work has been infringed. Reliance is made on ss. 3 and 7 of the Copyright Act 1987 as well as the case of ***Ultra Dimension Sdn Bhd v American Home Assurance Co (Rewardstreet.com (M) Sdn Bhd, third party)*** [2009] 8 MLJ 643.
93. Again Puaneswaran, Bumitulin and Rajoo denied Jyothy's claim by putting Jyothy to strict proof. Furthermore they contended that Jyothy did not have exclusive rights as the legal and/or equitable ownership of the artistic work. There is also no entitlement to claim protection under the Copyright Act 1987 because there is neither

artwork quality and characteristics to make the packaging artistic nor special features on it which deserved to be treated as unique compared to other toothpaste packaging in the Malaysian consumer market. Be that as it may, they contended that there was no infringement upon close comparison of their Dr. Neem toothpaste packaging versus Jyothy's Neem Active toothpaste packaging.

94. It is provided in ss. 3, 7 and 10 of the Copyright Act 1987 as follows:

"3. Interpretation

...

"artistic work" means-

(a) a graphic work, photograph, sculpture or collage, irrespective of artistic quality:

(b) a work of architecture being a building or a model for a building, or

(c) a work of artistic craftsmanship,

but does not include a layout-design within the meaning of the Layout-Designs of Integrated Circuits Act 2000;

...

7. Works eligible for copyright

(1) Subject to this section, the following works shall be eligible for copyright:

(a) literary works;

(b) musical works;

(c) artistic works;

(d) films;

(e) sound recordings; and

(f) broadcasts.

(2) Works shall be protected irrespective of their quality and the purpose for which they were created.

(2A) Copyright protection shall not extend to any idea, procedure, method of operation or mathematical concept as such.

(3) A literary, musical or artistic work shall not be eligible for copyright unless-

(a) sufficient effort has been expended to make the work original in character; and

(b) the work has been written down, recorded or otherwise reduced to material form.

(4) A work shall not be ineligible for copyright by reason only that the making of the work, or the doing of any act in relation to the work involves an infringement of copyright in some other work.

(5) Copyright shall not subsist under this Act in any design which is registered under any written law relating to industrial design.

(6) (Deleted by Act [A1420:s.6](#))

(7) For the purpose of this section, "any written law relating to industrial design" includes:

(a) the United Kingdom Designs (Protection) Act 1949;

(b) the United Kingdom Designs (Protection) Ordinance of Sabah; and

(c) the Designs (United Kingdom) Ordinance of Sarawak.

10. Qualification for protection

(1) Copyright shall subsist in every work eligible for copyright of which the author or in the case of a work of joint authorship, any of the authors is, at the time when the work is made, a qualified person.

(2) Copyright shall also subsist in every work which is eligible for copyright and which-

(a) being a literary, musical or artistic work or film or sound recording is first published in Malaysia;

(b) being a work of architecture is erected in Malaysia or being any other artistic work is incorporated in a building located in Malaysia;

(c) being a broadcast is transmitted from Malaysia.

(3) Notwithstanding subsections (1) and (2), copyright shall subsist, subject to this Act, in every work eligible for copyright if the work is made in Malaysia."

Additionally, it is provided in regulations 2 and 3 of the Copyright (Application to Other Countries) Regulations 1990 as follows:

"2. Interpretation

In these Regulations, unless the context otherwise requires -

"at the material time" means -

(a) in relation to, or in relation to the application of the Act in respect of, an unpublished work, at the time when the work was made; and

(b) in relation to, or in relation to the application of the Act in respect of, a published work, at the time when the work was first published;

"Berne Convention" means the Berne Convention for the Protection of Literary and Artistic Works 1886 and shall include all acts, protocols and revisions thereto;

"country of origin" means -

(a) in the case of a published work, if the country of first publication is one of the specified countries, that country;

(b) in the case of a work first published in one of the specified countries and a country which is not a member of the Berne Convention, the former country;

(c) in the case of a work which is first published in several of the specified countries, the country whose laws give the shortest term of protection in such a work;

(d) in the case of a work which is unpublished or which is first published only in a country which is not a member of the Berne Convention, any of the specified countries of which the author is a citizen or resident at the material time; and

"specified countries" means the countries which are members of the Berne Convention.

3. Literary, musical, artistic works, films

Subject to these Regulations, the provisions of the Act shall apply in relation to -

(a) literary, musical or artistic works, or films first published in the respective specified countries as they apply in relation to literary, musical or artistic works, or films first published in Malaysia;

(b) works of architecture erected in the respective specified countries or any other artistic works incorporated in buildings located in the respective specified countries as they apply in relation to works of architecture erected in Malaysia or any other artistic works incorporated in buildings located in Malaysia;

(c) every work, other than sound recordings, broadcasts and published editions of literary, musical or artistic works, eligible for copyright if the work is made in the respective specified countries as they apply in relation to every work eligible for copyright if the work is made in Malaysia;

(d) derivative works, other than derivative works of sound recordings, broadcasts and published editions of literary, musical or artistic works, in the respective specified countries as they apply in relation to derivative works in Malaysia;

(e) persons who, at the material time, are citizens of, or residents in, the respective specified countries as they apply in relation to persons who, at such a time, are citizens of, or permanent residents in, Malaysia; and

(f) bodies corporate incorporated under the laws of the respective specified countries as they apply in relation to bodies corporate established in Malaysia and constituted or vested with legal personality under the laws of Malaysia.”

It is common ground that India is a member of the Berne Convention since 1928.

95. It is provided in the leading local textbook Copyright Law in Malaysia, Khaw Lake Tee (3rd Edn. 2008) as follows:

“For copyright to subsist, the work must be original. “Originality” in this context does not mean “novelty” or “newness” as is in the case in design law or patent law... As was said by Peterson J in University of London Press Ltd v University Tutorial Press: The word “original” does not in this connection mean that the work must be an expression of original or inventive thought. Copyright Acts are not concerned with the originality of ideas, but expressions of the thought, and in the case of “literary work”, with the expression of thought in print or writing. The originality relates to the expression of the thought. But the Act does not require that the expression must be in original or novel form, but that the work must not be copied from another work – that it should originate from the author.”

See also ***Goodyear Tire & Rubber Company & Anor v Silverstone Tire and Rubber Co Sdn Bhd*** [1994] 1 CLJ 509 and ***Kiwi Brands (M) Sdn Bhd v Multiview Enterprises Sdn Bhd*** [1998] 6 MLJ 38.

Moreover in ***Exxon Corporation and Others v Exxon Insurance Consultants International Ltd*** [1982] Ch. 119, Graham J held as follows:

“It does not matter how much work went into it, perhaps to the principle de minimis lex non curat; it does not matter how poor the quality of the work is; if it was the result, or the product, of creative effort, the exercise of some skill and effort, it is a work...”

96. The artistic work claimed by Jyothy seems to be in its toothpaste packaging as visually set out in paragraph 70 above. In descriptive terms the get-up of Jyothy’s Neem Active toothpaste packaging comprised of the colour combination of green, white and red. The get-up and artistic work of the packaging comprise the words “Neem” and “Active” with the device of leaves at the left corner of the packaging and additional leaves next to the tooth on the right corner of the packaging with the words “Neem Protects”, “Calcium Strengthens” and “Mint Freshens” in green as well as “Complete Care” in red. Although it is not a sophisticated artwork design, I nonetheless find and hold that there is adequate artistic quality following the case of ***Exxon Corporation and Others v Exxon Insurance Consultants International Ltd*** (supra).

97. According to PW1, the Jyothy's Neem Active toothpaste packaging design has been done in India by way of digital computer design in-house and supplemented by external agency assistance. He does not however know who the designer was precisely. Consequently and since India is a member of the Berne Convention, Jyothy contended that this artistic work is protected by copyright in Malaysia by virtue of ss. 3 and 10(1) of the Copyright Act 1987 read together with regulations 2 and 3(e) of the Copyright (Application to Other Countries) Regulations 1990.
98. From the evidence adduced before me, I find that the Neem Active toothpaste packaging was not entirely as well as originally designed in India by Jyothy. It was done partly in India and partly in Malaysia with the input of Rajoo to customize and suit the packaging to the Malaysian consumer market; see ***Honda Giken Kogyo Kabushiki Kaisha (also known as 'Honda Motor Co Ltd') v DNC Asiatic Holdings Sdn Bhd & Ors and another suit*** [2018] 9 MLJ 251. In addition and more pertinently, since PW1 himself could not identify the precise identity of the Indian designer, I find that Jyothy did not comply with regulation 3(e) of the Copyright (Application to Other Countries) Regulations 1990 relied upon to import the copyright into Malaysia. Normally a statutory declaration to prove the artistic work belongs to a person ought to be produced pursuant to s. 42 of the Copyright Act 1987 and the Court of Appeal case of ***Microsoft Corporation v Yong Wai Hong*** [2008] 3 MLJ 209 and the Federal Court case of ***Dura-Mine Sdn Bhd v Elster Metering Ltd & Anor*** [2015] 3 MLJ 1. This was not adduced by Jyothy.

99. This is *per se* sufficient to dismiss the claim by Jyothy for infringement of its copyright in the artistic works in the Neem Active toothpaste packaging used for the Malaysian consumer market. That notwithstanding and for completeness, I have meticulously compared the artistic work in Dr. Neem toothpaste packaging as also set out in paragraph 71 above with the Neem Active toothpaste packaging. From an objective standpoint, I find that there is no sufficient similarity between them. In fact and except for similarity in the word “Neem” as dealt by me in paragraph 73 above, there are numerous differences in their pictorial depiction of features in the packaging particularly the distribution, number, shape, size and colour of the characteristic Neem leaves. The background colours on the packaging also differ; one being green and white and the other silver, green and also iridescent where multiple colours are visible from different angles. Furthermore, I find that the alleged infringed artistic work do not constitute a substantial part of the original work. 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 (later JCA) held as follows on the relevant test in determining infringement:

“[41] The essential elements constituting copyright infringement have been set out by Sir Rymond Evershed MR in Purefoy Engineering Co Ltd v Sykes Boxall & Co Ltd (1955) 72 RPC 89. Prof Dr Khaw Lake Tee adopted these elements in Copyright Law in Malaysia [1994] at pp 87 and 88 as follows:

For purposes of direct infringement, it must be established that:

(a) there is sufficient objective similarity between the original work or a substantial part thereof, and the infringing copy;

(b) there is a causal connection between the original work and the infringing copy, that is, the infringing copy must have been copied from the original work, whether directly or indirectly; and

(c) what has been infringed must constitute a Substantial Part of The Original Work.”

100. Premised on the above, I therefore find and hold that Jyothy’s claim for copyright infringement is unsustainable.

Unlawful Interference with Trade

101. Finally, Jyothy also contended that Puaneswaran, Bumitulin and Rajoo have unlawfully interfered with Jyothy’s trade which of course is again flatly denied by them.

102. The law on unlawful interference in trade has also been dealt with in ***Megnaway Enterprise Sdn Bhd v Soon Lian Hock (sole proprietor of the firm Performance Audio & Car Accessories Enterprise) (supra)*** and Low Hop Bing J (later JCA) held as follows:

[48] *The elements which constitute the tort of unlawful interference with trade or business are:*

- (1) Interference with the plaintiff’s trade or business;*
- (2) Unlawful means;*
- (3) Intention to injure the plaintiff; and*
- (4) The plaintiff is injured thereby.*

(See *Bullen & Leake & Jacob's Precedents of Pleadings* [1990] p 464)."

Recently in ***Jasmine Food Corp Sdn Bhd v Leong Wai Choon & Anor* [2016] 11 MLJ 812**, Azizah Nawawi J held as follows:

"[49] With regards to the issue of unlawful interference with trade, the court in Megnaway Enterprise Sdn Bhd held that unlawful interference with trade is proved if the defendants have sold and offered for sales its product which infringes the plaintiff's copyright. At p 538 (MLJ); p 145/A–F (CLJ), the court held as follows:

[49] Although unlawful interference with trade is a developing tort and of uncertain ambit, its existence is beyond doubt and certain of its features are clearly defined. In H & R Johnson (Malaysia) Bhd v H & R Johnson Tiles Limited & Anor [1995] 2 CLJ 581 at p 593, Zakaria Yatim (later FCJ), citing authorities, said:

... If one person deliberately interferes with the trade or business of another, and does so by unlawful means, that is, by an act which he is not at liberty to commit, then he is acting unlawfully, even though he does not procure or induce any actual breach of contract: Torquay Hotel Co Ltd v Cousins & Ors [1969] 2 Ch 106 at p 139 per Lord Denning MR.

[50] By selling, offering for sale and distributing an anti-theft system which is infringing the plaintiff's copyright, the defendant has interfered with the plaintiff's trade.

[51] The unlawful means employed here is the act of selling, offering for sale and distribution an infringing copy of the plaintiff's anti-theft system.

[52] As a result of the defendant's unlawful interference with the plaintiff's trade, the plaintiff's goodwill and reputation have been injured with direct and indirect negative consequence on the plaintiff's sales.

[53] In the circumstances, I find that the defendant is liable to the plaintiff for the tort of unlawful interference with the plaintiff's trade or business."

103. Although the foregoing cases found unlawful interference with trade because of copyright infringement which resulted in unfair adverse consequences to the plaintiff, I am of the opinion that this is directly applicable too if the tort of passing off has been committed that affected the plaintiff's reputation and goodwill with similar consequences.
104. In view of my finding on passing off in paragraph 90 above, I therefore find and hold that Puaneswaran, Bumitulin and Rajoo are liable to Jyothy for unlawful interference with trade too.

Summary of Findings

105. I summarize my principal findings as follows:

- (i) PB/Rajoo breached its/his contractual obligations set out in clauses 14(a), 14(b) and 14(c) of the 2008 Agreement;
- (ii) The 2008 Agreement was mutually terminated and not by repudiation of Jyothy;
- (iii) Jyothy is the first user and common law proprietor of the "Neem"/"Neem Active" trademark in Malaysia and accordingly neither Rajoo nor Bumitulin is the first user and common law proprietor of the "Neem"/"Herbal Neem"

trademark in Malaysia for trade usage in toothpaste. The registration of Bumitulin's "Dr. Neem" Trade Mark Registration no. 2014001321 with MyIPO in respect of its toothpaste has been obtained by fraud on the registrar as well as having created confusion or deception *vis a vis* the "Neem"/"Neem Active" trademark;

- (iv) Puaneswaran, Bumitulin and Rajoo passed off their Dr. Neem toothpaste as that of Jyothy's Neem Active toothpaste;
- (v) Puaneswaran, Bumitulin and Rajoo did not commit any copyright infringement of the artistic work in the Neem Active toothpaste packaging; and
- (vi) Puaneswaran, Bumitulin and Rajoo unlawfully interfered with the trade of Jyothy in respect of the sale of Neem Active toothpaste in Malaysia.

Conclusion

106. For the foregoing reasons, I hereby enter judgment for Jyothy in respect of the Suit and Converted OS in the following terms:

- (A) A permanent injunction is ordered to stop and prohibit the Defendants whether acting by themselves, directors, officers, servants, contractors, agents, successors in title and/or associated or affiliated companies or any of them howsoever from doing or attempting to do, whether directly or indirectly, the following acts:-
- (i) Passing off and/or attempting to pass off their good and business as and for the Plaintiff's goods and business in Neem Active toothpaste;
 - (ii) Infringing and/or attempting to infringe the Plaintiff's intellectual property rights in relation to the "Neem Active" trademark used or for use in the Neem Active toothpaste;
 - (iii) Doing anything that is harmful or prejudicial to the Plaintiff's intellectual property rights as well as the distinctiveness of the "Neem Active" mark used or for use in Neem Active toothpaste;
 - (iv) Using, exhibiting, making public, stating or displaying in any form or way any trademark, sign indication or description or anything that is similar to the Plaintiff's

“Neem” and “Active” (“Plaintiff’s “Neem Active” trademark”) used or for use in Neem Active toothpaste;

- (v) Applying to register a trademark or the registration of any mark that is closely resembling the Plaintiff’s “Neem Active” trademark used or for use in Neem Active toothpaste;
- (vi) Manufacturing, producing, importing, exporting, marketing, promoting, keeping, supplying, distributing, selling, dealing with or using for any trade or business purposes, or to sell or offer or make available to sell or keep or trade with any goods or carry out any business or dealings that use any indication, description, sign or trademark and representation or anything that is identical, similar or closely resembles the “Neem Active” trademark or that is infringing the Plaintiff’s intellectual property rights used or for use in Neem Active toothpaste;
- (vii) Using on or in relation to any goods, business or any dealings or materials used on or in or in relation to any advertising and promotional materials including but not limited to signboards, advertisements, promotions, brochures, pamphlets, magazines, newspapers, packaging or any documents or any materials in any

type or nature any signs, indications, representations or description or trademark that resembles the Plaintiff's "Neem Active" trademark used or for use in Neem Active toothpaste;

(viii) Representing, stating or describing in any form or way that the Defendants have any right or authorization to use the "Dr. Neem" trademark for toothpastes;

(ix) Allowing, assisting, aiding, undertaking or causing any other persons or party to commit acts mentioned in the paragraphs hereinabove or anything that goes against the injunction in this paragraph;

(B) A declaration is ordered that:-


(i) The Defendants have committed the tort of passing off against the Plaintiff by carrying out a business and dealing with its goods as and for the Plaintiff's business and/or goods in Neem Active toothpaste; and

(ii) The Plaintiff is the common law owner of the trade marks comprising of, containing and referring to "Neem" ("Plaintiff's "Neem" Trade Mark") and "Neem Active" ("Plaintiff's "Neem Active" Trade Mark")

(collectively referred to as the “Plaintiff’s Trade Marks”)
when they are used on or in relation to toothpastes;

(C) The Defendants are ordered that they must within 14 days from the date of this Order or Judgment or in any time frame that is given or agreed upon by the Plaintiff to do the following:-

- (i) Within the said time frame above, deliver to the Plaintiff any and every goods, dealings, information, documents, communications, records, transport documents, bills of lading, insurance policies, custom forms, purchase orders, goods, invoices, receipts, advertising materials, promotional materials, packaging and other materials that are connected and related to the Plaintiff’s “Neem Active” trademark in the manner as described in paragraph (A)(iv) above; and
- (ii) Disclose to the Plaintiff in writing via an Affidavit which has to be affirmed and filed by the Defendants in this Honourable Court and served on the Plaintiff’s solicitors disclosing and stating each and every details and dealings of the Defendants in relation to the Defendant’s goods and business that uses the “Dr. Neem” trademark in the manner as described in paragraph (A)(iv) above.

- (D) The Defendants are ordered that they must within 45 days after paragraph (C) above is complied with or on the date fixed or agreed by the Plaintiff, make and file in this Honourable Court and serve on the Plaintiff's solicitors an Affidavit verifying and identifying the Defendant's materials, business and goods that uses the "Dr. Neem" trademark or any trademark similar with or almost similar with the Plaintiff's "Neem" and/or "Neem Active" trade mark in respect of toothpaste no longer exist, is not available, not found, not sold, not supplied, not distributed, not offered for sale and not exposes to the public and for sale in the market;
- (E) A declaration is ordered that the " ("Dr. Neem") trademark, bearing Trade Mark Registration No. 2014001321 has been entered into the Register of Trade Marks without sufficient cause and/or wrongfully remaining in the said Register in respect of toothpaste and that the Registrar of Trade Marks of the Intellectual Property Corporation of Malaysia ("MyIPO") shall, after service of a copy of this Order on him, pursuant to Regulation 75 of the Trade Marks Regulations 1997, rectify the Register of Trade Marks by entering a limitation to Trade Mark Registration no. 2014001321 excluding its application to toothpaste and cause this fact to be published in the Official Journal or gazetted in the Government Gazette within 14 days of the said service;

- (F) An inquiry shall be held as to damages (including exemplary damages) for breach of contract, the tort of passing off and unlawful interference with trade and/or after the Defendants' compliance with paragraphs (C) (i) and (ii) above, account of profits and payment of all sums found due upon the making of such inquiry or taking of such account;
- (G) Interests on damages and/or account of profits as assessed in paragraph (F) at 5% per annum from the date of the Suit till full realization;
- (H) Costs of RM120,000.00 subject to 4% allocator.

107. The counterclaim of Rajoo is dismissed.

Dated this 28 February 2019

t.t.
LIM CHONG FONG
JUDGE
HIGH COURT KUALA LUMPUR

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