

INFRINGEMENT OF TRADE MARKS UNDER THE TRADE MARKS ACT 1976

I. INTRODUCTION

Trade marks have long been used by traders to denote the origin of their products thereby enabling customers to identify these products and distinguish them from products made or sold by others.¹ Today, trade marks also play the additional role of quality indicator in that they suggest to customers that products with the same mark are of consistent quality and similar to the one previously purchased, experienced or portrayed.² In this free market economy characterised by an overabundance of products and an imbalance of access to accurate information, trade marks aid customers in their choice and encourage competition on the part of traders and manufacturers. The utility and significance of trade marks are obvious and therefore it is important for trade mark owners to preserve the unique association between their marks and their products. Given the present competitive market scenario, it is little wonder that instances abound of unscrupulous traders using identical or similar marks on their goods with the motive of riding on the fame of successful trade marks. Such infringements of trade marks have dire consequences from at least two perspec-

1 *Ayamas Convenience Stores Sdn Bhd v Ayamas Sdn Bhd* [1995] 1 CLJ 133. See, also, Sanders AK & Maniatis SM, 'A Consumer Trade Mark: Protection Based on Origin and Quality' [1993] EIPR 406, Martino T & Ullah W, 'The Quality Guarantee Function of Trade Marks: An Economic Viewpoint' [1989] EIPR 267 and Michaels A, 'The Function of Trade Marks: The Law and the Reality' [1980] EIPR 13.

2 See Martino T & Ullah W, *ibid.*

tives. First, the public may be misled into believing that the rival's products are from the same source as the original manufacturer. Secondly, the trade mark owner may suffer losses of business as a result of the deception practised on the public.

The significance of trade marks as an invaluable form of intellectual property is evident from the existence of a system of registration governed by the Trade Marks Act 1976. Pursuant to section 35 of the Act, the registration of a trade mark confers on the registered proprietor a statutory monopoly over the mark which gives him the exclusive right to the use of the mark in relation to those goods or services for which it is registered.³ This exclusive right is infringed by a competitor in circumstances provided in sections 38 and 39 of the Act.⁴

The exclusive right of the registered proprietor to the mark takes effect from the date of registration⁵ which is deemed to be the date of filing of the application for registration.⁶ A corollary of this is that infringement proceedings cannot be commenced before the date on which the trade mark is in fact registered. It should be noted that the exclusive right of the registered proprietor is not an absolute right in the sense that it is circumscribed in several ways by the Act.⁷ A further point to note is that an action for infringement does not pre-empt the bringing of a simultaneous action in passing off.⁸

3 *Sanita Manufacturing (M) Sdn Bhd & Anor v Chanchai Aroonwatanawongse* [1987] 2 MLJ 219.

4 Section 38 of the Trade Marks Act 1976 is discussed in Part II of this article. Section 39 of the Act is discussed in Part III.

5 Trade Marks Act 1976, section 35.

6 Section 30(1).

7 For instance, section 35 of the Trade Marks Act 1976 expressly states that the exclusive right is 'subject to any conditions, amendments, modifications or limitations entered in the Register'. Thus, a registered proprietor of a mark cannot claim exclusive right to any part of a trade mark which has been disclaimed pursuant to section 18 of the Act. Also, the exclusive right is subject to section 43 which provides for the amendment or alteration of the Register by correcting an error or by cancelling an entry or by amending the specification of the goods or services. The operative effect of section 35 is further circumscribed by the opening words to the section, namely, 'Subject to the provisions of [the Trade Marks Act 1976]'. Such provisions include subsections (1) and (1A) of section 20 which deal with cases where, despite the existence of a valid registration, another party who has honestly acquired a concurrent right to use the trade mark may be permitted to register his mark as well. Another instance is section 40 which specifies a number of acts which do not amount to infringement. These are essentially defences to an action for infringement as was held in *Yometsu Seizo Co Ltd & Ors v Sirma Medical Products(M) Sdn Bhd* [1996] 2 MLJ 334.

8 Trade Marks Act 1976, section 82.

The objective of this article is to examine the law on infringement of trade marks under the Trade Marks Act 1976, *viz* sections 38 and 39, in the light of cases decided by our courts. Although at the time of writing, the Trade Marks (Amendment) Act 1994⁹ has not been brought into force yet, this article incorporates the amended statutory provisions on the basis that it is envisaged the Amendment Act will in due course be enforced.

II. INFRINGEMENT UNDER SECTION 38 OF THE TRADE MARKS ACT 1976

Section 38 provides that a registered trade mark is infringed by an unauthorised person who uses a mark identical with or nearly resembling the registered trade mark as is likely to deceive or cause confusion in the course of trade in relation to goods or services within the scope of the registration in one of two ways. The first is the use of the trade mark as a trade mark while the second is the use of the mark in order to import a reference to the registered proprietor or the registered user or to their goods or services. Thus, in order to succeed in an action for infringement of a registered trade mark, the onus is on the plaintiff, who may either be the registered proprietor or the registered user, to establish the following:¹⁰

- (i) the defendant's mark is identical with or nearly resembling the registered trade mark as is likely to deceive or cause confusion,
- (ii) the defendant is not the registered proprietor nor the registered user of the trade mark,
- (iii) the use was in the course of trade,
- (iv) the use was in relation to goods or services within the scope of registration, and
- (v) the use was likely to be taken either as being use as a trade mark or as importing a reference to the registered proprietor or the registered user or to their goods or services.

The approach of our courts as depicted by decided cases to each of the above elements is discussed in turn below.

⁹ The Trade Marks (Amendment) Act 1994 amends the Trade Marks Act 1976.

¹⁰ *Fabrique Ebel Societe Anonyme v Syarikat Perniagaan Tukang Jam City Port & Ors* [1988] 1 MLJ 188.

(f) Identical or nearly resembling marks likely to deceive or cause confusion

A significant feature of trade marks law is that infringement of a mark is not confined to the use of identical marks but extends to the use of marks which nearly resemble the registered trade mark as to be likely to deceive or cause confusion.¹¹ In the case of identical marks, one may arguably assume that there will be a likelihood of deception or confusion. In the case of marks that resemble each other, while it may be argued that such mere resemblance may imply the likelihood of deception or confusion, section 38(1) explicitly requires the court to consider whether such resemblance is likely to deceive or cause confusion. Thus, it would seem that the mere resemblance of marks is insufficient; the resemblance must be such as to cause a likelihood of deception or confusion among customers.¹² What amounts to 'deception or confusion' in the context of trade mark infringement has not been defined by any of our locally reported cases. Some guidance may perhaps be obtained from decisions of other jurisdictions in order to throw some light on the possible interpretation of this phrase. In the New Zealand case of *Pioneer Hi-Bred Corn Co v Hy-line Chicks Pty Ltd*,¹³ the word 'deceived' was defined by the court as 'the creation of an incorrect belief or mental impression' and the words 'causing confusion' defined as 'perplexing or mixing up the minds of the purchasing public'. In that case, it was also held that where the deception or confusion alleged was as to the source of goods, the word 'deceived' was equivalent to customers being misled into thinking that the goods came from some other source while the word 'confused' was equivalent to customers being caused to wonder whether that might not be the case. A similar definition is also found in the South African case of *John Craig (Pty) Ltd v Dupa Clothing Industries (Pty) Ltd*¹⁴ where the court said that 'deception' means to cause someone to believe something which is false and 'confusion' means to cause bewilderment, doubt or uncertainty.

Whether or not a mark is identical to another usually presents little or no difficulty at all. A defendant who uses exactly the same mark as the registered trade mark has clearly used an identical mark to the plain-

11 See Trade Marks Act 1976, section 38.

12 *Ibid.*

13 [1979] RPC 410 at 423 (a case dealing with opposition to the registration of a trade mark under section 16 of the New Zealand Trade Marks Act 1953).

14 1977 (3) SA 144 (T) at 150. In that case, the court discussed the effect of section 44(1)(a) of the South African Trade Marks Act No 62 of 1963 which provides for the infringement of a registered trade mark by a mark which so nearly resembles it as to be likely to deceive or cause confusion.

tiff's within the meaning of section 38 of the Act.¹⁵ Of greater complexity is the determination of whether a defendant's mark 'so nearly resembles' the registered trade mark. This is a question of fact at all times having regard to the circumstances of each particular case.¹⁶ Clearly, it is not possible to lay down any formula to determine the degree of resemblance which must exist between the two marks before the defendant's mark can be regarded as likely to deceive or cause confusion because the matters to be taken into account vary with the context of each case. Almost invariably, any inquiry as to whether a mark resembles another entails a comparison of the two marks by the court.¹⁷ *A fortiori*, it is the duty of the court to make the comparison.¹⁸ The comparison of marks obviously must involve the eye as well as the ear and, thus, a composite of factors are taken into account such as phonetics, morphology and semantics. Parker J in *Pianotist Co's Application*¹⁹ aptly commented as follows regarding comparison of word marks:

You must take the two words. You must judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy these goods. In fact, you must consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks.

While it may not be possible to formulate any yardstick to determine the degree of resemblance before a mark is regarded as so nearly resembling another as is likely to deceive or cause confusion,²⁰ a number of guidelines adopted by our courts may be distilled from the decided cases. An important guideline is that emphasis should be given to the idea or impression which each mark produces or suggests to the minds of potential customers.²¹ The average customer usually does not have a photo-

15 See, for instance, *Fabrique Ebel Societe Anonyme v Syarikat Perniagaan Tukang Jam City Port & Ors*, *supra* n 10 and *Louis Vuitton v Lee Thn Tuan* [1989] 3 MLJ 465.

16 *M I & M Corporation & Anor v A Mohamed Ibrahim* (1964) 30 MLJ 392 and *Tan Hap @ Tan Hua Ho & Anor (both t/a Syarikat Kwong Hock Hin) v Liang Ann Hock t/a Kim Guan Trading Company* [1989] 2 CLJ 500.

17 *Fabrique Ebel Societe Anonyme v Syarikat Perniagaan Tukang Jam City Port & Ors*, *supra* n 10, relying on the English case of *Re Harker Stagg Limited's Trade Mark* (1954) 71 RPC 136.

18 *Ibid.*

19 (1906) 23 RPC 774 at 777. This case has been referred to by our Supreme Court in *Tohtonku Sdn Bhd v Superace (M) Sdn Bhd* [1992] SCR 300 and by the High Court in *Chong Fok Shang & Anor v Lily Handicraft & Anor* [1989] 2 MLJ 348.

20 *Setco v Provezenda* (1865) 1 Ch D 192 cited in *M I & M Corporation & Anor v A Mohamed Ibrahim*, *supra* n 16.

21 *Tan Hap @ Tan Hua Ho & Anor (both t/a Syarikat Kwong Hock Hin) v Liang Ann Hock t/a Kim Guan Trading Company*, *supra* n 16.

graphic recollection of the details of the whole mark but merely a general impression of it and remembers the mark by this general impression.²²

Related to this general impression guideline is the doctrine of imperfect recollection which recognises the need to take into account the fact that an ordinary purchaser has only 'an ordinary memory'. Two marks when placed side by side may be clearly different and nobody would probably mistake the one for the other. However, in reality, it is not always the case that customers have the opportunity of comparing the two marks side by side at the point in time when a decision whether or not to purchase a product has to be made. In such a situation, the customer can only rely on his memory of the mark he knows and contrasts it with the mark upon the product which he is considering to buy.²³ The test of whether a trade mark so nearly resembles another as to be likely to deceive or cause confusion is therefore not a side by side comparison of every point of similarity and dissimilarity. Rather, as Thomson LP pointed out in *M I & M Corporation v A Mohamed Ibrahim*,²⁴ the test is whether a person who sees one mark in the absence of the other mark would be likely to be deceived and to think both marks are the same in view of his general recollection of the latter mark.²⁵

In *M I & M Corporation*,²⁶ the plaintiff sold vegetable ghee in tins bearing yellow labels containing printed matters in red and green together with the picture of a red hibiscus flower and the word 'Chop Bunga' or 'Flower Brand'. The flower picture was registered as a trade mark. The defendant's tins also bore yellow labels on which were printed matters in red and green. The defendant's tin, however, had the word 'Sunflower' with the picture of a flower different from that of the plaintiff's. In an action for infringement, the court found that both parties' marks were clearly different when placed side by side. However, the court was mindful that the test of resemblance or otherwise of two marks is not a side by side comparison

22 See Blanco White TA & Jacob R, *Kerly's Law of Trade Marks and Trade Names*, 12th Ed (London, Sweet & Maxwell, 1986) at 439.

23 See Blanco White TA & Jacob R, *ibid.*, at 447.

24 *Supra* n 16.

25 In adopting this test, Thomson LP relied on the decision of Sargant J in the English case of *Sardow Ltd's Application* (1914) 31 RPC 196. See, also, the decision of Luxmore LJ in *Rysta Ltd's Application* (1943) 60 RPC 87 where his Lordship pointed out that where word marks are concerned, the court should not embark into a meticulous comparison of the two words, letter by letter and syllable by syllable pronounced with the clarity of a teacher of elocution. The court should make allowance for imperfect recollection and the effect of careless pronunciation and speech not only of the person seeking to buy under the trade description but also of the shop assistant ministering to that person's wants.

26 *Supra* n 16.

but the general recollection test. Applying the general recollection test, the court took into consideration the category of persons who would buy the goods and the circumstances in which the goods were bought. The evidence adduced revealed that customers of such goods were generally illiterate. Such customers would shop in small dark grocers' shops where large quantities of goods were crowded in a disorderly manner into a very small space. While it was clear that the flower marks of both parties were different, the court placed emphasis on what aspects of the mark would affect the minds of customers. Considering the illiterate characteristics of the customers, the court took the view that the customers' minds would be affected by the colouring of the flower device and arrangement on the label rather than on the flower *per se*. Thus, there was a likelihood of deception or confusion and hence an infringement.

In comparing marks, due allowance must be given to the fact that a mark is a whole thing and therefore should be considered in its entirety.²⁷ Thus, one ought not to break down a mark into parts and compare each part with the corresponding part of the other mark to determine resembling features.

A mark may share many identical features with another and yet it cannot be said to resemble another mark within the meaning of section 38 of the Act because the essential features of that mark are not incorporated in the other. It is these essential features which are the significant factors in considering whether two marks resemble each other.²⁸ Thus, in *JS Staedtler & Anor v Sons Enterprise Sdn. Bhd.*,²⁹ the plaintiff's trade mark consisted of the words 'Staedtler Noris' together with black and yellow thick and thin stripes running along the hexagonal shape pencil. The defendant subsequently put on the market similar wood casing pencils which were also hexagonal in shape with thick black and yellow stripes and the word 'NIKKI' printed on the casing. While it was clear that both marks were not identical, the question was whether they nearly resembled each other. On this issue, the court determined the essential features of the marks as the striking black and yellow stripes, not the words 'Staedtler

27 *Re Lovens Kemiske Fabrik Ved A Konsted's Application for Registration of Trade Marks 'Leoclittr'* (1953) 19 MLJ 215 and *Tan Hap @ Tan Hwa Ho & Anor (both t/a Syarikat Kwong Hock Hin) v Liang Ann Hock t/a Kim Guan Trading Company*, *supra* n 16.

28 See, for instance, *Yomeishu Setzo Co Ltd & Ors v Sinma Medical Products (M) Sdn Bhd*, *supra* n 7, *Boh Plantations Sdn Bhd v Gut Nee Chuan & Ors* [1975] 2 MLJ 213, *Fraser & Neave Ltd v Yeo Htap Seng Ltd* [1982] 1 MLJ 122 and *Tohtonku Sdn Bhd v Superace (M) Sdn Bhd* *supra* n 19.

29 [1993] 1 AMR 663.

Noris' or 'NIKKI'. The court found that the essential features of the defendant's mark, on an ocular comparison, bore close resemblance to that of the plaintiff's mark and therefore the plaintiff's infringement action succeeded. Similarly, in *Tohtonku Sdn Bhd v Superace (M) Sdn Bhd*,³⁰ the court had to determine whether the trade mark 'MISTER 003' was infringed by the trade mark 'SISTER 003', both in relation to condoms. The court found that while there were similarities in features of the two marks, namely, red in colour and split in wording as well as similarity in the second syllable of the words, these similarities were not the essential features of the marks. The similarities were not close enough as to be likely to cause deception or confusion having regard to the totality of the circumstances. On appeal, the Supreme court applied the test laid down in *Pianotist Co's* case and dismissed the appeal on the ground that there was no likelihood of any ordinary purchaser being deceived into regarding both marks to be the same.

Where word marks are concerned, the phonetic sound of the word and the visual appearance are important.³¹ Two words may be quite different visually but yet have aural similarity or vice versa. Thus, in *Jordache Enterprises Inc v Millenium Pte Ltd*,³² the court had to decide whether the registered trade mark 'Jordache' (pronounced as 'Jor-dash') was infringed by the defendant's trade mark 'Jordane' (pronounced as 'Jor-dane' with the second syllable as in 'cane'), both in respect of jeans. The court found that the two words when placed side by side and each considered visually as a whole had a great deal of similarities. Coupled with the fact that their pronunciation so closely resembled each other, it was held that there was likelihood of deception or confusion. Similarly, the trade mark 'Minlon' was infringed by 'Winlon' because of the close resemblance in the sound and appearance of the two marks in the case of *Chong Fok Shang & Anor v Lily Handicraft & Anor*.³³ So also the defendant's trade mark 'Karrinor' was held to be phonetically similar to the plaintiff's trade mark 'Karrimor' in respect of schoolbags and knapsacks in the case of *Karrimor International Ltd. v Ho Choong Fun t/a Ah Hwa Trading Co*.³⁴

On the other hand, if both word marks bear entirely different meanings although phonetically and visually similar, the court may not proscribe the defendant from using his word mark. For instance, the plaintiff

30 *Supra* n 19.

31 *Tan Hap @ Tan Hwa Ho & Anor (both t/a Syarikat Kwong Hock Htn) v Ltang Ann Hock t/a Kbn Guan Trading Company*, *supra* n 16.

32 [1985] 1 MLJ 281.

33 *Chong Fok Shang & Anor v Lily Handicraft & Anor*, *supra* n 19.

34 [1989] 3 MLJ 467.

in *K E Mohamed Ibrahim v M Mohamed Ibrahim*³⁵ had a word mark 'Zam-zam' which was a Hindustani word of Arabic origin denoting the Sacred Well in Mecca. The defendant had a mark 'Ramzan' which meant the ninth Muhammadan month during which Muslims are interdicted from eating and drinking. While 'Zam-zam' may sound similar to 'Ramzan', yet the court refused the plaintiff's application for interlocutory injunction because both word marks had distinctive and completely different meanings. It would appear that this test only applies where both words are in the same language and such language is not too unfamiliar to the local people.

The kind of purchasers of the product and the prevailing language of the community in which it is sold are also factors to be considered.³⁶ These factors were particularly important in the 1950's and 1960's because a large segment of the population then were either illiterate or were only versed in their own language. As the country progresses and the people become more educated and, thus, more discerning, the significance of these factors may have watered down. In *Ronuk Ltd v Sin Thye Hin & Co.*³⁷ it was held that the respondent's 'Bear Brand' mark closely resembled that of the plaintiff's 'Panda' mark as to be likely to deceive or cause confusion because there was no distinction in the way the marks were referred to by the non-English speaking people in Singapore. The Malays referred to both marks as 'Chop Bruang' while the Chinese referred to these as 'Him'. Also, in *Hille International Ltd. v Tiong Hin Engineering Pte Ltd.*³⁸ the court had to determine whether the registered trade mark 'hille' (pronounced as in 'hilly') was infringed by the defendant's trade mark 'CILLY' in respect of polypropylene chair shells. The defendant argued that both marks were visually and phonetically different. The court placed emphasis on the fact that not all customers in Singapore spoke or wrote in English and thought that this factor was especially significant in the case than it would have been had all customers in Singapore been English speaking. Thus, the court opined that the defendant had infringed the plaintiff's trade mark.

35 [1952] 1 MLJ 149.

36 See, for instance, *Mc Alister & Co Ltd v Pasuma (1960) Ltd & Ors* (1961) 27 MLJ 298, *M I & M Corporation & Anor v A Mohamed Ibrahim*, *supra* n 16 and *Re Lovens Kemiske Fabrik Ved A Konsted's Application for Registration of Trade Marks 'Leocillin'*, *supra* n 27.

37 (1962) 28 MLJ 383. Although this was a case on expungement of a trade mark under the Trade Marks Ordinance (Cap 185), the court had to consider whether the respondent's mark so nearly resembled that of the applicant as to be likely to deceive or cause confusion.

38 [1983] 1 MLJ 145.

The colour of the mark should also be taken into account. Thus, in *A Clouet & Co Pte Ltd & Anor v Maya Toba Sdn Bhd*,³⁹ the plaintiff alleged that its 'Ayam Brand' trade mark was infringed by the defendant's 'Botan Brand' trade mark because the shape, size and colour arrangement of the label, namely, red and yellow were identical. Applying the visual test, the court held that the defendant's red and yellow label had infringed the plaintiff's label. On the other hand, in *Tan Hap @ Tan Hwa Ho & Anor (both t/a Syarikat Kwong Hock Hin) v Liang Ann Hock t/a Kim Guan*,⁴⁰ the proprietors of the trade mark consisting of the words 'Double Lion' and the device of two lions standing facing each other with a tower of flames separating them, all coloured in gold and outlined in black alleged infringement by the respondent's trade mark 'Dragon City'. The court found that although both marks bore the same colour, they do not resemble each other. Different animals were used to signify the two trade marks, the designs of the flame on both marks were different and the applicant's trade mark of two lions were not identical to the respondent's two dragons. Even phonetically, the applicant's trade mark bearing the words 'Double Lion' was different from the respondent's trade mark of 'Dragon City'.

In considering whether two marks closely resemble each other as to be likely to deceive or cause confusion, section 64(3) of the Act permits the court to have regard to the usages of the trade. Even prior to this provision, customs and usages of the trade have been taken into account as evident from *Re Lovens Kemtske Fabrik Ved A Konsted's Application for Registration of Trade Mark 'Leocillin'*.⁴¹ In that case, the issue before the court was whether the word 'LEOCILLIN' nearly resembled 'LEDERCILLIN', both in respect of pharmaceutical products. Evidence was given that such drugs were dispensed or administered by chemists' assistants in shops and ordered from wholesalers by persons untrained in medicine and pharmacy who were not conversant in the English language. In view also of the visual similarity of the two words when written hurriedly in a prescription by a busy medical practitioner and the aural similarity when spoken over the phone, the court held that both marks nearly resembled each other as to be likely to deceive or confuse. Also, in *S Yuvarajan s/o Sreemulu & Anor v Anthony a/l Martin Manikam*,⁴² the plaintiffs were the registered proprietor of the trade mark 'CHOPSIPOTH' together with the device of an outer rectangular border and an inner rectangle containing two diamond shaped frames with a snail lying horizontal in the inner diamond shaped frame.

39 [1996] 1 AMR 577.

40 *Supra* n 16.

41 *Supra* n 27.

42 [1994] 3 CLJ 253.

The mark was registered in relation to sarongs. The defendant's mark was 'CHOPSIPOT MAS' with substantially the same device as the plaintiff's mark, also in relation to sarongs. As evidence was adduced that sarongs were usually of indiscriminate designs and sold in crowded bazaars where the sarongs were stacked together in plastic wrappers with labels stuck on them, the court held that the defendant's mark was likely to cause confusion.

(ii) *The defendant is not the registered proprietor nor the registered user*

Pursuant to section 3(1) of the Act, a registered proprietor means 'the person for the time being entered in the Register as proprietor of the trade marks'. A registered user, according to section 48(1) of the Act, is a person registered as such and having a right to use the trade mark by virtue of a lawful contract with the registered proprietor. As registration confers on the registered proprietor the right to the exclusive use of the mark, it follows that an action for infringement lies at the instance of the registered proprietor of the mark infringed. A registered user has *locus standi* to institute an action for infringement under circumstances provided in section 51 of the Act. Pursuant to section 51, if the registered proprietor is called upon by the registered user to commence proceedings for infringement of a trade mark and fails to do so within two months, the registered user may institute infringement proceedings in his own name as if he was the registered proprietor. In such an event, section 51 requires the registered proprietor to be made a defendant in the infringement proceedings. Since section 38(1) clearly excludes the possibility of a registered proprietor infringing his own mark, it follows that the joining of the registered proprietor as a defendant in an infringement proceeding is merely for the purpose of section 51 only and does not denote any infringing act by him.

(iii) *The use was in the course of trade*

To constitute infringement, the mark must also be used 'in the course of trade' and not in a domestic, social or other non-trading manner. The phrase 'in the course of trade' in relation to the provision of services means, according to section 3(1) of the Act, 'in the course of business'. There is no corresponding definition in relation to goods. However, it appears that the phrase is wide enough to cover steps necessary for the production of goods up to the time of their ultimate sale or delivery to the customers.⁴³ There is no requirement that there be an actual sale.⁴⁴ The word 'trade'

43 See Ricketson S, *The Law of Intellectual Property* (Sydney, Law Book Co Ltd, 1984) at 703.

44 See, for instance, *Fabrique Ebel Societe Anonyme v Syarikat Perniagaan Tukang Jam City Port & Ors*, *supra* n 10, where the watches were merely on display at the shop window and they were, nonetheless, held to be infringing items.

was defined in *Aristoc v Rysta*⁴⁵ to mean 'selling or otherwise trading in the goods to which the mark is applied [and includes] hire purchase, leasing, letting out for public use, exporting, etc.' It has even been held that the phrase is wide enough to cover goods or services offered or advertised for sale even though these were then not in the market yet. Thus, in *'Hermes' Trade Mark*,⁴⁶ the registered proprietor of a mark launched an advertising campaign to introduce his mark although his goods were at that time not in the market yet. It was held that the mark had been used in the course of trade albeit not upon the goods or in physical relation thereto but in other relation thereto within the meaning of section 68(2) of the United Kingdom Trade Marks Act 1938.⁴⁷

(iv) The use was in relation to goods or services within the scope of registration

Section 3(2)(b) of the Act defines 'use of a mark in relation to goods' to mean 'use thereof upon, or in physical or other relation to, goods'. The application of a mark to the goods themselves, their container or packaging is an instance of use 'upon or in physical relation' to such goods.⁴⁸ Section 3(2)(b) also provides for use in 'other relation to goods'. Thus, the application of a mark on labels or tickets⁴⁹ attached to the goods, the advertisement⁵⁰ of a mark whether on television, films, placards, billboards or newspapers and the affixing of a mark in brochures and catalogues are instances of use of a mark in 'other relation to goods'.

Where service marks are concerned, it is obvious that the mark cannot be used in the same direct physical sense. The newly introduced subsection 3(2)(c) states that a mark in relation to services is used if the mark is used 'as a statement or as part of a statement about the availability or performance of services'.

It is also necessary that the mark be used for goods or services within the scope of registration; it is not an infringement if the goods or services

45 [1945] 62 RPC 65 at 83.

46 [1982] RPC 425.

47 Section 68(2) of the United Kingdom Trade Marks Act 1938 (now replaced by the Trade Marks Act 1994) provides, *inter alia*, that references to the use of a mark in relation to goods shall be construed as references to the use thereof upon, or in physical or other relation to, goods. Section 68(2) of the United Kingdom 1938 Act appears as section 2 of our Trade Marks Act 1976.

48 *Pioneer Kabushki Kaisha v Registrar of Trade Marks* (1977) 137 CLR 670. See, also, *Ricketson*, *supra* n 43 at 704.

49 *Jameson & Son Ltd v Johnston & Co Ltd* (1901) 18 RPC 259, *John De Kuyser & Son v W & G Baird Ltd* (1903) 20 RPC 581.

50 *Bismag Ltd v Amblins (Chemists) Ltd* (1940) 57 RPC 209.

are not covered by the registration even if they are of the same description as the goods or services for which the mark was registered. Thus, in *Ayamas Convenience Stores Sdn Bhd v Ayamas Sdn Bhd*,⁵¹ the plaintiff was the registered proprietor in Brunei of the trade mark 'AYAMAS'. The defendant was the franchise holder of 'Grandy', a fast food chain selling fried chicken. The defendant had used the word 'AYAMAS' as the title of its company and also in the operation of the Grandy's fast food outlets. The plaintiff therefore brought an action for, *inter alia*, infringement of its trade mark. The court found that the plaintiff's stores sold a wide range of products different from those sold in the defendant's restaurant. As registration protects only those goods for which the mark was registered, the court held that there had been no infringement by the defendant.

(v) Use as a trade mark or as importing a reference

Section 38(1) of the Act requires that the use of the mark must be likely to be taken 'as being use as a trade mark or as importing a reference' to the registered proprietor or registered user or to their goods or services. The use of a mark 'as a trade mark' in section 38(1)(a) means use for the purposes set out in the definition of a 'trade mark' in section 3(1).⁵² In other words, the use must be to indicate the source or origin of the goods in relation to which the mark is used. For instance, the affixing by the registered proprietor of a mark on his goods amounts to use of the mark as a trade mark because the use indicates origin in him. On the other hand, the use of a mark purely for purposes of describing the goods to which it is applied is not use as a trade mark.

Not infrequently, a competitor may use a mark not in the trade mark sense but to import a reference to the registered proprietor or registered user of the mark. Advertisements may purport to present information on the price or quality of a competitor's product or services with the motive of extolling the former's product. The landmark case in this area is the English case of *Irving Yeast Vite*.⁵³ In that case, the plaintiff was the registered proprietor of the trade mark 'Yeast Vite' in respect of pharmaceutical products. The defendant sold a similar product using the phrase 'Yeast tablets - a substitute for Yeast Vite'. The plaintiff brought an action for infringement against the defendant under section 39 of the now re-

51 *Supra* n 1.

52 See Ricketson, *supra* n 43 at 700.

53 (1934) 51 RPC 110. See also, Dawson N. 'Trade Mark Infringement by Referential Advertising' [1987] JBL 456 and Circus PJ, 'Comparative Advertising and Trade Mark Infringement' [1980] NLJ 5.

pealed United Kingdom Trade Marks Act 1905.⁵⁴ The House of Lords held that the plaintiff's mark had not been used by the defendant as a trade mark because the defendant had distinguished its tablets from that of the plaintiff's by stating that its products were merely substitutes of the plaintiff's product. Hence, the plaintiff's action for infringement had not been made out. Clearly, this decision would open the way for competitors to exploit or injure the reputation of a particular trade mark. As a result of this case, the United Kingdom Trade Marks Act 1938 was amended to include section 4(1)(b) which broadened the concept of infringement of a mark by providing for infringement in the event that the mark had been used for the purpose of importing a reference to the proprietor or registered user or to the goods of each of them. Section 4(1)(b) has been followed in this country and appears as section 38(1)(b) and (c) of the Trade Marks Act 1976. Therefore, importing a reference is an infringement under our trade marks law.

A literal reading of section 38(1) leads one to the conclusion that, even in the case of infringement by importing a reference, the defendant's mark must be identical with or so nearly resembling the plaintiff's mark. However, such a conclusion would severely circumscribe the scope of importing a reference as a species of trade mark infringement. Indeed, cases on infringement by importing a reference have not required the marks to be identical or so nearly resembling each other.⁵⁵

In the case of Part B marks, section 38(2) of the Act provides that even if the plaintiff is successful in establishing an infringement of his Part B mark, no relief shall be granted to him if the defendant discharges the onus of establishing to the satisfaction of the court that the use of the mark is not likely to deceive or cause confusion or indicate a connection in the course of trade with the registered proprietor or registered user. In *JS Staedtler & Anor v Lee & Sons Enterprise Sdn Bhd*,⁵⁶ it was held by

54 Section 39 of the now repealed United Kingdom Trade Marks Act 1905 provides that the registration of a person as proprietor of a trade mark shall give him the exclusive right to the use of such trade mark upon or in connection with the goods in respect of which it is registered.

55 For example in *Chanel Ltd v Triton Packaging Ltd* [1993] RPC 32, the defendants who were owners of the trade mark 'Echoes' were held to have infringed the plaintiffs' trade mark 'Chanel' by way of importing a reference. The defendants had referred to the plaintiffs' mark in a comparison chart contained in their distributors' manual. The issue in that case was whether the comparison chart was an advertising circular or other advertisements issued to the public. The fact that both marks did not resemble each other was not an issue at all in that case. See, also, *Montana Wines Ltd v Villa Maria Wines Ltd* [1985] RPC 412.

56 *Supra* n 29.

Mohamed Dzaiddin SCJ that once infringement was established, the defendants could raise section 38(2) as a defence for escaping from an injunction or other reliefs. It is humbly submitted that this line of reasoning is flawed because section 38(2) merely strips the plaintiff of any right to an injunction or other relief where there is an infringement of Part B mark and the defendant has successfully discharged his onus as discussed above. Section 38(2) does not function as a defence at all; it is a section which distinguishes the reliefs available to Part A and Part B mark owners.⁵⁷

III. Infringement under section 39 of the Trade Marks Act 1976

Section 39(1) of the Act provides that the registered proprietor or registered user of a mark may prohibit the doing of any act specified in section 39(2) by notice upon the goods or their container. This section therefore enables registered proprietors or registered users to impose certain restrictions which will 'run with the goods'.⁵⁸ Section 39 only applies to goods; there is no corresponding provision for services. The owner of the goods who does or authorises the prohibited act is presumed to infringe the mark. Such infringements differ from infringements under section 38 in that section 39 infringement does not require any likelihood of deception or confusion. Section 39 only applies if the act was done 'in the course of trade' or 'with a view to a dealing with the goods in the course of trade'. The acts which are the subject matter of section 39(1) are provided in section 39(2) as follows:

- (a) applying the trade mark upon goods which have suffered alteration to their state, conditions, get-up or packing
- (b) altering, partially removing or partially obliterating the trade mark, or applying some other trade mark to the goods, or the doing of any act which is likely to injure the reputation of the trade mark
- (c) in the case in which the trade mark is upon the goods and there is also other matter upon the goods indicating a connection in the course of trade between the registered proprietor or registered user and the goods, the removing or obliterating of the mark unless that other matter is wholly removed or obliterated.

In the context of section 39, the word 'upon' includes 'a reference to physical relation to the goods', as provided by section 39(3). In this regard,

⁵⁷ Support for this view may be found in *Blanco White TA & Jacob R*, *supra* n 22 at 285.

⁵⁸ *Shanahan DR, Australian Law of Trade Marks and Passing Off*, 2nd Ed (Sydney, Law Book Co Ltd, 1990) at 344.

the word 'upon' is more narrowly defined than the word 'use' in section 3(2)(b) which includes use in 'other relation to goods'.

Section 39(1) further provides for two exceptions to infringement by breach of certain restrictions. First, section 39 does not apply once property in goods has passed to a purchaser in good faith without notice. Secondly, a person who becomes the owner of the goods by virtue of a title derived from another person who had agreed to buy the goods is also exempted from the provision of section 39.

IV. CONCLUSION

An action for infringement is the principal protection of a trade mark. Although common law does not recognise any proprietary right in the mark *per se*, the Trade Marks Act 1976 statutorily recognises a trade mark as personal property and it is this property that is protected by an action for infringement. Protection is granted not only in the situation where the rival trader uses an identical mark but also where the rival's mark so nearly resembles the registered trade mark as to be likely to deceive or cause confusion. In determining whether a mark so resembles the registered trade mark as to be likely to deceive or cause confusion, various guidelines as discussed above have been employed by the courts. Although these guidelines do not generally depart from those used by courts in other common law countries, our courts recognise the need to consider the uniqueness of our multi-racial society and its consequent multi-dialect population which to some extent is illiterate. With the passage of time, the importance of this factor is progressively diluted as the people become more educated.

Infringement may also occur by the breach of certain restrictions imposed by the trade mark owner. As yet, there is no locally reported case on this manner of infringement. Assuming that an infringement has occurred in this manner, it would appear that the law of contract has a role to play in addition to the law of trade marks.

Tay Pek San *

* Lecturer
Faculty of Law
University of Malaya