

Socoil Corporation Berhad

Appellant

v.

Ng Foo Chong
Ng Foo Kok
(Trading as Ng Brothers Import
and Export Company)

Respondents

FROM
THE FEDERAL COURT OF MALAYSIA

JUDGMENT OF THE LORDS OF THE JUDICIAL COMMITTEE
OF THE PRIVY COUNCIL, DELIVERED THE 13TH JUNE 1984

Present at the Hearing:

LORD DIPLOCK
LORD KEITH OF KINKEL
LORD ROSKILL
LORD BRIGHTMAN
LORD TEMPLEMAN

[Delivered by Lord Templeman]

Section 16 of the Trade Descriptions Act 1972 of Malaysia, so far as material, provides that:-

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

(a)that his rights in respect of such trade mark are being infringed in the course of trade within the meaning of the written law...

the High Court may on the application of such person make an order declaring that the infringing trade....mark....is for purposes of this Act a false trade description in its application to such goods as may be specified in the Order."

Sabah is a territory comprised in the Borneo States which form part of the Federation of Malaysia. The Trade Marks Ordinance of Sabah is a written law relating to trade marks within section 16 of the Trade Descriptions Act 1972. The Ordinance established a register of trade marks and conferred

on a registered proprietor the exclusive right to the use of the registered trade mark in Sabah.

On 22nd January 1976 the respondents, Ng Brothers Import & Export Company, were registered under the Trade Marks Ordinance of Sabah as the proprietors of Trade Mark 19862 comprising a device of a golden coloured dragon enclosed in a circle and the words "Golden Dragon" in respect of edible oils only.

In 1978 the appellant, Socoil Corporation Bhd., began to sell in Sabah cooking oil under a mark which infringed the respondents' registered trade mark. On 31st July 1979, on the application ex parte of the respondents, B.T.H. Lee J., sitting in the High Court in Borneo, made an order which, on 21st February 1980 after a hearing inter partes he refused to discharge, that pursuant to section 16 of the Trade Descriptions Act 1972 "the trade mark 'Golden Dragon' consisting of the device of a golden coloured dragon enclosed in a circle used in relation to edible oils and in particular to cooking oil not manufactured by or distributed by" the respondents "shall be deemed for the purposes of the Trade Description Act 1972 to be false trade description". The appellant appealed from B.T.H. Lee J. to the Federal Court of Malaysia. The appeal was heard and dismissed by that court (Lee Hun Hoe C.J., Chang Min Tat and Syed Othman F.JJ.) on 5th December 1980. The appellant appeals with the leave of the Federal Court to His Majesty the Yang di-Pertuan Agong.

The respondents, having proved registration and infringement, were entitled to an order under section 16 of the Trade Descriptions Act 1972 unless the appellant succeeded in satisfying the court that in the judicial exercise of the discretion conferred by the section the judge of the High Court in Borneo should not have made any order. The appellant made a number of complaints which did not move the learned judge to exercise his discretion in its favour. The Federal Court were not persuaded and the Board are not persuaded that the learned judge erred in exercising his discretion in favour of the respondents.

The appellant submits that in the exercise of his discretion B.T.H. Lee J. should have declined to make an order because the order which he did make prevents the appellant from using the golden dragon mark in every part of Malaysia, although the trade mark of the respondents was only registered in Sabah. This argument is misconceived. Although by Article 121(3) of the Federal Constitution of Malaysia any order of the High Court in Borneo has full force and effect throughout the Federation, the order made by B.T.H. Lee J. only had the effect, and could only have had the effect, of rendering the use in Sabah of the golden dragon mark by the appellant a false trade

description in Sabah. If a somewhat equivocal passage in the judgment of The Federal Court is to be understood as meaning that the territorial ambit of the order extended beyond Sabah, that, in their Lordships' view would not be justified.

Section 6 of the Trade Marks Act 1976 which came into force in September 1983 now provides for a central trade mark register applicable to the whole of Malaysia. By section 6(4)(d) however, where a trade mark was registered before the coming into force of the Act in, for example, Sabah, and an application for the registration of an identical or similar trade mark has been made prior to the date of the coming into force of the 1976 Act by another person in any of the other regions of Malaysia, the registered trade mark shall only be effective in Sabah, unless and until the application for registration in one or more of the other regions of Malaysia has been refused, abandoned or successfully opposed. In the present case in 1976 the respondents were registered in Sabah. The appellant had applied in 1975 to be registered in Western Malaysia but not Sabah. The appellant's Western Malaysia application was not gazetted until 31st March 1977 whereupon the respondents on 25th June 1977 gave notice of objection. The appellant's opposed application for registration in Western Malaysia has not yet been determined. The respondents' trade mark registered in Sabah remains effective but only in Sabah until the appellant's application has been determined.

Next, the appellant complained that the evidence did not establish that the respondents had used the trade mark in Sabah and did not demonstrate that there was a danger of confusion between the goods of the appellant and the goods of the respondents. The respondents being registered proprietors of the trade mark, it was for the appellant to show reason why an order should not be made under section 16. The appellant failed to lead any evidence on non-user or on absence of confusion, and did not even contradict the affidavit evidence of the respondents which deposed that the trade mark was in use in Sabah and that the use of the golden dragon mark was calculated to lead the public to believe that cooking oils sold under that mark were the produce and manufacture of the respondents.

It was submitted that section 16 was only intended to protect the public and was not intended to protect the registered proprietor of a trade mark who should before applying for an order under section 16, so it was said, take civil proceedings proving the validity and user of his mark. Section 16 however confers express and unconditional power on a registered proprietor to make an application thereunder. The appellant had an opportunity of persuading the

learned judge that in the exercise of his discretion an order should not be made. They failed to persuade the judge and there are no grounds upon which the exercise of the learned judge's discretion could be interfered with.

Their Lordships will advise His Majesty the Yang di-Pertuan Agong that the appeal should be dismissed with costs.



