

**Compendium of Malaysian  
Intellectual Property Cases  
Trade Marks (Volume 1)**

## TABLE OF CONTENTS

	PAGE
<b>Passing off</b>	
<i>Albert Chai Chee Ming v Ko Shia Kong &amp; Anor</i> (2013) 1 MYIPC 1	1
<i>McDonalds Corporation v McCurry Restaurant (KL) Sdn Bhd</i> (2013) 1 MYIPC 2	21
<i>Ming Kee Manufactory Limited v Kee Hin Industries Sdn Bhd &amp; 3 Ors</i> (2013) 1 MYIPC 3	33
<i>Nordic Water Products Aktibolag &amp; Anor v Pumpen Environmental Sdn Bhd</i> (2013) 1 MYIPC 4	50
<i>McCurry Restaurant (KL) Sdn Bhd v McDonalds Corporation</i> (2013) 1 MYIPC 5	71
<i>Chocosuisse Union Des Fabricants Suisses De Chocolat &amp; 2 Ors v</i> <i>Maestro Swiss Chocolate Sdn Bhd &amp; 3 Ors</i> (2013) 1 MYIPC 6	78
<i>Dabur India Limited v Nagasegi Sdn Bhd</i> (2013) 1 MYIPC 7	95
<i>Eignretep Logistics (S) Sdn Bhd v ESB Haulage Services Sdn Bhd &amp; Ors</i> (2013) 1 MYIPC 8	105
<i>Hua Hong Import &amp; Exports Co Sdn Bhd v K.S Poh Shih</i> <i>Tea Merchant &amp; Trading Sdn Bhd</i> (2013) 1 MYIPC 9	110
<i>Tan Mei Li &amp; Ors v Golden Regal Restaurant Sdn Bhd</i> (2013) 1 MYIPC 10	115
<i>Yong Sze Fan &amp; Anor v Syarikat Zamani Hj Tamin Sdn Bhd &amp; Anor</i> (2013) 1 MYIPC 11	129
<i>Chocosuisse Union Des Fabricants Suisses De Chocolat &amp; 2 Ors v</i> <i>Maestro Swiss Chocolate Sdn Bhd &amp; 3 Ors</i> (2013) 1 MYIPC 12	220
<i>DeGem Berhad &amp; Anor v De Gem Goldsmith &amp; Jewellery Sdn Bhd &amp; Ors</i> (2013) 1 MYIPC 13	232
<i>DJ Auto Components Manufacturing Sdn Bhd v FBK Systems Sdn Bhd</i> (2013) 1 MYIPC 14	266
<i>Trinity Group Sdn Bhd v Trinity Corporation Berhad</i> (2013) 1 MYIPC 15	272
<i>Magic Boo Beauty Sdn Bhd v Koh Chui Ngoh</i> <i>(berniaga sebagai Perniagaan Lily)</i> (2013) 1 MYIPC 16	285

*Table of Contents*

**Rectification**

<i>3JC Meatballs Sdn Bhd v Yap Yok Foo &amp; Anor</i> (2013) 1 MYIPC 17	295
<i>McLaren International Ltd v Lim Yat Meen (No 1)</i> (2013) 1 MYIPC 18	302
<i>Yong Sze Fan &amp; Anor v Sharifah binti Mohd Tamin &amp; Ors</i> (2013) 1 MYIPC 19	313
<i>Regent Pumps Pty Ltd &amp; Anor v Keylargo Industrial Sdn Bhd</i> (2013) 1 MYIPC 20	334
<i>Lockheed Martin Corporation v Raytheon Company</i> (2013) 1 MYIPC 21	345
<i>McLaren International Ltd v Lim Yat Meen (No 2)</i> (2013) 1 MYIPC 22	354
<i>Jost Cranes GmbH &amp; Co KG v Jost Cranes Sdn Bhd</i> (2013) 1 MYIPC 23	363

**Infringement, Passing off and/or Rectification**

<i>Per: Syarikat Salmi Hj Tamin Sdn Bhd &amp; Anor</i> (2013) 1 MYIPC 24	371
<i>Aspect Synergy Sdn Bhd v Banyan Tree Holdings Limited</i> (2013) 1 MYIPC 25	375
<i>LB Confectionery Sdn Bhd v QAF Ltd; Perbadanan Harta Intelek Malaysia (Interested Party) &amp; Another Case</i> (2013) 1 MYIPC 26	396
<i>Leo Pharmaceutical Products Ltd v Kotra Pharma (M) Sdn Bhd</i> (2013) 1 MYIPC 27	421
<i>Soon Soon Manufacturing &amp; Training Sdn Bhd &amp; Anor v Medishield First Aid Supplies Sdn Bhd &amp; Anor</i> (2013) 1 MYIPC 28	446
<i>Ginvera Marketing Enterprise Sdn Bhd v Tohtonku Sdn Bhd</i> (2013) 1 MYIPC 29	452
<i>Suria KLCC Sdn bhd v Makamewah Sdn Bhd (No 2)</i> (2013) 1 MYIPC 30	460
<i>Kuang Pei San Food Products Public Company Limited v Wes Marketing Co Sdn Bhd (No 2)</i> (2013) 1 MYIPC 31	466
<i>LB (Lian Bee) Confectionery Sdn Bhd v QAF Ltd &amp; Anor</i> (2013) 1 MYIPC 32	475

## Table of Contents

<i>Perusahaan Otomobil Nasional Sdn. Bhd v Bidara Prisma Sdn Bhd &amp; Ors</i> (2013) 1 MYIPC 33	489
<i>Rotta Research Laboratorium S.p.A &amp; Anor v Ho Tack Sien &amp; Ors</i> (2013) 1 MYIPC 34	514
<i>Shaifubabrim Bin Mohd v EM Exhibitions (M) Sdn Bhd &amp; Anor</i> (2013) 1 MYIPC 35	540
<i>Visiber Sdn Bhd v Tan Meng Them &amp; 3 Ors</i> (2013) 1 MYIPC 36	561
<i>Jacmoli Designs &amp; Jewellers Sdn Bhd v YTL Corporation Berhad</i> (2013) 1 MYIPC 37	571
<i>Ho Tack Sien &amp; Ors v Rotta Research Laboratorium S.p.A &amp; Anor</i> (2013) 1 MYIPC 38	583
<i>Visiber Sdn Bhd v Pon 72 Sdn Bhd &amp; Ors (No 2)</i> (2013) 1 MYIPC 39	596
<i>Majlis Sukan Negara v Mesuma Sdn Bhd</i> (2013) 1 MYIPC 40	609
<b>Registerability</b>	
<i>Meidi (M) Sdn Bhd v Meidi-ya Co. Ltd, Japan &amp; Anor</i> (2013) 1 MYIPC 41	628
<i>Titan (M) Sdn Bhd v The Registrar Of Trade Marks</i> (2013) 1 MYIPC 42	642
<i>Meidi-ya Co. Ltd, Japan &amp; Meidi-Ya (M) Sdn Bhd v Meidi (M) Sdn Bhd</i> (2013) 1 MYIPC 43	653
<i>Illinois Tool Works, Inc v Pendaftaran Cap Dagangan, Malaysia</i> (2013) 1 MYIPC 44	668
<b>Trade Mark Opposition</b>	
<i>Walton International Limited v Yong Teng Hing (t/a Hong Kong Trading Co)</i> (2013) 1 MYIPC 45	681
<i>Hiu Kuan Hoe v Société des Produits Nestlé SA (No 1)</i> (2013) 1 MYIPC 46	693
<i>Yong Teng Hing (t/a Hong Kong Trading Co) &amp; Anor v Walton International Ltd</i> (2013) 1 MYIPC 47	703
<i>Hiu Kuan Hoe v Société des Produits Nestlé SA (No 2)</i> (2013) 1 MYIPC 48	722
<b>Interlocutory Injunction</b>	
<i>Philip Morris Products Inc v Glenbid (M) Sdn Bhd &amp; Anor</i> (2013) 1 MYIPC 49	730

## Table of Contents

<i>Alfa Laval (M) Sdn Bhd v Ng Ah Hai &amp; Ors</i> (2013) 1 MYIPC 50	738
<i>SV Beverages Holdings Sdn Bhd &amp; Ors v Kickapoo (Malaysia) Sdn Bhd</i> (2013) 1 MYIPC 51	753
<i>Suria KLCC Sdn bhd v Makamewah Sdn Bhd (No 1)</i> (2013) 1 MYIPC 52	778
<i>Philip Morris Products SA v Ong Kien Hoe &amp; Ors (No 2)</i> (2013) 1 MYIPC 53	784
<i>Kuang Pei San Food Products Public Company Limited v</i> <i>Wes Marketing Co Sdn Bhd (No 1)</i> (2013) 1 MYIPC 54	793
<i>Visiber Sdn Bhd v Pon 72 Sdn Bhd &amp; Ors (No 1)</i> (2013) 1 MYIPC 55	798
<i>Ken Holdings Berhad &amp; Ors v Sri Seltra Sdn Bhd (No 1)</i> (2013) 1 MYIPC 56	801
<i>WB Fresh Coconut Supplier Sdn Bhd v Gan Boon Wah &amp; Anor</i> (2013) 1 MYIPC 57	809
<b>Summary Judgement</b>	
<i>Microsoft Corporation v Yong Wai Hong</i> (2013) 1 MYIPC 58	819
<i>Guangdong Canary &amp; Anor v Mesagold Sdn Bhd</i> (2013) 1 MYIPC 59	825
<i>Perusahaan Otomobil Nasional Sdn Bhd v GMB Auto Parts Sdn Bhd</i> (2013) 1 MYIPC 60	837
<i>Finders Industries (M) Sdn Bhd v M B Products (M) Sdn Bhd</i> (2013) 1 MYIPC 61	839
<b>Striking Out</b>	
<i>Fazaruddin Bin Ibrahim v Parkson Corporation Sdn Bhd</i> (2013) 1 MYIPC 62	846
<i>BP plc v Mohd Shariff Abdullah</i> (2013) 1 MYIPC 63	871
<i>Datuk Ooi Han Eng &amp; Anor v Soh Huang Siah (carrying on business</i> <i>through an organisation known as Alaric's Productions Co)</i> (2013) 1 MYIPC 64	882
<i>Parkson Corporation Sdn Bhd v Fazaruddin bin Ibrahim</i> <i>(t/a Perniagaan Fatama) and another appeal</i> (2013) 1 MYIPC 65	888
<i>Guandong Canary &amp; Anor v Tea Sai Kyau &amp; Ors</i> (2013) 1 MYIPC 66	896

Table of Contents

**Agreement Related**

<i>Colliers International Property Consultants (USA) &amp; Anor v Colliers Jordan Lee and Jaafar (Malaysia)</i> (2013) 1 MYIPC 67	901
<i>GS Gill Sdn Bhd v Descente, Ltd</i> (2013) 1 MYIPC 68	905
<i>Playboy Enterprise International, Inc v Zillion Choice Sdn Bhd &amp; Anor</i> (2013) 1 MYIPC 69	917
<i>Burukan Bin Mohamed &amp; Anor v Sirajudin Bin Y Mohamed Mydin &amp; Ors</i> (2013) 1 MYIPC 70	933
<i>Network Pet Product (M) Sdn Bhd v Royal Canin SAS and Anor</i> (2013) 1 MYIPC 71	939

**Others**

<i>Philip Morris Products S.A. v Ong Kien Hoe &amp; Ors (No 1)</i> (2013) 1 MYIPC 72	943
<i>Taipung Poly (M) Sdn Bhd v Wong Fook Toh, Wong Che Leong and Wong Su Fab (t/a Kong Wah Trading Co) (No 1)</i> (2013) 1 MYIPC 73	953
<i>Taipung Poly (M) Sdn Bhd v Wong Fook Toh &amp; 2 Ors (No 2)</i> (2013) 1 MYIPC 74	961
<i>Philip Morris Brands Sarl v Goodness For Import and Export &amp; Ors (No 1)</i> (2013) 1 MYIPC 75	970
<i>Philip Morris Brands Sarl v Goodness For Import and Export &amp; Ors (No 2)</i> (2013) 1 MYIPC 76	975

## SUBJECT INDEX

### *Passing off*

#### ***Albert Chai Chee Ming v Ko Shia Kong & Anor***

(2013) 1 MYIPC 1

2008

High Court

*Trade Marks – Passing off – EQDE v EQDM – “EQ” business is to supply fire extinguishers and fire prevention products and services – Defendants – former employees – ownership of trade mark – 2nd Defendant claims he had proprietary right in the mark “EQ” or the business name EQDE – Exemplary and aggravated damages of RM90,000*

#### ***McDonalds Corporation v McCurry Restaurant (KL) Sdn Bhd***

(2013) 1 MYIPC 2

2008

High Court

*Trade Marks – Passing off – Extended passing off – McDonalds v McCurry trade marks for restaurants – injunction to restrain the use of “Mc” prefix – Consumer Witnesses*

[Note: Overturned by the Court of Appeal in *McCurry Restaurant (KL) Sdn Bhd v McDonalds Corporation* (2013) 1 MYIPC 5]

#### ***Ming Kee Manufactory Limited v Kee Hin Industries Sdn Bhd & 3 Ors***

(2013) 1 MYIPC 3

2008

High Court

*Trade Marks – Passing off – traditional and inverse (reverse) passing off – PMS trade mark for electrical plugs and fuses – counterfeit PMS fuses – goodwill – no documentation to support use of the PMS mark by the Plaintiff in Malaysia – locus standi – Plaintiff merely the importer – misrepresentation came to the attention of purchaser after completion of purchase or hidden prior to the sale – evidence of trap purchase by private investigator – private investigator’s firm does not possess a license as provided for by the Private Agencies Act 1971*

#### ***Nordic Water Products Aktibolag & Anor v Pumpen Environmental Sdn Bhd***

(2013) 1 MYIPC 4

2009

High Court

*Trade Marks – Passing off – Design – scrapers – Defendant had passed off its sludge scrapers as that of the Plaintiffs by making representations to the project engineer consultant and/or Irrigation Department of the Ministry of Housing and Local Authority and/or Indah Water Consortium that the sludge scrapers manufactured and installed by the Defendant were in fact the Plaintiff’s sludge scraper – deceptive resemblance – Plaintiff’s design and component parts are distinctively different – damages – diversion of sales – prestige and exclusivity of the Plaintiffs’ product will be diminished*

*Copyright – Infringement – design drawings for hydraulic scraper – brochure – copyright in the drawings and 3-dimensional reproduction thereof – artistic work – product allegedly not original – Ownership of Copyright – Affidavit or Statutory Declaration of Copyright*

*Subject Index*

– ownership of copyright not questioned during cross examination – inference of copying  
– visual comparison of products – causal connection – act of inserting and relying on the  
Plaintiffs’ brochure

***McCurry Restaurant (KL) Sdn Bhd v McDonalds Corporation***

(2013) 1 MYIPC 5

2009

Court of Appeal

*Trade Marks – Passing off – Extended passing off – McDonalds v McCurry trade marks for  
restaurants – injunction to restrain the use of “Mc” prefix – Consumer Witnesses*

[Note: Leave to Federal Court denied]

***Chocosuisse Union Des Fabricants Suisses De Chocolat & 2 Ors v Maestro Swiss  
Chocolate Sdn Bhd & 3 Ors***

(2013) 1 MYIPC 6

2010

High Court

*Trade Marks – Passing off – Extended passing off – “Maestro SWISS” mark for chocolate  
and chocolate products – Locus standi – 1st Plaintiff – trade association for Switzerland  
based chocolate manufacturers – no business interest or goodwill – whether the term SWISS  
chocolate have a distinctive meaning and reputation – would the words “Swiss chocolate”  
have been taken by a significant section of the chocolate-buying public in Malaysia at the  
relevant time to mean, chocolate made in Switzerland – Consumer Witnesses – whether  
significant members of the trade and public in Malaysia recognize chocolate made in  
Switzerland as a group of product of distinctive reputation and quality – whether the use of  
the words Maestro SWISS by the Defendants on their chocolate product has led or is likely  
to lead ordinary members of the chocolate-buying public in Malaysia to believe that the  
chocolate is a Swiss chocolate – Defendants’ product do not use the word “Swiss chocolate” –  
“Maestro SWISS” part of corporate name – principal of comparison – Defendants’ products  
are targeted more at the mass market consisting of purchasers with comparatively lower  
income – Survey Evidence*

*Geographical Indications Act 2000 – whether Maestro SWISS as used on the Defendants  
packaging get up denote geographical indication*

[Note: Overturned by the Court of Appeal in *Chocosuisse Union Des Fabricants Suisses  
De Chocolat & 2 Ors v Maestro Swiss Chocolate Sdn Bhd & 3 Ors* (2013) 1 MYIPC 12]

***Dabur India Limited v Nagasegi Sdn Bhd***

(2013) 1 MYIPC 7

2010

High Court

*Trade Marks – Passing off – PROMISE and MISWAK trade marks – well known trade  
mark – s. 70B of Trade Marks Act 1976 – toothpaste marketed under the trade mark  
PROMISE and MISWAK – 4th Defendant, former exclusive distributor, acted through  
several entities i.e. 1st to 3rd Defendants – Distribution Agreement terminated – 1st  
Defendant filed the PROMISE trade mark application in Malaysia – 1st Defendant  
sold toothpaste under the label mark INTAN PROMISE comprises substantially of the  
Plaintiff’s trade mark PROMISE and consists significantly of the get-up of the Plaintiff’s*

Subject Index

*toothpaste products under the trade mark PROMISE – 1st Defendant also sold toothpaste product under the label mark MISZWAK also comprises substantially of the Plaintiff's trade mark "MISWAK" and consists significantly of the get-up of the Plaintiff's toothpaste product under the trade mark "MISWAK – whether delay commencing the suit amounts to acquiesced*

*Copyright – Infringement – labels – copyright subsisted in the artistic and literary works concerns the labels of the toothpaste products PROMISE and MISWAK*

***Eignretep Logistics (S) Sdn Bhd v ESB Haulage Services Sdn Bhd & Ors***

(2013) 1 MYIPC 8

2010

High Court

*Trade Marks – Passing off – Company Name – ESB name – s. 16 of the Companies Act 1965 – 2nd Defendant former manager of Plaintiff's associated company – breach of fiduciary duty by 2nd Defendant – 2nd defendant knowingly and deliberately use the alphabets "ESB" for the name of the 1st defendant – not mere resemblance of names that is material; it is resemblance calculated to mislead both the 1st defendant and the plaintiff are involved in the same kind of business activity*

***Hua Hong Import & Exports Co Sdn Bhd v K.S Poh Shih Tea Merchant & Trading Sdn Bhd***

(2013) 1 MYIPC 9

2010

High Court

*Trade Marks – Passing off – TORK SHOU HEONG trade mark v BAO SHU XIANG for tea – confusingly similar trade mark in terms of design, description, Chinese characters and meaning on the Defendant's packaging*

***Tan Mei Li & Ors v Golden Regal Restaurant Sdn Bhd***

(2013) 1 MYIPC 10

2011

High Court

*Trade Marks – Passing off – the SOCIAL and SOCIAL@ v SOCIAL @ KL and SOCIAL KL for restaurants – preliminary issue – mark referred in the pleadings not mark in actual use by Plaintiff and for which they have made an application for registration – whether mark ought to be pleaded in its stylized form that is used in the Plaintiffs' signage – failure to plead elements of passing off – Consumer Witnesses – loyal customers – descriptive name – secondary meaning – Confusion – marks phonetically and visually similar – public may think parties outlets are of the same chain operated by the same management – evidence of confusion – Damage – dilution of distinctiveness*

***Yong Sze Fan & Anor v Syarikat Zamani Hj Tamin Sdn Bhd & Anor***

(2013) 1 MYIPC 11

2011

Court of Appeal

*Trade Marks – Passing off – "Tamin" trade mark – Defendants counterclaimed for passing off of "Tamin" for cordial, flavourings and syrups – Defendants first user of "Tamin" trade mark in respect of cordial, flavourings and syrups – first user – founder and father of Sharifah Tamin, registered user of the Plaintiffs' "Tamin" trade mark – Plaintiffs not*

## *Passing off*

### **Albert Chai Chee Ming v Ko Shia Kong & Anor (2013) 1 MYIPC 1**

HIGH COURT (SANDAKAN) — SUIT NO. S22-39 OF 2000  
YEW JEN KIE, J  
21 APRIL 2008

*Trade Marks – Passing off – EQDE v EQDM – “EQ” business is to supply fire extinguishers and fire prevention products and services – Defendants – former employees – ownership of trade mark – 2nd Defendant claims he had proprietary right in the mark “EQ” or the business name EQDE – Exemplary and aggravated damages of RM90,000*

#### **YEW JEN KIE J:**

In this suit, the plaintiff is claiming against the 1st and 2nd defendants for:

- (a) Passing off;
- (b) Inducing breach of contract with Jabatan Bomba;
- (c) Breach of employment contract;
- (d) Cost of the vehicle SA 3699A and
- (e) Aggravated/exemplary damages

At the outset of the trial the plaintiff withdrew the action against the 1st defendant and proceeded only against the 2nd defendant.

#### **The plaintiff’s case**

Gleaning from the 3rd Re-Amended statement of claim, the case of the plaintiff is essentially this. The plaintiff was at all material times a sole proprietor dealing in fire extinguishers and fire prevention products and services with its address at Lot 4, Block C, Mile 4, Bandar Kim Fung, P.S. 544, 90706 Sandakan. (“the plaintiff’s premises”). The plaintiff’s business name of EQ Dynamics Engineering (EQDE) was first registered on 23.7.1999. The plaintiff has acquired goodwill and substantial reputation in the business name of EQDE and/or the word “EQ” particularly in Sandakan.

The plaintiff claims that EQDE is a registered contractor with the Jabatan Bomba, Sandakan and had acquired valuable goodwill in its business name of EQDE and in the business of dealing in fire extinguisher services and refilling of fire extinguishers as well as fire prevention products and services, particularly in Sandakan and/or with the Jabatan Bomba, Sandakan. The plaintiff further claims that the defendants were at all material time the employees of the plaintiff until April 2000. The 1st defendant was last paid a salary of RM1,500.00 per month and the 2nd defendant was last paid a salary of RM700.00 per month. Both the defendants were fully aware and had knowledge of the appointment of the plaintiff as the registered contractor for Jabatan Bomba, Sandakan. The plaintiff gave the 2nd defendant the use and control of a

### *Passing off*

vehicle registered as SA3699A (the vehicle), which at all material time was the property of the plaintiff, to enable the 2nd defendant to conduct the business of EQDE.

The plaintiff also claims that on unknown dates and while being employees of the plaintiff, the defendants jointly and severally did conduct business at the plaintiff's premise under the name of "EQ Dinamik Kejuruteraan" (EQDK), which was registered without the knowledge and consent of the plaintiff. EQDK's business activities included, among others, receiving payment meant for EQDE under the name of EQDK and writing to Jabatan Bomba on 17.4.2000 requesting for change of name from EQDE to EQDK. The defendants continued to trade in the name of EQDK until it was wound up on 1/10/2000. The 2nd defendant thereafter applied for and obtained a new license from the Sandakan Municipal Council to trade under the name of "Syarikat Akal Maju" (SAM). The 2nd defendant also applied for and obtained a license from the Jabatan Bomba to continue the business as contractor under SAM.

The plaintiff further alleges that the defendants terminated their employment with the plaintiff without giving 3 months' notice. The 2nd defendant also refused to transfer the title and ownership of the vehicle to the plaintiff. The 2nd defendant had issued cheques for the purported purchase of the vehicle for RM4,000.00, but the cheques were returned with the remark "uncleared". It is the plaintiff's claim that the defendants have made false and incorrect representation that the business of EQDK is the same as the business of EQDE and/or that the EQDK is a branch, connected to or is an agent of EQDE. Their actions "*had led or induced the plaintiff's ordinary and/or prospective customers or members of the public particularly in Sandakan to believe that EQDK is the Malay translation of the name EQDE and that EQDK is a branch, connected to or an agent of EQDE; that the defendant's action had procured and induced Jabatan Bomba, Sandakan to breach the appointment of the plaintiff as its registered contractor and cause Jabatan Bomba, Sandakan, refuses to perform or further perform the appointment of the plaintiff as its registered contractor resulting in the loss of benefit of the appointment by Jabatan Bomba, Sandakan and the loss of profit it would otherwise have made*".

### **The defence of the 2nd defendant**

The 2nd defendant avers that the plaintiff was one of the partners or proprietors in EQDM dealing in sales service and supply of the protection equipment from 24.2.1998 to 1.8.1999 and that both the 1st and 2nd defendants became the employees of EQDM from 1.4.1997 and 1.10.1997 respectively. As of 23.7.1999, the 2nd defendant was registered as the sole proprietor of EQDE as agent for the supply of fire fighting equipment.

According to the 2nd defendant, the goodwill and reputation acquired in the business name of EQDE and/or the word "EQ" was acquired through and by the sole effort of the 2nd defendant and the name and the word was synonymous with the 2nd defendant. The 2nd defendant denied that the plaintiff was the registered contractor for Jabatan Bomba. He avers that as of 23rd July, 1999 the 2nd defendant was the registered contractor with Jabatan Bomba, Sandakan until 6th March, 2000 when the proprietorship of EQDE was transferred to the plaintiff by the agreement made between the plaintiff and the defendants on 11th January, 2000.

*Albert Chai Chee Ming v Ko Shia Kong & Anor*

The 2nd defendant denied that the defendants were the employees of the plaintiff and averred that they were the partners of EQDE by virtue of the profit sharing agreement made between the themselves 1 and the plaintiff on 11th January, 2000. The 2nd defendant avers that the vehicle was formerly registered under EQDM and was subsequently sold by EQDM to him on 4th November, 1999 by way of hire purchase with the plaintiff acting as guarantor.

The 2nd defendant also avers that EQDK was registered in the name of Raslim Bin Omar Sali on 18th January, 2000 when the 2nd defendant was still a partner of EQDE.

EQDK, according to the 2nd defendant, was formed and registered, with the knowledge consent and advice of the plaintiff, as the marketing arm of EQDE for the supply of fire extinguishers, fire extinguisher products and services and also as a business strategy for better profit following an agreement made between the defendants and the plaintiff at the meeting on 11th January, 2000 to restructure the profit sharing of EQDE. Following which, EQDK applied to Jabatan Bomba, Sandakan to register EQDK in place of EQDE as registered contractor for the service of fire prevention and fire extinguisher. The defendants proceeded to transfer EQDK to their names on 18th May, 2000 after the plaintiff had published an advertisement in the Merdeka Daily News on 15.5.2000 a notification of their termination of their services. Prior to the notification of the termination of their services, the plaintiff had offered to sell EQDE to the defendants for RM90,000.00, which offer was rejected by the defendants.

The 2nd defendant denied that the defendants jointly or severally made any representation to the public in Sandakan or otherwise that EQDE had any connection or otherwise with EQDE. He avers that although the invoices were made out under EQDK the payment received thereof were subject to the profit sharing scheme agreed on 11th January 2000 and the invoices were issued with the knowledge and consent of the plaintiff.

The 2nd defendant avers that it was the plaintiff that terminated the defendants' services. All the acts complained of by the plaintiff were wholly due to the action of the plaintiff to terminate the service of the defendants with effect from 1st May 2000. The 2nd defendant further avers that the plaintiff has no cause of action nor any locus standi to commence an action against him, and that the plaintiff's claim should be dismissed.

**Agreed Facts**

Under the Proposed Agreed Facts (which was agreed to by the parties), the parties have agreed to the following facts:

1. The plaintiff was one of the shareholders and directors of EQDM.
2. The 1st and 2nd defendants were employees of EQDM drawing a monthly salary of RM700.00 as of 1st April 1997 and RM1,500.00 as of 01.10.1997 respectively.
3. The vehicle SA3699R was formerly registered under EQDM.
4. The vehicle was sold by EQDM to the 2nd defendant on 04.11.1999 through a finance company, City Finance Berhad with the plaintiff as guarantor.

### *Passing off*

5. EQDE was first registered with the Sandakan Municipal Council on 23.07.1999 with the 2nd defendant as the registered owner.
6. The registered owner of EQDE was changed on 17.08.1999 from the 2nd defendant to Chin Chui Sain.
7. EQDK was registered as a trading firm at Sandakan Municipal Council under the name of Rasim bin Omar on 18.01.2000 as proprietor. The proprietorship was changed to the 1st and 2nd defendants' names on 18.05.2000.
8. The plaintiff by an advertisement in the Merdeka Daily News on 15.05.2000 notified the defendants of the termination of their services.
9. EQDK was operating at the same business premises as EQDE at Lot 4, Block C, Light Industrial, Bandar Kim Fung, Mile, Sandakan.
10. The defendants inserted an advertisement in the Merdeka Daily News on the commencement of business of EQDK on 20.05.2000
11. The 2nd defendant registered "Syarikat Akan Maju" on 09.03.2001 as a sole proprietorship under his name.

### **Agreed Issues For Adjudication**

Based on the Proposed Agreed Issues, the parties have agreed to the following issues for adjudication:

1. Was there a passing off by the defendants?
2. Did the defendants induce a breach of appointment of EQDE when the Jabatan Bomba appointed EQDK as its contractor in place of EQDE?
3. Was there a breach of the contract of employment by the defendant under EQDE?
4. Can the court award aggravated and/or exemplary damages on the facts of the case?

### **WAS THERE A PASSING OFF BY THE DEFENDANTS?**

PW2 Chai Chee Meng who is the plaintiff gave evidence that originally EQ Dynamics (M) Sdn Bhd [EQDM] was formed and registered under the name of three directors, namely; himself, Chong Vui Chee and Lieu Nyok Ching @ Margaret Lieu. The 1st and 2nd defendant joined EQDM in 1997 as employees. Later Chong Vui Chee left EQDM, but Lieu Nyok Ching @ Margaret Lieu and the plaintiff continued the business under the name of EQDE. EQDE was registered under the name of the 2nd defendant as the registered proprietor from 23rd July 1999 until 17th August 1999. Chin Chui San became the registered sole proprietor of EQDE from 17th August 1999 until 6th March 2000. The plaintiff became the registered sole proprietor of EQDE from 6th March 2000 onward.

It is also the testimony of the plaintiff (PW2) that the 1st and 2nd defendants were employees of EQDM until its name was changed to EQDE drawing fixed salaries. However, from 1st January 2000, based on the minute of management meeting on 11th January 2000, the defendants were to receive profit sharing instead of fixed salary.

The nature of "EQ" business, PW2 said, is to supply fire extinguishers and fire prevention products and services particularly in Sandakan where the words "EQDE"

and “EQ” appear in all the “EQ”’s stationery, printed matters, invoices, letterheads, signboard and business card. Based on this, he said that “EQ” had acquired goodwill and substantial reputation in the business name of EQDE and “EQ”. Further, “EQ” is also the registered contractor with Jabatan Bomba, Sandakan for the service and refilling of fire extinguisher.

On behalf of the plaintiff, it was submitted that the plaintiff had shown that he first traded in the name of “EQ” and EQDM in Sandakan as its director and later in EQDE as its proprietor. It is also admitted by the 2nd defendant that he joined EQDM on 1.10.1997 and that the plaintiff was one of the directors of EQDM. Learned counsel for the plaintiff submitted that it is trite law that the plaintiff as director of EQDM represents the company and as registered proprietor of EQDE represents the firm. Therefore there was continuous usage of the words “EQ” and “EQDE” to be associated with the plaintiff for a period of three years from 1/10/1997 to 15/1/2001. As director and shareholder of EQDM and proprietor of EQDE, it was argued that the plaintiff is the owner of the goodwill in the name of “EQ” and EQDE and he has the locus standi to institute this action, citing *York Pacific Holdings Ltd v U-Re Auto Sdn Bhd* [1998] 5 MLJ 84 and *Service Master (M) Sdn Bhd v MHL Service Master Sdn Bhd* [1998] 5 MLJ 378.

In challenging that the plaintiff has locus standi in the cause, it was submitted for the 2nd defendant that the plaintiff had failed to show that when EQDK was registered on 18.01.2000 (the date of commencement of the conduct complained of) he had a proprietary right in the name “EQ”. No doubt the plaintiff was one of the shareholders and directors of EQDM but, learned counsel for the 2nd defendant argued, the plaintiff has no proprietary right in the name “EQ”. If there is any infringement of the mark “EQ”, the party to raise the objection is EQDM, not the shareholder. It is agreed fact that EQDE was first registered under the 2nd defendant and even when the proprietorship of EQDE was later registered under Chin Chui San on 17.8.1999, the 2nd defendant was the manager and the one managing EQDE. Later when EQDE was registered in the name of the plaintiff as agreed at the meeting held on 11.1.2000, the 2nd defendant, the plaintiff and Margaret Liew were partners in EQDE, but there was no written agreement to reflect this. However, the shares were stated and put into writing at the meeting. The 2nd defendant further contended that the 2nd defendant was the registered proprietor of EQDE when it commenced business on 23.03.1999 and it was the 2nd defendant who was in the field sourcing for business even though the registered proprietorship of EQDE was changed to Chin Chui San and then to the plaintiff. It was also submitted that goodwill is attached to the business, not to its proprietor or the person who happened to carry it on, thus the goodwill was attached to the business when the 2nd defendant registered EQDE on 23.07.1999.

It was submitted that any goodwill and reputation acquired in the business name of EQDE and the word “EQ” was acquired through and by the sole effort of the 2nd defendant and the name and the word was synonymous with the 2nd defendant. In other words, the proprietary right in the good will of the name “EQ” belongs to the 2nd defendant and not the plaintiff who was only an investor and was not even the registered proprietor of EQDE when that goodwill was attached.