

DALAM MAHKAMAH TINGGI MALAYA DI KUALA LUMPUR

(BAHAGIAN DAGANG)

GUAMAN SIVIL NO. : D – 22IP – 61 - 2010

ANTARA

AV FUTURE LINK SDN. BHD.

(No. Syarikat 464637-W)

... PLAINTIF

DAN

INNO SUPPLY & SERVICES SDN. BHD.

(No. Syarikat: 729566-M)

... DEFENDAN

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GROUND OF JUDGMENT

Brief Facts

1. The defendant is the registered proprietor of Malaysian Registered Industrial Designs No. MY09-00526-0102, MY09-00527-0202 and MY09-00641-0101 ("**the Industrial Designs**"). The Industrial Designs concerns the designs of three (3) MP3 car modulators (hereinafter referred to as "**Modulators**").

2. The plaintiff had initiated this suit on the premise of unlawful interference on part of the defendant whilst the defendant has counterclaimed for Industrial Design infringement on the part of the plaintiff. The defendant is also the plaintiff in the consolidated Suit No. D-22IP-60-2010.

3. It is the defendant's case that it had obtained registration of the Industrial Designs vide two (2) Deeds of Assignment dated 11.05.2009 and 15.06.2009 executed by the creator of the designs, a China national, one Mr. Zhao Guo Zhen, thereby assigning all rights in the said designs within Malaysia to the defendant.

4. Sometime in March 2010, the defendant discovered that the plaintiff had been importing, offering for sale, and selling modulators that were identical to the Industrial Designs. At all material times, the defendant has never licensed or consented to the plaintiff's activities.

5. The defendant subsequently, via their Intellectual Property Consultant KASS International Sdn Bhd, sent a cease and desist letter dated 16.03.2010 to the plaintiff to stop all activities infringing the defendant's Industrial Designs. The defendant had also sent other cease and desist letters to various other retailers which were offering for sale and selling infringing Modulators supplied by the plaintiff. The plaintiff however has not complied with the defendant's demands.

6. Suit No. D-22IP-60-2010 is identical with the defendant's counterclaim. Hence, I will address the plaintiff's claim in the Suit No. D-22IP-60-2010 as its counterclaim in this present suit.

Issues

7. Based on the facts of this case, the issues to be determined are as follows:

- (i) whether the defendant is the rightful proprietor of the Industrial Designs;
- (ii) whether the Industrial Designs have not been disclosed within Malaysia;
- (iii) whether the plaintiff in this suit has infringed the defendant's Industrial Designs.

Whether the Defendant is the Rightful Proprietor of the Industrial Designs

8. It is not disputed by the defendant that it is not the originator of the designs as covered by the Industrial Designs. However, the defendant's position is that it has rightfully obtained registration of the Industrial Designs pursuant to two (2) Deed of Assignments, as executed by the originator of the said designs Mr. Zhao Guo Zhen, as follows:-

- a) Deed of Assignment dated 11.05.2009 (See **pages 62 – 64, of Bundle A**) for the models FT43/FT43A (which was subsequently registered as Industrial Design No. MY09-00526-

0102 on 27.05.2009. See **pages 50 – 53, A)** and FT44/FT44A (which was subsequently registered as Industrial Design No. MY09-00527-0202 on 27.05.2009. See **pages 54 – 57, A)**; and

- b) Deed of Assignment dated 15.06.2009 (See **pages 65 – 67, of Bundle A)** for the models FT45 (which was subsequently registered as Industrial Design No. MY09-00641-0101 on 19.06.2009. See **pages 58 – 61, A)**

9. In this regard, in his examination in chief, DW1 testified that he had approached the creator of all three designs sometime in May 2009 being one Mr. Zhao Guo Yen in China. According to the testimony via a Deed of Assignment dated 11.05.2009, Mr. Zhao had assigned all rights in the designs of the modulators referred to as D4A, D4B and D4C to the defendant within Malaysia. Further, DW1 said that Mr. Zhao had also, via a Deed of Assignment dated 15.06.2009 assigned all rights in the design of the modulator referred to as FT45 series to the defendant within Malaysia. DW1 explained in his evidence that the defendant then proceeded to register the D4A and D4B designs on 27.05.2009 and acquired the Industrial Design No. MY09-00526-0102 and Industrial Design No MY09-00527-0202 respectively. The defendant also proceeded to register the

FT45 design on 19.06.2009 and acquired the Industrial Design No. MY09-00641-0101.

10. It is trite that an assignee of the rights of a design can be the registered proprietor of an Industrial Design within Malaysia. This is clearly provided for by **Section 10(4) and 10(5) Industrial Designs Act 1996** (the Act) whereby an assignee will be treated as the 'original owner' for the purposes of obtaining registration as follows:

*“(4) The original owner of an industrial design or the assignee of any interest in an industrial design **may assign in writing to another person the whole or any part of his interest in the industrial design.***

*(5) Where an industrial design, or the right to apply an industrial design to any article, becomes vested, **whether by assignment**, transmission or operation of law, in any person other than the original owner, either alone or jointly with the original owner, that other person or, as the case may be, the original owner and **that other person shall be treated for the purposes of section 11 as the original owner of the industrial design or as the original owner of the industrial design in relation to that article.**”*

11. Upon being deemed as the 'original owner', an assignee thereby obtains the right to apply for registration pursuant to **Section 11(1) Industrial Designs Act 1996** as follows:

“(1) The original owner of an industrial design is entitled to make an application for the registration of the industrial design.”

12. The effect of section 10 (4) and section 11 of the Act was further explained by the court in the case of **Buncho (M) Sdn Bhd v. Q-Stationers Sdn Bhd [2010] 7 CLJ 359** as follows:

*“(g) The original owner (ie, the author) or an assignee of any interest in an industrial design may assign in writing to another person the whole or any part of his interest in the industrial design **The assignee can therefore be regarded as an original owner** provided there is a legally recognized assignment. The assignee owner cannot be the author unless he is also the originator of the design (see s. 10(4) of IDA 1996);*

*(h) The original owner of an industrial design is entitled to make an application for the registration of the industrial design. Further, where two or more persons own interests in an industrial design they are entitled jointly to make an application for the registration of the industrial design. **By virtue of this, an assignee of an industrial design can be regarded as person***

owning an interest in the same and as such, entitled to file for design registration (see s. 11(1) and (2) of IDA 1996);”

13. In light of the evidence adduced by DW1, whose credibility remains unchallenged, I am satisfied on the balance of probabilities that the originator of the designs as contained in the Industrial Designs have assigned all the property, rights, title and interest in the said designs to the defendant via the two (2) Deeds of Assignment.

14. In this regard, the Deeds of Assignment having been made in writing, is in compliance with **Section 10(4) of the Act** and thus, the defendant can be regarded as the ‘original owner’ of the said designs. As such, the defendant is entitled to file for design restitution under Section 11(1) of the Act.

15. In this present case, the plaintiff disputed the validity of the said Deeds of Assignment on the ground that there is no stamping, absence of witnesses and absence of diagrams.

16. In response, learned counsel for the defendant contended that the plaintiff in their pleadings had admitted to the validity and contents of the said Deeds of Assignments in its Statement of Claim and thus, it is not

open for the plaintiff to raise issue which has not been pleaded in its Statement of Claim.

17. On this point, I have carefully perused the Statement of Claim and finds that the plaintiff has admitted in its Statement of Claim that the Zhao Guo Zhen has assigned its rights to the modulator to the defendant. As such, I accept the defendant's submission that the defendant has been deprived of the opportunity to direct its evidence towards meeting the plaintiff's unpleaded case.

18. It is pertinent to note that at all material times during the proceedings, the plaintiff has never raised any challenge regarding the validity and contents of the Deeds of Assignment, nor the registration process of the Industrial Designs. Furthermore, the parties had even agreed to categorize both the Deeds of Assignment as **Part B documents (agreed documents)**.

19. It is trite law that parties are bound by their pleadings and the court is not entitled to decide on matters which have not been pleaded. In the hallmark case of **Janagi v. Ong Boon Kiat [1971] 1 LNS 42** it was decided

that where no issue has been raised in the pleadings, the court is not entitled to decide on such matters at **page 2** as follows:

*“...The Court is **not entitled** to decide on a suit on a matter on which **no issue has been raised by the parties**. It is **not the duty of the court to make out a case** for one of the parties when **the party concerned does not raise or wish to raise the point**. In disposing of a suit or matter involving a disputed question of fact **it is not proper for the Court to displace the case made by a party in its pleadings and give effect to an entirely new case which the party had not made out in its own pleadings**. The trial of a suit **should be confined to the pleads** on which the parties are at variance. If the parties agree to a factual position then it is hardly open to the Court to come to a find into, different from such agreed facts. The only purpose in requiring pleadings and issues is to ascertain the real difference between the parties and to narrow the area of conflict and to see just where the two sides differ.*

It was not open to the learned Magistrate to fly off at a tangent as it were and disregard the pleadings in order to reach a conclusion that he might have thought was just and proper. It was held by Scrutton LJ in the case of *Blay v. Pollard & Morris* [1930] 1 KB 628 at p 634:

Cases must be decided on the issues on record; and if it is desired to raise other issues they must be placed on the record

by amendment. In the present case the issue on which the Judge decided was raised by himself without amending the pleadings and in my opinion he was not entitled to take such a course.

This case was followed in our own Court of Appeal in *Haji Mohamed Dont v. Sakiman* [1956] MLJ 45 where Sir Charles Mathew CJ said:

I think it is clear that a Judge is bound to decide a case on the issues on the record and that if there are other questions they must be placed on the record.

A judgment should be based upon the issues which arise in the suit and if such a judgment does not dispose of the questions as presented by the parties it renders itself liable not only to grave criticism but also to a miscarriage of justice. It becomes worse and is unsustainable if it goes outside the issues. Such a judgment cannot be said to be in accordance with the law and the rules of procedure. It is the duty of the Courts to follow the rules of procedure and practice to ensure that justice is done. These rules are meant to be observed and respected. The faith and the confidence of the public in the law, the Constitution and the Government depends to a fairly large extent on the way the machinery of justice functions and it is the duty of those who man that machinery to realise that what they do does not in any way tend to diminish that faith. Everyone is, no doubt, liable to make mistakes but it would have been better if the learned

Magistrate had acted in less haste and had taken a little time to look up the law on the matter.”

20. The Federal Court in the case of **The Chartered Bank v. Yong Chan [1974] 1 LNS 178** had further recognized that if the pleadings had included the further issues relied upon, the case would have undoubtedly progressed differently at page 3 as follows:

*“ . . . Now the function of pleadings is **to give fair notice of the case which is to be made so that the opposing party may direct his evidence to the issue disclosed by them** See *Esso Petroleum Co Ltd. v. Southport Corp.* [1956] AC 218, 238*

*In the Court below the case made against the bank rested entirely on the allegation of libel. **If the respondent's pleadings had been put in the alternative, either that there was breach of duty or that the answer on the dishonoured cheque was libellous, the case would no doubt had been developed on wholly different grounds**. It is idle at the present stage to speculate what evidence might have been adduced by either side on the other allegation, and what would have happened if such a case had been made.”*

21. It must be emphasized that at all material times, the plaintiff has never, in their pleadings, contested as to whether the Deeds of Assignment related to the Industrial Designs nor challenged the validity of the said Deeds of Assignment. On the contrary, the **plaintiff has, in their Statement of Claim pleaded that they had full knowledge of the Deeds of Assignment and admitted that it was “merely an assignment” of the said Modulators at paragraph 6, pages 8 – 9 of the Bundle of Pleadings as follows:**

*“Selain itu, di dalam surat bertarikh pada 6 haribulan Mei 2010 tersebut, pihak Defendan telah menyatakan bahawa hak rekabentuk telah diberikan kepada pihak Defendan oleh Zhao Guo Zhen tersebut melalui “Deeds of Assignment” yang telah ditandatangani oleh kedua-dua pihak Defendan dan Zhao Guo Zhen, yang telah memberikan hak kepada Defendan untuk **mendaftarkan barangan “modulator” tersebut** di Malaysia. **Berdasarkan kepada satu pemeriksaan ke atas dokumen “Deeds of Assignment” tersebut telah dilakukan pada 8 haribulan Jun 2010 dan Plaintiff telah mendapati bahawa ini hanya adalah satu penyerahhakan sahaja.** Oleh yang demikian, ianya menunjukkan bahawa **barangan “modulator” tersebut** adalah bukan satu ciptaan Defendan.”*

22. Based on the plaintiff’s own pleadings, it is clearly pleaded that they had examined that said Deeds of Assignment, knew that the Deeds of

Assignment relates to the Industrial Designs and have even admitted that it was a valid assignment.

23. The plaintiff's own witness, **PW2** had in his own **Witness Statement** at **Q&A 9, Exhibit P2** admitted the same as follows:

*"Di dalam surat bertarikh 6.5.2010 tersebut telah menyatakan bahawa pemilik dan/atau pencipta **barangan "modulator" tersebut** adalah seorang individu yang bernama Zhao Guo Zhen daripada Republik Rakyat China*

*Selain itu, di dalam surat bertarikh pada 6 haribulan Mei 2010 tersebut, pihak Defendan telah menyatakan bahawa hak rekabentuk telah diberikan kepada pihak Defendan oleh Zhao Guo Zhen tersebut melalui "Deeds of Assignment" yang telah ditandatangani oleh kedua-dua pihak Defendan dan Zhao Guo Zhen, yang telah memberikan hak kepada Defendan untuk **mendaftarkan barangan "modulator" tersebut** di Malaysia **Saya menyatakan di sini bahawa satu pemeriksaan ke atas dokumen "Deeds of Assignment" tersebut telah dilakukan pada 8 haribulan Jun 2010 dan telah mendapati bahawa ini hanya adalah satu penyerahhakkan sahaja.** Oleh yang demikian, ianya menunjukkan bahawa **barangan "modulator" tersebut** adalah bukan satu ciptaan Defendan. ."*

24. In addition, regarding the registration of the Industrial Designs, the plaintiff has never questioned or challenged the **process** of registering the Industrial Designs, i.e, whether the Deeds of Assignment had been provided to the MYIPO department. To the contrary, the plaintiff has only challenged on the newness or novelty of the designs.

25. In this regard, I accept the defendant's contention that in light of the plaintiff's pleadings and even its own witness statement, the plaintiff cannot now attempt to make an ambush and raise issues which were never presented appropriately.

26. **On this point, DW1** explained the relationship between the Deeds of Assignment and the Industrial Designs as follows:

8.Q: Can you explain how did the Defendant came about to obtain these Industrial Designs?

A: The Defendant had approached the creator of all three designs sometime in May 2009 being one Mr. Zhao Guo Yen in China. Via a Deed of Assignment dated 11.05.2009, Mr. Zhao had assigned all rights in the designs of the modulators referred to as D4A, D4b and D4C to the defendant within Malaysia. Mr. Zhao had also, via a Deed of Assignment

dated 15.06.2009 assigned all rights in the design of the modulator referred to as FT45 series to the defendant within Malaysia. The defendant then proceeded to register the D4A and D4B designs on 27.05.2009 and acquired the Industrial Design No. MY09-00526-0102 and Industrial Design No. MY09-00527-0202 respectively. The defendant also proceeded to register the FT45 design on 19.06.2009 and acquired the Industrial Design No. MY09-00641-0101.

27. **DW1** clarified **during cross examination** that the Deeds of Assignment along with the other supporting documents had been furnished during the process of registration of the Industrial Designs at **page 48, NOP** as follows:

“Q: I put it to you alright you have never relying on deed of assignment this two deed of assignment for the purpose to apply for the registration of industrial design?”

A: No, YA from the date we started to hope to bring in this product beside the deed of assignment we ask the consultant KASS International Sdn Bhd to guide us to do this because we don't know how to do this so find a KASS International to guide us so he ask us from the purpose process procedure what to do and we provide all the data deed of assignment signature, company chop, everything

and we submit the diagram also to the KASS International to help us to register.”

28. It cannot now lie in the mouth of the plaintiff to question the validity and contents of the Deeds of Assignment nor the registration process of the Industrial Designs, especially in the face of their own pleadings and evidence, as the defendant will then be deprived from directing its evidence to meet the new case that has just been disclosed by the plaintiff. Clearly, all such new found allegations are purely **afterthoughts that should be disregarded.**

8.Q: Can you explain how did the Defendant came about to obtain these Industrial Designs?

A: The Defendant had approached the creator of all three designs sometime in May 2009 being one Mr. Zhao Guo Yen in China. Via a Deed of Assignment dated 11.05.2009, Mr. Zhao had assigned all rights in the designs of the modulators referred to as D4A, D4b and D4C to the defendant within Malaysia. Mr. Zhao had also, via a Deed of Assignment dated 15.06.2009 assigned all rights in the design of the modulator referred to as FT45 series to the defendant within Malaysia. The defendant then proceeded to register the D4A and D4B designs on 27.05.2009 and acquired the Industrial Design No. MY09-00526-0102 and

Industrial Design No. MY09-00527-0202 respectively. The defendant also proceeded to register the FT45 design on 19.06.2009 and acquired the Industrial Design No. MY09-00641-0101.

29. Even though the diagrams of the modulator were not attached with the Deeds of assignment, the model numbers of the Modulators have been identified in the schedule as FT43/FT43A and FT44/FT44A series at **page 64**, as well as FT45 series at **page 67 of Bundle A**.

30. In this regard, the model numbers as referred to in the Deeds of Assignment can also be cross-referred to the model numbers as seen on the actual products themselves (**the model numbers are identified at the top right corner of the respective packagings**) being **Exhibit D4A** (FT43/FT43A series), **Exhibit D4B** (FT45 series) and **Exhibit D4C** (FT44/FT44A series).

31. In addition, the plaintiff has not attempted to lead any evidence contesting the validity and contents of the Deeds of Assignment as well as the registration process of the Industrial Designs. It is trite law that **he who asserts must prove**. To the contrary, the plaintiff has not led any evidence to support any of its allegations. As such, any challenge mounted by the plaintiff upon these points cannot be considered by the court.

Whether the Industrial Designs have not been disclosed within Malaysia

32. The next issue that the court has to determine is whether the defendant's Industrial Designs have not been disclosed in Malaysia prior to its registration. The plaintiff submitted that the defendant's Industrial Design is not new because it has been put on sale in China.

33. The issue of being 'new' or 'novelty' is governed by **Section 12(1) and 12(2) Industrial Designs Act 1996** as follows:

(1) *Subject to this Act, an industrial design shall not be registered unless it is new.*

(2) *An industrial design for which an application for registration is made shall not be considered to be new if, before the priority date of that application, it or an industrial design differing from it only in immaterial details or in features commonly used in the relevant trade-*

(a) *was disclosed to the public **anywhere in Malaysia**; or*

(b) *was the subject matter of another application for registration of an industrial design **filed in Malaysia** but having an earlier*

priority date made by a different applicant in so far as that subject matter was included in a registration granted on the basis of that other application.

34. In light of the above provisions, it is trite that the test regarding the 'newness' or 'novelty' of an Industrial Design is **territorial**, i.e, whether the design is 'new' or 'novel' **within Malaysia** and **NOT** worldwide 'newness' or 'novelty'.

35. In the case of **Honda Giken Kogyo Kabushiki Kaisha v. Allied Pacific Motor (M) Sdn Bhd & Anor [2006] 6 CLJ 174** which was referred by counsel for the defendant, the court held that **in that a registration of an Industrial Design in Singapore would not affect the 'newness' or 'novelty' of the same design in Malaysia. The court in Honda Giken Kogyo Kabushiki Kaisha's case (supra) held as follows:**

*"Needless to say, guided by the principles of construction of statutes, and assisted by the above illustration of s. 12(2) **the ingredient of novelty is obviously territorial Even if it has been registered at say Singapore that is irrelevant**. By analogy, under s. 14 of the Patent Act 1983 (Act 291), to ensure that an invention is patentable it must be established new, whereupon a worldwide search is prescribed, **as compared to***

the Industrial Designs Act 1996 where the search requirement is limited to within Malaysia only.

*After comprehending the requirements of the Copyright Act more satisfactorily, the better view is that only the newness of the design is demanded by s. 12. In other words Parliament was deliberate in its action when it excluded the ingredient of novelty from the terminology of 'new'. That factor of novelty is indisputably a statutory administrative requirement, and most probably additional ammunition for the registrar to justify registration of that design **Irrespective of the reason, it is thus quite safe to state, in brief, that a design is new if it has yet to be disclosed to the public anywhere in Malaysia and has not been the subject of another registration application in Malaysia but by a different applicant**”*

36. As the plaintiff has alleged that the Industrial Designs are not new, it is thus the burden of the Plaintiff to show that the same designs have been disclosed **within Malaysia** prior to the application date of the Industrial Designs.

37. However, the plaintiff however have shown that the said designs have been registered in the **Intellectual Property Office of the People's Republic of China** (See Exhibit P2 with reference to **pages 19 – 30, A** and **pages 2 – 10, B**).

38. As was held in **Honda Giken Kogyo Kabushiki Kaisha v. Allied Pacific Motor (M) Sdn Bhd & Anor (supra)**, the fact that a design has been registered in a different jurisdiction is irrelevant.

39. On this point, the plaintiff has not led any evidence that the Industrial Designs have been disclosed to the public of Malaysia prior to the registration of the same. The meaning of disclosure to the public under Section 12 of the Industrial Design Act 1996 was explained by the court in the case of **Buncho (M) Sdn Bhd v. Q-Stationers Sdn Bhd (supra)** as follows:

“(s) The learned judge in the same case further elaborated on what amounts to publication. At p. 325, para. 26, he made reference to the unreported case of Teh Teik Boay v. Chuah Siak Loof[1961] 1 LNS 136 where Hepworth J said the following:

*Broadly speaking, there is publication if the design has been disclosed to the public as opposed to being kept secret. **The question which has to be decided is, therefore, has the public been put in possession of the design? Has it knowledge of the design?** It is not necessary that the design should have been actually used. There will just as much be a publication if it is shown **that it was known to the public**, without ever*

having been actually out to use. Thus, publication may be of two types, (a) publication in prior documents; (b) publication by prior user.

*(f) **The definition of 'prior use'** by Russell-Clarke was adopted by Besalon International Limited & Ors v. South Strong Industries Sdn Bhd [1997] 1 CLJ Supp 335 where the learned judge said the following:*

Prior use according to Russell-Clarke (page 50):

Occurs where the design has been actually applied to articles before the date of registration of the design, and those articles have been used in such a way that the design becomes disclosed to the public "

40. In this regard, I accept the defendant's contention that the plaintiff purely relies upon the Intellectual Property Search Results which was made **in China**. The plaintiff however has failed to show whether the same Industrial Designs **is known** to the **Malaysian public** prior to the respective dates of application being 27.05.2009 and 19.06.2009 as the case may be.

41. On the other hand, the defendant has led ample evidence that the Industrial Designs are new at the time of application for registration as follows:

a) **DW1** has given evidence that he had never seen the designs in Malaysia prior to the registration of the Industrial Designs

11 Q: *Have any of the modulators that you described been brought into Malaysia prior to their respective registration as Industrial Designs?*

A: *No. Even as the owner of the Industrial Designs, the defendant only started importing and distributing the FT43/FT43A and FT44/FT44A series from June 2009 onwards whilst the FT45 series were only brought in from July 2009 onwards.*

12 Q: *As far as you know, have you ever seen any modulators of similar design with the defendant's FT43/FT43A and FT44/FT44A modulators in Malaysia prior to 27 05.2009?*

A: *No. The first time I saw those designs were in China where I met Mr. Zhao.*

13 Q: *As far as you know, have you ever seen any modulators of similar design with the defendant's FT45 modulators in Malaysia prior to 19.6.2009?*

A: *No. The first time I saw those designs were in China where i met Mr. Zhao*

b) **DW2** had also given evidence that he had never seen the designs in Malaysia prior to July 2009;

7."Q: *Since when has the defendant been supplying their FT43, FT43A, FT44 and FT45 modulators?*

A: *The FT43/FT43A and FT44/FT44A series have been supplied since June 2009 till now, whilst the FT45 series have been supplied since July 2009 until now.*

8.Q: *Prior to July 2009, are you aware of any modulators having a similar design to the defendant's "REDFOX" modulators?*

A: *No. The first time I saw such designs were when the defendant began importing and distributing the products in June/July 2009. At that time, I have not seen any similar designs being offered in the market. The defendant's modulators were also the first to introduce modulators with the capacity of 16GB and the function to play mp3 files by folder.*

42. Thus, the plaintiff has failed to establish that the Industrial Designs were disclosed to the Malaysian public prior to the dates of their respective applications. I am of the view that the Industrial Designs are indeed new in Malaysia.

Whether the plaintiff has infringed the Industrial Designs

43. Activities which infringes an industrial design have been listed in **Section 32(2) Industrial Designs Act 1996** which includes importing, offering for sale and selling infringing articles from outside Malaysia as follows:

*“(2) Subject to section 30, **a person infringes the rights conferred by the registration of an industrial design if he, without the licence or consent of the owner of the industrial design,** does any of the following things while the registration is still in force-*

(a) applies the industrial design or any fraudulent or obvious imitation of it to any article in respect of which the industrial design is registered;

*(b) **imports into Malaysia for sale, or for use for the purposes of any trade or business, any article to which the industrial design or any fraudulent or obvious imitation of it has been applied outside Malaysia without the licence or consent of the owner;** or*

*(c) **sells, or offers or keeps for sale, or hires, or offers or keeps for hire, any of the articles described in paragraph (a) and (b)** ”*

44. The test of infringement is essentially a test of the 'eye', i.e, by making a visual comparison of the eye as to whether the infringing article is a fraudulent or obvious imitation of the registered design. This was so held in **Redland Tiles Ltd & Ors v. Kua Hong Brick Tile Works [1966] 1 LNS 165** whereby the following explanation was accepted at **page 2** as follows:

*"The question whether a design which is alleged to infringe a registered design in or is not an infringement **must be determined by the eye alone**. The Court has to decide only **whether the alleged infringement has the same shape or pattern**, and must eliminate the question of the identity of function, since another design may parts fulfilling the same functions without being an infringement. Small differences in detail do not necessarily prevent infringement, but generally speaking, if under normal conditions of user the eye would not confuse the two designs, there is no infringement. If there is some outstanding feature of the registered design which is not reproduced, this would generally negative infringement. It is not an actionable imitation merely to take the idea suggested by the design unless it works out in the way protected by the registration **Where an article may be readily manipulated into a position similar to the illustration of a design registration, there will be infringement.**"*

45. In this case, it is **agreed by the parties** that the Modulators being imported and sold by the Plaintiff are identical to the Industrial Designs as follows:

- a) **Exhibit P3A** is identical to Industrial Design No. MY09-00526-0102;
- b) **Exhibit P3B** is identical to Industrial Design No. MY09-00527-0202; and
- c) **Exhibit P3C** is identical to Industrial Design No. MY09-00641-0101.

46. As such, I am satisfied on the balance of probabilities that the plaintiff's product (Exhibits P3A, P3B and P3C) had infringed the defendant's Industrial Designs. As such there is no merit in the plaintiff's claim for unlawful interference.

Conclusion

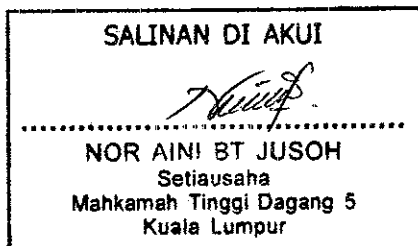
47. Based on the foregoing reasons, the plaintiff's claim is dismissed with costs. Accordingly, the defendant's counterclaim is allowed as follows:

- i) An injunction to restrain the plaintiff from continuing acts of infringing the defendant's Intellectual Property rights;
- ii) A declaration stating that the legal and beneficial ownership of the Industrial Designs No. MY-09-00526-0102, MY-09-00527-0202 and MY-09-00641-0101 lies with the defendant;
- iii) An order directing the plaintiff to deliver to the defendant or destroy, upon oath, products within the possession, control or custody of the plaintiff, its partners, directors, workers or agents, that infringes the defendant's Registered Industrial Designs No. MY-09-00526-0102, MY-09-00527-0202 and MY-09-00641-0101;
- iv) An order for the full discovery of all documents related to, specifically, production, import and export records, invoices, purchase orders, quotations, bills, receipts, contracts, sales records, delivery orders, accounting books, and other documents that are related to the plaintiff's infringing acts that are within the possession, control or custody of the plaintiff, its partners, directors, workers or agents;

- v) That the Registrar of this Court fix a date and assess the payment of damages including the loss of sales that was suffered by the defendant or at the defendant's election, take an account of profits and that the Plaintiff pays the damages or account of profits so assessed / taken by the defendant within the period of (30) thirty days of the assessment of damages or the account of profits taken;
- vi) Calculation of interest at the rate of 8% for each year upon the sum of damages awarded in accordance to paragraph (v) above from 16.3.2010 until the date of final and full settlement;
and
- vii) Costs.



Hanipah binti Farikullah
Judicial Commissioner
Kuala Lumpur High Court
Dated : 7 December 2011



Solicitors for the Plaintiff

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