

**IN THE HIGH COURT OF MALAYA AT KUALA LUMPUR
(COMMERCIAL DIVISION)
IN THE FEDERAL TERRITORY OF KUALA LUMPUR, MALAYSIA
CIVIL SUIT NO: WA-24IP-21-11/2017**

BETWEEN

SHIZENS COSMETIC MARKETING (M) SDN. BHD.

(Co. No.: 1000876-D)

... **PLAINTIFF**

AND

LVMH PERFUMES AND COSMETICS (M) SDN. BHD.

(Co. No.: 298780-T)

... **DEFENDANT**

JUDGMENT

(After trial)

A. Introduction

1. The plaintiff company (**Plaintiff**) is the owner of a registered trade mark no. 201301836 (**Lip Tattoo Registered Trade Mark**) for goods in Class 3 (including cosmetics, make-up preparations and lipstick). The registration of Lip Tattoo Registered Trade Mark has a condition - the Plaintiff has no exclusive use of the word "*Lip*". A copy of Lip Tattoo Registered Trade Mark is attached to this judgment as "**Annexure A**".
2. The defendant company (**Defendant**) has used a trade mark, "*Dior Addict Lip Tattoo*" (**Dior Addict Lip Tattoo Trade Mark**) on its cosmetic products (**Defendant's Products**). Attached to this judgment as "**Annexures B(1)**" to "**B(3)**" are photographs of Defendant's Products

bearing Dior Addict Lip Tattoo Trade Mark (**Dior Addict Lip Tattoo Products**).

3. The Plaintiff has filed this suit (**Original Action**) on the ground that the Defendant's use of Dior Addict Lip Tattoo Trade Mark on the Defendant's Products has infringed the Lip Tattoo Registered Trade Mark pursuant to s 38(1) of the Trade Marks Act 1976 (**TMA**). The Defendant has filed a counterclaim to remove Lip Tattoo Registered Trade Mark from the Register of Trade Marks (**Register**) under s 45(1)(a) TMA (**Counterclaim**).

B. Issues

4. The following questions arise in this case:

- (1) whether the court should expunge Lip Tattoo Registered Trade Mark from the Register under s 45(1)(a) TMA on any one or more of the following grounds -

- (a) are the words "*Lip Tattoo*" "*invented words*" which are registrable as a trade mark under s 10(1)(c) TMA?;

- (b) whether the words "*Lip Tattoo*" are not registrable as a trade mark under s 10(1)(d) TMA because those words have a direct reference to the character or quality of cosmetic products not being, according to their ordinary meaning, a geographical name or surname;

- (c) is Lip Tattoo Registered Trade Mark inherently and factually distinctive of the Plaintiff's cosmetic products (**Plaintiff's**

Products) within the meaning of s 10(2), (2A), (2B)(a) and (b) TMA?; and

(d) whether the use of Lip Tattoo Registered Trade Mark on the Plaintiff's Products (**Lip Tattoo Products**) is likely to deceive or confuse the public (**Likelihood of Deception/Confusion**) under s 14(1)(a) TMA regarding Lip Tattoo Products and Dior Addict Lip Tattoo Products; and

(2) if the court does not remove Lip Tattoo Registered Trade Mark from the Register, whether the Defendant's use of Dior Addict Lip Tattoo Trade Mark has infringed Lip Tattoo Registered Trade Mark under s 38(1) TMA. In this regard -

(a) is there a Likelihood of Deception/Confusion among consumers of Lip Tattoo Products and Dior Addict Lip Tattoo Products? This question involves the following consideration -

(i) what is the effect of a condition imposed in respect of Lip Tattoo Registered Trade Mark (no exclusive use of the word "*Lip*"); and

(ii) whether the court should consider the difference in the reputation of "*Dior*" brand and "*Lip Tattoo*" brand;

(b) whether the Defendant has used Dior Addict Lip Tattoo Trade Mark in such a manner as to render its use likely to be taken -

(i) as being used as a "*trade mark*" under s 38(1)(a) TMA; or

- (ii) as importing a reference to the Plaintiff or to Lip Tattoo Products within the meaning of s 38(1)(b) TMA. I am not able to find any previous Malaysian case which has construed s 38(1)(b) TMA; and
- (c) whether the Defendant can rely on a defence under s 40(1)(b) TMA, namely the Defendant has used in good faith Dior Addict Lip Tattoo Trade Mark which is a description of the character or quality of Dior Addict Lip Tattoo Products.

C. Plaintiff's case

- 5. The Plaintiff called the following witnesses to testify in this case:
 - (1) Mr. Leong Chung Chen (**SP1**);
 - (2) Ms. Toh Wai Gi (**SP2**); and
 - (3) Ms. Wong Sew Ket (**SP3**).
- 6. SP1, a director and shareholder of the Plaintiff, gave the following evidence, among others:
 - (1) sometime in 2010, the Plaintiff launched a new cosmetic product, "*Lip Painter*", with the functions of lip moisturizing and lip pigmentation. Due to feedback and request from the public for the Plaintiff to separate the functions of Lip Painter products, around 2011, the Plaintiff launched a new product called "*Lip Tattoo*" solely for lip pigmentation. Since then, the Plaintiff has manufactured, distributed and sold Lip Tattoo Products;

- (2) the Lip Tattoo trade mark was invented by SP1 and his wife, Ms. Wong Shiau Boon (**Ms. Wong**). Ms. Wong is also a director of the Plaintiff. The Lip Tattoo trade mark was invented as follows -
- (a) Ms. Wong and SP1 wanted a name for a lipstick which was different from other lipsticks in the market so that the name could distinguish the Plaintiff's Products from the other products; and
 - (b) the name "*Lip Tattoo*" was chosen because SP1 personally likes tattoos and has tattoos all over his body. "*Lip Tattoo*" trade mark is not chosen to describe a lipstick which changes colour depending on the body heat of the user;
- (3) Lip Tattoo Registered Trade Mark has been registered under TMA for a period of 10 years from 4.10.2013 to 4.10.2023; and
- (4) around 2017, the Plaintiff became aware of sales of Dior Addict Lip Tattoo Products. The Plaintiff sent its employee, SP2, to purchase Dior Addict Lip Tattoo Products.
7. SP2 is a "*Personal Assistant*" to the Plaintiff's directors. SP2 testified that, among others, the Plaintiff had instructed her to purchase four Dior Addict Lip Tattoo Products (**SP2's Purchases**) from the Defendant's cosmetic products counter at "*Suria KLCC*" Mall, Kuala Lumpur City Centre. SP2's Purchases have been adduced as exhibits in this case.
8. SP3 is the Plaintiff's Senior Accounts Executive. According to SP3, from October 2011 to 2016, the sales of Lip Tattoo Products had increased.

However, the sales of Lip Tattoo Products had not been encouraging in 2017. SP3 gave evidence regarding her calculation that for the period from January to August 2017, the Plaintiff would have suffered a loss of RM905,751.82 in the sales of Lip Tattoo Products.

D. Case for the Defendant

9. The following witnesses gave evidence in favour of the Defendant:

(1) Ms. Susan Liew Shau Nyee (**SD1**);

(2) Ms. Ong Hui Hui (**SD2**); and

(3) Encik Muhammad Aizat bin Ibrahim (**SD3**).

10. SD1 is the Defendant's Finance Manager. SD1 gave the following evidence, among others:

(1) the Defendant is a subsidiary of Parfum Christian Dior SA (**PCD**). PCD is the registered owner of "*Dior*", "*Christian Dior*" and "*CD*" trade marks (**3 Brands**) in Malaysia and other countries; and

(2) the Defendant markets and distributes fragrances and cosmetic products under the 3 Brands in Malaysia.

11. SD2, the Defendant's Senior Marketing Manager, testified as follows, among others:

(1) the term "*lip tattoo*" in Dior Addict Lip Tattoo Trade Mark describes the characteristic of Dior Addict Lip Tattoo Products which is a long lasting lipstick and is synonymous with the word "*tattoo*";

- (2) the term “*lip tattoo*” is a common and generic name which has been used by many brands of long-wear lip tint, lipstick and other lip products in the cosmetics market. The word “*tattoo*” has also been used to describe non-lip cosmetic products such as “*brow tattoo*” products;
- (3) Lip Tattoo Registered Trade Mark has been used by the Plaintiff for non-lip cosmetic products. It is thus deceptive and confusing for the Plaintiff to use Lip Tattoo Registered Trade Mark for non-lip cosmetic products;
- (4) the “*Dior*” brand has been established since 1946 by Mr. Christian Dior. Dior products -
 - (a) are offered for sale in 165 countries throughout the world;
 - (b) have received numerous awards internationally and locally; and
 - (c) are ranked highly among all luxury brands by DBR Direct Sdn. Bhd., a market research company which carries out research regarding major brands (**DBR’s Research**). Both parties in this case had consented to a protective order to ensure that only the court, the Plaintiff’s solicitors and certain persons from the Plaintiff could have access to the confidential information contained in DBR’s Research - please see Buckley LJ’s judgment in the English Court of Appeal case of **Warner-Lambert Co v Glaxo Laboratories Ltd** [1975] RPC 354, at 359-360;

- (5) the Defendant uses Dior Addict Lip Tattoo Trade Mark as a “*badge of origin*” to indicate that Dior Addict Lip Tattoo Products are Dior products. Hence, there is no Likelihood of Deception/Confusion between Lip Tattoo Products and Dior Addict Lip Tattoo Products;
 - (6) the Defendant has spent a considerable sum to advertise and promote Dior Addict Lip Tattoo Products; and
 - (7) Dior Addict Lip Tattoo Products are sold in boutiques in major shopping malls, Kuala Lumpur International Airport (**KLIA**) and KLIA 2 Airport.
12. SD3 is a freelance make-up artist and hair stylist. SD3 stated, among others, as follows:
- (1) SD3 does make-up and hair styling for talents and artists in local drama productions, commercials and photoshoot. SD3 is also a personal make-up artist for many local celebrities;
 - (2) SD3 has not been engaged by the Plaintiff and Defendant. SD3 only uses Lip Tattoo Products and Dior Addict Lip Tattoo Products upon request by his clients;
 - (3) in SD3’s work, he knows the Plaintiff’s Products (including Lip Tattoo Products) as “*Shizens Products*” while the Defendant’s Products (including Dior Addict Lip Tattoo Products) are known to him as “*Dior Products*”. The Dior brand is associated not only with cosmetics but also with fashion. This is because the Defendant also sells Dior luxury bags, clothes and watches (not sold by the Plaintiff);

- (4) the Defendant's Products have a good and established reputation worldwide while the Plaintiff's Products are of a local brand which is relatively new;
- (5) SD3 is of the opinion that the Defendant's Products are of a better quality than the Plaintiff's Products;
- (6) there is a Likelihood of Deception/Confusion between Lip Tattoo Products and Dior Addict Lip Tattoo Products because of the use of the words "*lip tattoo*" in both the products. The words "*lip tattoo*" in a lipstick are associated with long-lasting lipstick. This is the purpose of the use of such words in Dior Addict Lip Tattoo Products. However, Lip Tattoo Products can change and brighten the colour of the lips. Hence, there is a Likelihood of Deception/Confusion among users of Lip Tattoo Products and Dior Addict Lip Tattoo Products when there are no cosmetics sales personnel to explain the difference between both products;
- (7) a Likelihood of Deception/Confusion also arises when Lip Tattoo Registered Trade Mark is used on non-lip cosmetic products, such as for eye brows and skin moisturizers; and
- (8) SD3 is not deceived or confused between Lip Tattoo Products and Dior Addict Lip Tattoo Products.

E. Approach

13. Section 45(1)(a) TMA provides as follows:

“Rectification of the Register

45 (1) **Subject to the provisions of this Act -**

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

(emphasis added).

14. The Counterclaim shall be determined before I decide on the Original Action. This is because if the Defendant succeeds to expunge Lip Tattoo Registered Trade Mark from the Register, the Original Action regarding the Defendant’s infringement of Lip Tattoo Registered Trade Mark shall be consequently dismissed - please see **Doretti Resources Sdn Bhd v Fitters Marketing Sdn Bhd & Ors** [2017] 5 MLRH 1, at [58]. The decision in **Doretti Resources** has been affirmed by the Court of Appeal.

F. Is Defendant aggrieved by Lip Tattoo Registered Trade Mark?

15. The Defendant is only entitled to apply to court under s 45(1)(a) TMA to remove Lip Tattoo Registered Trade Mark from the Register if the Defendant is a “*person aggrieved*” by Lip Tattoo Registered Trade Mark. The Defendant has the burden under s 106 of the Evidence Act 1950 (EA) to prove that the Defendant is aggrieved by Lip Tattoo Registered Trade Mark - please see **X1R Global Holdings Sdn Bhd & Anor v Y-Teq Auto Parts (M) Sdn Bhd** [2016] 5 MLRH 41, at [39]. This is

because whether the Defendant is aggrieved or not by Lip Tattoo Registered Trade Mark is “*especially within the knowledge*” of the Defendant as provided in s 106 EA.

16. In **Doretti Resources Sdn Bhd v Fitters Marketing Sdn Bhd & Ors** [2017] 5 MLRH 1, at [28], I have followed two tests laid down by the following two Federal Court cases regarding the meaning of an aggrieved person in s 45(1)(a) TMA:

(1) according to Abdul Aziz FCJ in **McLaren International Ltd v Lim Yat Meen** [2007] 7 MLJ 581, at [22], a person is aggrieved by a registered trade mark if -

(a) the person has used a trade mark in the course of the same or similar trade as that of the owner of the registered trade mark [**1st Limb (1st Test)**]; or

(b) the person has a genuine and present intention to use his trade mark in the course of the same or similar trade as that of the owner of the registered trade mark [**2nd Limb (1st Test)**]; and

(2) in **Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, interested party)** [2015] 6 MLJ 465, at [28], Azahar Mohamed FCJ explains that a person is aggrieved by a registered trade mark if the person has some element of legal interest, right or legitimate expectation in the person’s own trade mark which is being substantially affected by the presence of the registered trade mark (**2nd Test**).

17. I am satisfied that the Defendant is aggrieved by Lip Tattoo Registered Trade Mark within the meaning of s 45(1)(a) TMA on one or more of the following three grounds:

(1) it is undisputed that the Defendant has used Dior Addict Lip Tattoo Trade Mark on the Defendant's Products which is similar to Lip Tattoo Registered Trade Mark. Hence, the 1st Limb (1st Test) is fulfilled by the Defendant;

(2) the Defendant has a genuine and present intention to use Dior Addict Lip Tattoo Trade Mark which is similar to Lip Tattoo Registered Trade Mark. The 2nd Limb (1st Test) is therefore satisfied by the Defendant; **and/or**

(3) the 2nd Test is fulfilled as the Defendant's right to use Dior Addict Lip Tattoo Trade Mark is adversely affected by Lip Tattoo Registered Trade Mark. This is because the Defendant is now facing a trade mark infringement suit by the Plaintiff. The following cases have held that a defendant who is sued for an infringement of a registered trade mark, is aggrieved by the registered trade mark and can apply to court to remove the registered trade mark from the Register under s 45(1)(a) TMA -

(a) **Doretti Resources**, at [29(2)]; and

(b) **Munchy Food Industries Sdn Bhd v Huasin Food Industries Sdn Bhd** [2018] MLRHU 342, at 17[2].

G. Prima facie validity of Lip Tattoo Registered Trade Mark

18. According to s 36 TMA, Lip Tattoo Registered Trade Mark is *prima facie* valid. Hence, the Defendant has the legal burden to satisfy the court that Lip Tattoo Registered Trade Mark should be expunged from the Register under s 45(1)(a) TMA - please see the Federal Court's judgment delivered by Zulkefli Makinudin CJ (Malaya) (as he then was) in **Ho Tack Sien & Ors v Rotta Research Laboratorium SpA & Anor, Registrar of Trade Marks (Intervener) & Another Appeal** [2015] 4 CLJ 20, at [27].

H. A disjunctive interpretation of s 10(1)(a) to (e) TMA

19. Section 10(1)(c), (d) and (e) TMA state as follows:

““Registrable trade marks

10(1) In order for a trade mark (other than a certification trade mark) to be registrable, it shall contain or consist of at least one of the following particulars:

...

(c) an invented word or words;

(d) a word having no direct reference to the character or quality of the goods or services not being, according to its ordinary meaning, a geographical name or surname; or

(e) any other distinctive mark.”

(emphasis added).

20. Firstly, I am of the view that all the paragraphs (a) to (e) of s 10(1) TMA should be construed disjunctively (not conjunctively) because -

(1) the words “*shall contain or consist of at least one of the following particulars*” in the opening sentence of s 10(1) TMA clearly indicates

Parliament's intention that each of the paragraphs (a) to (e) of s 10(1) TMA is independent of the other paragraphs;

- (2) the legislature has intentionally demarcated each paragraph (a) to (e) of s 10(1) TMA by employing a semicolon. The court may refer to a punctuation mark (such as a semicolon) in a statutory provision in the interpretation of that provision - please see the Supreme Court's judgment delivered by Eusoff Chin SCJ (as he then was) in **Prithipal Singh v Datuk Bandar, Kuala Lumpur (Golden Arches Restaurant Sdn Bhd, intervener)** [1993] 3 MLJ 336, at 340-341;
- (3) a disjunctive "or" is used at the end of s 10(1) TMA between paragraphs (d) and (e). If the legislature has intended a conjunctive construction of all the paragraphs (a) to (e) of s 10(1) TMA, the conjunctive word "and" would have been employed between paragraphs (d) and (e); and
- (4) an absurdity would arise if all the paragraphs (a) to (e) of s 10(1) TMA are interpreted conjunctively, namely, for a trade mark to be registrable under s 10(1) TMA, the trade mark must contain all the particulars in s 10(1)(a) to (e) TMA!

The above interpretation has been applied by Ramly Ali J (as he then was) in the High Court in **Yong Sze Fan & Anor v Sharifah binti Mohd Tamin & Ors** [2008] 7 MLJ 803, at [18] and [19].

I. **Whether "Lip Tattoo" are "invented words" under s 10(1)(c) TMA**

21. Our s 10(1)(c) TMA is substantially similar to s 64(d) of United Kingdom's (UK) Patents, Designs and Trade Marks Act 1883 [**PDTMA (UK)**]. Accordingly, I shall refer to a UK case on s 64(d) PDTMA (UK).

22. Section 64(d) PDTMA (UK) has been interpreted by the House of Lords in **The Eastman Photographic Materials Co Ltd v The Comptroller-General of Patents, Designs and Trade Marks** [1898] AC 571 as follows:

(1) according to Earl Halsbury LC, at p. 576, a word is an invented one if that word is not intelligible in any sense (**Earl Halsbury's Test**);

(2) Lord Herschell (as he then was), at p. 580-581, held as follows -

(a) an invented word is a word which has been coined for the first time;

(b) an invented word has of itself no meaning until one has been attached to it;

(c) the quantum of invention does not matter; and

(d) an invented word is allowed to be registered as a trade mark, *"not as a reward of merit, but because its registration deprives no member of the community of the rights which he possesses to use the existing vocabulary as he pleases"*

(Lord Herschell's Test).

Lord Herschell's Test has been applied by our High Court in the following cases -

- (i) the judgment of Ramly Ali J (as he then was) in **Illinois Tool Works Inc v Pendaftar Cap Dagangan** [2009] 9 MLJ 101, at [34] and [35]; and
 - (ii) Azizah Nawawi J's decision in **BRG Brilliant Rubber Goods (M) Sdn Bhd v Santa Barbara Polo & Racquet Club Management Inc (Pendaftar Cap Dagangan Malaysia, interested party) and another case** [2017] 7 MLJ 244, at [72];
- (3) Lord Macnaghten, at p. 583, decided that -
- (a) an invented word “*must be really an invented word. Nothing short of invention will do*”;
 - (b) an invented word is a word which is “*new and freshly coined*”;
 - (c) an invented word may be traced to a foreign source;
 - (d) an invented word may contain “*a covert and skilful allusion to the character or quality of the goods*”;
 - (e) it is not necessary that an invented word should be wholly meaningless; and
 - (f) the object of putting a restriction on words capable of being registered as trade marks is to prevent persons appropriating to themselves that which ought to be open to all

(Lord Macnaghten's Test)

Lord Macnaghten's Test has been applied in **Illinois Tool Works**, at [36] and [37];

(4) Lord Morris explained, at p. 594, that an invented word is one which no one has heard of it before (**Lord Morris' Test**); and

(5) according to Lord Shand, at p. 595, there must be an invention regarding an invented word and not the appearance of an invention only (**Lord Shand's Test**).

23. In the Court of Appeal case of **Bata Ltd v Sim Ah Ba & Ors (trading as Kheng Aik Trading)** [2006] 3 CLJ 393, at [33], James Foong JCA (as he then was) decided as follows:

"[33] We find that the word 'POWER' is not an invented word. It is in fact a generic and commonly used word. To be an invented word it:

must not only be newly coined, in the sense of not being already current in the English language, but must be such as not to convey any meaning, or, at any rate, any obvious meaning ... It must be a word having no meaning or no obvious meaning until one has been assigned to it - Parker J in Philippart's Trade Mark [1908] 25 RFC 565."

(emphasis added).

24. In construing s 10(1)(c) TMA and other relevant provisions in TMA, I cannot accept cases on the tort of passing off which have been cited by learned counsel for the Defendant, Ms. Cyndi Chow Li Kian. This is because trade marks are Intellectual Property rights (**IPR**) provided and

governed by TMA which are distinct from IPR protected by the tort of passing off.

25. I am of the view that the words “*lip tattoo*” are “*invented words*” within the meaning of s 10(1)(c) TMA based on the following reasons:

(1) based on **Bata**, the words “*lip tattoo*” -

(a) are not generic words;

(b) are not commonly used words;

(c) are newly coined words by SP1 and Ms. Wong; and

(d) have no obvious meaning until a meaning is assigned to them by SP1;

(2) applying Earl Halsbury’s Test, the words “*lip tattoo*” are not intelligible in any sense. In fact, I am unable to find any English dictionary which has explained the words “*lip tattoo*” when both of these words are used together. I cannot separate both words “*lip tattoo*” as is clear from **Illinois Tool Works**, at [59] -

“[59] What the registrar had done is exactly what is prohibited. The registrar had broken up or dissected the appellant’s mark into its individual component or part as ‘HIGH’, ‘TEMP’ and ‘RED’ separately rather than assessing the mark as ‘HIGH TEMP RED’ as one singular mark.”

(emphasis added);

- (3) the words "*lip tattoo*" fulfill Lord Herschell's Test as follows -
- (a) SP1 and Ms. Wong have coined the words "*lip tattoo*" for the first time;
 - (b) the words "*lip tattoo*" in themselves have no meaning until a meaning is attached to them by SP1;
 - (c) the quantum of invention of the words "*lip tattoo*" is immaterial; and
 - (d) the registration of Lip Tattoo Registered Trade Mark does not deprive any person from using existing English vocabulary as the person pleases;
- (4) in accordance with Lord Macnaghten's Test -
- (a) the words "*lip tattoo*" have been invented by SP1 and Ms. Wong;
 - (b) the invented words "*lip tattoo*" contain a covert and skilful allusion to the character or quality of the Plaintiff's Products as being akin to a tattoo; and
 - (c) by registering Lip Tattoo Registered Trade Mark, the Plaintiff did not appropriate a common English word or phrase which is open to all;
- (5) Lord Morris' Test is satisfied because there is no evidence that any person has heard of "*Lip Tattoo*" trade mark before the Plaintiff's first *bona fide* use of that trade mark in the course of trade (**1st User**) -

please see the Plaintiff's invoice dated 18.10.2011 to "*Bumcity-Genting*"; and

(6) the words "*lip tattoo*" have been invented by SP1 and Ms. Wong. There is no mere appearance of invention regarding the words "*lip tattoo*". As such, Lord Shand's Test has been complied with by the Plaintiff.

26. Based on the reasons explained in the above paragraph 25, I accept the contention by the Plaintiff's learned counsel, Mr. Tan Choon Keet, that the Defendant cannot expunge Lip Tattoo Registered Trade Mark from the Register under s 45(1)(a) TMA on the ground that the words "*lip tattoo*" are not invented words within the meaning of s 10(1)(c) TMA. Alternatively, I am not persuaded that the Defendant has discharged the legal burden to satisfy this court that the words "*lip tattoo*" are not invented words under s 10(1)(c) TMA.

J. Whether words "*Lip Tattoo*" have direct reference to character or quality of cosmetic products under s 10(1)(d) TMA

27. It is to be noted that s 64(e) PDTMA (UK) stated that "*A word or words having no reference to the character or quality of the goods and not being a geographical name*" is not a registrable trade mark. The word "*direct*" was inserted in s 9(1)(d) of UK's Trade Mark Act 1938 [**TMA 1938 (UK)**]. Section 9(1)(d) TMA 1938(UK) is substantially similar to our s 10(1)(d) TMA.

28. I am of the view that Parliament's insertion of the word "*direct*" in s 10(1)(d) TMA is deliberate. If a trade mark contains a word which has a

“direct reference to the character or quality of the goods or services not being, according to its ordinary meaning, a geographical name or surname”, the trade mark is not registrable under s 10(1)(d) TMA. I rely on the following High Court cases:

(1) it is decided in **Illinois Tool Works**, at [45] and [46], as follows -

“[46] As stated in s 10(1)(d) [TMA] a word having no direct reference to the character or quality of the goods or services not being, according to its ordinary meaning, a geographical name or surname may be registrable as a trademark. The effect is that a word may be so registrable if it has indirect (as opposed to 'direct') reference to the character or quality of the goods.

[47] In 'Scotsman' Trade Mark [1965] RPC 358, a mark having 'figurative and fanciful' suggestion was considered to be having indirect reference to the character or quality of the goods and therefore was held to be permissible for registration. Likewise, in Eastman Photographic, the House of Lords accepted that a mark may have a 'covert and skilful allusion' and this may have an indirect reference to the character or quality of the goods and therefore permissible for registration.”

(emphasis added); and

(2) Umi Kalthum J (as she then was) gave the following judgment in **Cargill Incorporated v Pendaftar Cap Dagangan** [2014] 9 MLJ 99, at [20] -

“[20] If the trademark 'POULTRY FOCUS' refers to the character or quality of the goods, it is an indirect one as opposed to direct, and based on Illinois Tool Works Inc, the trademark is registrable under s 10(1)(d) [TMA]. Reference was also made to the case of In the Matter of American Screw Coy's Application No.773, 098 for the Registration of a Trade Mark [1959] RPC 344, where Lloyd-Jacob J held at p 346 that 'direct reference corresponds in effect to aptness for normal description'. In that case, His Lordship had held that whilst the trademark 'Torque-set' was not intrinsically devoid of reference to the character of its goods, namely screws, bolts, rivets and studs and fastening devices, such would not amount to 'direct reference' to the character or quality of the goods.”

(emphasis added).

29. I have no hesitation to find that the words “*lip tattoo*” have no “*direct reference*” to the character or quality of cosmetic products. Accordingly, the Plaintiff is entitled to register Lip Tattoo Registered Trade Mark pursuant to s 10(1)(d) TMA.
30. In any event, the Defendant has failed to discharge the legal onus to satisfy me that the words “*lip tattoo*” have a “*direct reference*” to the character or quality of cosmetic products and are not registrable under s 10(1)(d) TMA.

K. Is Lip Tattoo trade mark distinctive of Plaintiff's Products?

31. Section 10(2), (2A), (2B)(a) and (b) TMA read as follows:

“10(2) A name, signature or word which is not described in paragraph (1)(a), (b), (c) or (d) is not registrable unless it is by evidence shown to be distinctive.

(2A) For the purposes of this section, “distinctive”, in relation to the trade mark registered or proposed to be registered in respect of goods or services, means the trade mark must be capable of distinguishing goods or services with which the proprietor of the trade mark is or may be connected in the course of trade from goods or services in the case of which no such connection subsists, either generally or, where the trade mark is registered or proposed to be registered, subject to conditions, amendments, modifications or limitations, in relation to use within the extent of the registration.

(2B) In determining whether a trade mark is capable of distinguishing as aforesaid, regard may be had to the extent to which

-

(a) the trade mark is inherently capable of distinguishing as aforesaid; and

(b) by reason of the use of the trade mark or of any other circumstances, the trade mark is in fact capable of distinguishing as aforesaid.”

32. Firstly, the words “*lip tattoo*” fall within s 10(1)(c) and (d) TMA (please see the above Parts I and J). Hence, according to s 10(2) TMA, the Plaintiff is not required to prove that the words “*lip tattoo*” are distinctive under s 10(2A), (2B)(a) and (b) TMA. Nonetheless, I shall now proceed to consider whether Lip Tattoo trade mark is “*distinctive*” of the Plaintiff’s Products within the meaning of s 10(2A), (2B)(a) and (b) TMA.

33. In **Kraft Foods Schweiz Holding GmbH v Pendaftar Cap Dagangan** [2016] 11 MLJ 702, at [41] to [47], I have followed UK cases regarding s 9(2), (3)(a) and (b) of TMA 1938 (UK) which are similar to our s 10(2A), (2B)(a) and (b) TMA. It is decided in **Kraft Foods** as follows:

- (1) premised on Lord Simonds LC's judgment in the House of Lords case of **Yorkshire Copper Works Ltd v Registrar of Trade Marks** [1954] 1 All ER 570, at 571-572, the word "*may*" in s 10(2B) TMA is construed to be mandatory in the sense that both the "*inherent distinctiveness*" requirement [s 10(2B)(a) TMA] and "*factual distinctiveness*" requirement [s 10(2B)(b) TMA] should be considered cumulatively; and
- (2) a trade mark is inherently distinctive under s 10(2B)(a) TMA if other traders are not likely, in the ordinary course of their business and without any improper motive, to desire to use the same trade mark or some trade mark nearly resembling it, upon or in connection with their own goods or services - please see Lord Parker's decision in the House of Lords in **Re W & G Du Cros Ltd's Application** [1913] AC 624, at 634-635.

34. I am of the view that Lip Tattoo trade mark is capable of distinguishing Lip Tattoo Products from other cosmetic products as understood in s 10(2A) TMA because -

- (1) Lip Tattoo trade mark is inherently distinctive under s 10(2B)(a) TMA because other manufacturers, distributors and vendors of cosmetic products are not likely, in the ordinary course of their business and without any improper motive, to desire to use Lip Tattoo trade mark

or some trade mark nearly resembling Lip Tattoo trade mark, upon or in connection with their own cosmetic products.

I am mindful that besides the Defendant, there are many manufacturers, distributors and vendors of cosmetic products which use “*Lip Tattoo*” trade mark (**Other Traders**). However, as explained in the above sub-paragraph 25(5), the Defendant is the 1st User of “*Lip Tattoo*” trade mark. Consequently, if the Other Traders use a trade mark which is the same or similar to “*Lip Tattoo*” trade mark, there will be an improper motive for such a use; and

- (2) invoices bearing a trade mark can be considered as “*use*” of the trade mark under s 10(2B)(b) TMA - please see Ramly Ali J’s (as he then was) judgment in the High Court case of **Acushnet Company v Metro Golf Manufacturing Sdn Bhd** [2006] 7 CLJ 557, at [78] and [79].

In this case, the Plaintiff has adduced many invoices which refer to the Plaintiff’s use of Lip Tattoo trade mark. It is clear that by reason of the Plaintiff’s use of Lip Tattoo trade mark, Lip Tattoo trade mark is factually distinctive of Lip Tattoo Products pursuant to s 10(2B)(b) TMA.

35. In view of the reasons and evidence stated in the above paragraphs 32 and 34 -

- (1) the Defendant cannot rely on s 10(2), (2A), (2B)(a) and (b) TMA to expunge Lip Tattoo Registered Trade Mark from the Register; and

(2) the Lip Tattoo trade mark is distinctive as understood in s 10(1)(e) TMA and qualifies for registration as a trade mark.

L. Whether there is a Likelihood of Deception/Confusion under s 14(1)(a) TMA arising from Plaintiff's use of Lip Tattoo Registered Trade Mark

36. I reproduce below the relevant part of s 14(1)(a) TMA:

“Prohibition on registration

14(1) A mark or part of a mark shall not be registered as a trade mark -

(a) if the use of which is likely to deceive or cause confusion to the public ...; ...”

(emphasis added).

37. As the Plaintiff is the 1st User of Lip Tattoo trade mark [please see the above sub-paragraph 25(5)], the Defendant cannot invoke the first limb of s 14(1)(a) TMA to remove Lip Tattoo Registered Trade Mark from the Register. I rely on the following decisions:

(1) it is decided in **Ooi Siew Bee & Ors v Zhu Ge Kong Ming Sdn Bhd & Anor** [2017] 2 AMR 161, at [72], as follows -

“72. Thirdly, I am of the view that the 1st and 2nd Plaintiffs cannot rely on s 14(1)(a) read with s 37(b) TMA to invalidate the 1st Defendant's Registered Trade Marks because SD4 was the 1st User and the Common Law owner of the 1st Defendant's Registered Trade Marks ...”

(emphasis added); and

- (2) according to **Kong Kin Loong & Anor v Kong Sou Keet & Ors** [2018] 6 AMR 258, at [26] -

*“26. As elaborated in the above paragraph 11, **the 1st Defendant was the 1st User of Chang Jiang Mark. I am of the view that the Likelihood of Deception/Confusion requirement in the first limb of s 14(1)(a) TMA does not apply to a 1st User. This is because at the time of the first use of the trade mark in question, there is no use of other similar trade marks which can cause a Likelihood of Deception/Confusion.**”*

(emphasis added).

M. Counterclaim should be dismissed

38. In view of the evidence and reasons elaborated in the above Parts I to L, the Counterclaim is dismissed.
39. I have not overlooked Ms. Cyndi Chow’s reliance on a decision by the Hearing Officer of the Australian Registrar of Trade Marks in **Flexsteel Australia Pty Ltd v Flexsteel Industries Inc** (2010) 88 IPR 659. **Flexsteel Australia** concerned an application to expunge a registered trade mark on the ground of non-use of the trade mark and is not relevant in this case.
40. Ms. Cyndi Chow invited me to invoke an adverse inference under s 114(g) EA against the Plaintiff for not producing documentary evidence

regarding the first sale of Lip Tattoo Product (**Evidence of 1st Sale**). I am unable to do so for the following reasons:

- (1) in the Supreme Court case of **Munusamy v Public Prosecutor** [1987] 1 MLJ 492, at 494, Mohd. Azmi SCJ has explained that an adverse inference may only be drawn under s 114(g) EA against a party for suppressing material evidence and not merely on a failure to produce evidence. As explained in the above sub-paragraph 25(5), the Plaintiff (not the Defendant) is the 1st User of Lip Tattoo trade mark. Accordingly, Evidence of 1st Sale is not material in this case so as to draw an adverse inference pursuant to s 114(g) EA against the Plaintiff; and
- (2) the Plaintiff has not suppressed Evidence of 1st Sale because if the Defendant wishes to adduce Evidence of 1st Sale at the trial of this case, the Defendant could have easily applied for -
 - (a) an order for discovery of Evidence of 1st Sale against the Plaintiff under O 24 rr 3(1) and 7(1) of the Rules of Court 2012 (**RC**); or
 - (b) a subpoena under O 38 r 16(1) RC to be served on the Plaintiff's director or appropriate employee to produce Evidence of 1st Sale at the trial of this case.

N. Has Defendant's use of Dior Addict Lip Tattoo Trade Mark infringed Lip Tattoo Registered Trade Mark under s 38(1) TMA?

41. I reproduce below ss 38(1)(a) and (b) TMA:

"Infringement of a trade mark

38(1) ***A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or registered user of the trade mark using by way of permitted use, uses a mark which is identical with it or so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods or services in respect of which the trade mark is registered in such a manner as to render the use of the mark likely to be taken either -***

(a) ***as being use as a trade mark;***

(b) ***in a case in which the use is use upon the goods or in physical relation thereto or in an advertising circular, or other advertisement, issued to the public, as importing a reference to a person having the right either as registered proprietor or as registered user to use the trade mark or to goods with which the person is connected in the course of trade; ...***

(emphasis added).

42. In the Federal Court case of **Low Chi Yong (Berniaga sebagai Reynox Fertichem Industries) v Low Chi Hong & Anor** [2017] 6 MLRA 412, at [35]-[37], Suriyadi Halim Omar FCJ has explained that there are five elements of trade mark infringement under s 38(1) TMA. Based on **Low Chi Yong**, the Plaintiff has the legal burden to prove on a balance of probabilities the following five elements of infringement of Lip Tattoo Registered Trade Mark by the Defendant:

(1) the Defendant has used Dior Addict Lip Tattoo Trade Mark which so nearly resembles Lip Tattoo Registered Trade Mark as to cause a Likelihood of Deception/Confusion among the consumers of Dior Addict Lip Tattoo Products and Lip Tattoo Products (**1st Element**);

- (2) the Defendant is neither the registered proprietor nor the registered user of Lip Tattoo Registered Trade Mark (**2nd Element**);
- (3) the Defendant has used Dior Addict Lip Tattoo Trade Mark in the course of trade (**3rd Element**);
- (4) the Defendant has used Dior Addict Lip Tattoo Trade Mark on Defendant's Products within the scope of registration of Lip Tattoo Registered Trade Mark (**4th Element**); **and**
- (5) the Defendant has used Dior Addict Lip Tattoo Trade Mark in such a manner as to render its use likely to be taken -
 - (a) as being used as a "*trade mark*" under s 38(1)(a) TMA [**5th Element (1st Alternative)**]; **or**
 - (b) as importing a reference to the Plaintiff or to Lip Tattoo Products within the meaning of s 38(1)(b) TMA [**5th Element (2nd Alternative)**].

43. In this case, I find as a fact that the Plaintiff has proven on a balance of probabilities the 2nd, 3rd and 4th Elements against the Defendant.

N(1). What is effect of condition of Lip Tatttoo Registered Trade Mark?

44. Lip Tattoo Registered Trade Mark has a condition - the Plaintiff has no exclusive use of the word "*Lip*" (**Condition**). Regarding the effect of the Condition, ss 18(1), (2), 25(3), 35(1) and 40(2) TMA provide as follows:

"Disclaimer

18(1) ... ***the Registrar or the Court, in deciding whether the trade mark shall be entered or shall remain in the Register, may require as a condition of its being upon the Register, that the proprietor shall disclaim any right to the exclusive use of any such part or matter, to the exclusive use of which the Registrar or the Court holds him not to be entitled or that the proprietor shall make such other disclaimer as the Registrar or the Court may consider necessary for the purpose of defining his rights under the registration.***

(2) ***No disclaimer on the Register shall affect any right of the proprietor of a trade mark except a right arising out of the registration of the trade mark in respect of which the disclaimer is made.***

25(3) ***Subject to the provisions of this Act, the Registrar may refuse the application or may accept it absolutely or subject to such conditions, amendments, modifications or limitations, if any, as he may think right to impose.***

Rights given by registration

35(1) ***Subject to the provisions of this Act, the registration of a person as registered proprietor of a trade mark (other than a certification trade mark) in respect of any goods or services shall, if valid, give or be deemed to have been given to that person the exclusive right to the use of the trade mark in relation to those goods or services subject to any conditions, amendments, modifications or limitations entered in the Register.***

40(2) ***Where a trade mark is registered subject to conditions, amendments, modifications or limitations, the trade mark is not infringed by the use of the trade mark in any manner in relation to goods to be sold or otherwise traded in in a place or in relation to goods to be exported to a market or in relation to services to be provided in a place or in any other circumstances to which having regard to those***

conditions, amendments, modifications or limitations the registration does not extend.”

(emphasis added).

45. It has been decided in **Jyothy Laboratories Ltd v Perusahaan Bumi Tulin Sdn Bhd** [2018] 1 LNS 272, at [54(1)] as follows:

“54. I am of the following view regarding the effect of a condition, disclaimer, amendment, modification or limitation imposed by our Registrar on a registered trade mark pursuant to ss 18(1) and 25(3) TMA (Disclaimer):

(1) according to ss 18(2) and 35(1) TMA, a Disclaimer restricts the exclusive right of an owner to use a registered trade mark. Such a restriction will in turn limit the right of the proprietor of a registered trade mark to commence an action for trade mark infringement under s 38(1) TMA - please see 40(2) TMA. This is clear from the following cases -

(a) in the Singapore High Court case of British-American Tobacco Co Ltd v Tobacco Importers & Manufacturers Ltd & Ors [1963] MLJ 196, at 198, Ambrose J decided as follows -

“The exclusive use of those words was specifically disclaimed by the Plaintiffs. I decided that a disclaimed feature cannot possibly be regarded as an essential particular. I agreed with the view expressed by Lloyd-Jacob J. in the *Taw* case cited above that “A disclaimed feature is the antithesis of an essential particular.” I accepted the following passage from Kerly’s Law of Trade

Marks, 8th edition, page 150, as a correct statement of the law:

The effect of a disclaimer is that the proprietor of the registered trade mark cannot claim any trade mark rights in respect of the parts of the mark to which the disclaimer relates, so that, for instance, no action for infringement lies in respect of the use or imitation of the disclaimed particulars.

(emphasis added);

- (b) ***the above judgment in British-American Tobacco has been followed by Ramly Ali J (as he then was) in the High Court in Sanbos (M) Sdn Bhd v Tiong Mak Liquor Trading (M) Sdn Bhd [2008] 10 CLJ 538, at paragraphs 26 and 27. According to Sanbos, at paragraph 25 -***

“[25] It is pertinent to point out at this juncture that each of the plaintiff's registrations for "CLUB 99" and "CLUB 999" is expressly subject to a disclaimer that the registration does not have an exclusive right over the use of the numerals "99" and "999". ...

The plaintiff only has an exclusive right on the word "CLUB" in both registrations. Therefore, the court should disregard the numerals "99" and "999" in the plaintiff's registration when comparing whether the defendant's "TRIPLE 999"

mark is confusingly similar to the plaintiff's marks."

(emphasis added); and

- (c) *in the High Court case of Tint Shop (M) Sdn Bhd v Infinity Audio Marketing Sdn Bhd [2017] 1 LNS 612, at paragraph 22, Gunalan Muniandy JC (as he then was) held as follows -*

"[22] From the unrebutted evidence in this case, it was patently clear that [the Plaintiff] could not claim ownership of the words "First Shop" as both the words "tint" and "shop" had been expressly disclaimed ..." ..."

(emphasis added).

The appeal to the Court of Appeal in **Jyothy Laboratories** has been withdrawn.

46. Based on ss 18(1), (2), 25(3), 35(1) and 40(2) TMA as construed in **Jyothy Laboratories**, I cannot consider the word "*Lip*" in deciding whether the Defendant's use of Dior Addict Lip Tattoo Trade Mark has infringed Lip Tattoo Registered Trade Mark because the Plaintiff has no exclusive use of the word "*Lip*" in Lip Tattoo Registered Trade Mark.

N(2). Whether there is a Likelihood of Deception/ Confusion

47. In deciding the 1st Element, the court cannot consider evidence of witnesses, such as SD3. I refer to **Syarikat Faiza Sdn Bhd & Anor v**

Faiz Rice Sdn Bhd & Anor [2019] 7 MLJ 175, at [99], which has decided as follows:

“99. In deciding whether there is a Likelihood of Confusion/Deception under s 38(1)(a) TMA, parties are not required to adduce evidence from the consumers and retailers of the goods or service in question (Consumers/Retailers). Nor are parties required to call experts to give their expert views on Likelihood of Confusion/Deception. This decision is premised on the following reasons:

(1) in *Ho Tack Sien & Ors v Rotta Research Laboratorium SpA & Anor, Registrar of Trade Marks (Intervener) & Another Appeal* [2015] 4 CLJ 20, at paragraph 29, *Zulkefli Makinudin CJ (Malaya) (as he then was)* decided as follows in the Federal Court -

“[29] Further, we are of the view that even if the Registrar gives evidence, the determination of whether there is likelihood of confusion still lies with the court. The question of whether there is a real likelihood of deception of the public is ultimately one for the court to decide ...”

(emphasis added);

(2) in a Trade Mark Infringement, a plaintiff is only required to prove a likelihood of confusion or deception, not actual confusion or deception. This is clear from the following High Court decisions

(a) *Leo Pharmaceutical Products*, at paragraphs 98, 100 and 102; and

(b) *Azahar Mohamed J’s (as he then was) judgement in Danone Biscuits Manufacturing (M) Sdn Bhd (formerly known as*

Britania Brands (M) Sdn Bhd v Hwa Tai Industries Bhd
[2010] 8 MLJ 500, at paragraph 16;

- (3) ***expert evidence regarding an issue is not relevant when the court is able to decide on that issue - please see Motordata Research Consortium, at sub-paragraph 30(2); and***
- (4) ***if parties adduce evidence from Consumers/Retailers or experts on Likelihood of Confusion/Deception, this will unnecessarily increase costs and prolong the trial.***

(emphasis added).

48. I am not able to accept Mr. Tan's submission that there is a Likelihood of Deception/ Confusion among consumers of Lip Tattoo Products and Dior Addict Lip Tattoo Products. This decision is premised on the following evidence and reasons:

- (1) as explained in the above paragraph 46, in view of the Condition, this court cannot consider the word "*Lip*" in Lip Tattoo Registered Trade Mark when I decide whether the Defendant's use of Dior Addict Lip Tattoo Trade Mark has infringed Lip Tattoo Registered Trade Mark. As such, the fact that both Lip Tattoo Registered Trade Mark and Lip Tattoo Registered Trade Mark have an identical word ("*Lip*") is of no consequence;
- (2) the Defendant's "*Dior*" brand of cosmetic products was first made available in Malaysia on 5.5.1994. Since then, the Defendant's "*Dior*" brand is well known and established in this country. In comparison, Lip Tattoo Registered Trade Mark was first used in 2011. As such, I accept Ms. Cyndi Chow's contention that the

Defendant's "*Dior*" products (including Dior Addict Lip Tattoo Products) enjoy a relatively much better reputation than Lip Tattoo Products. In view of the substantial reputation of Dior Addict Lip Tattoo Products, there is no Likelihood of Deception/ Confusion between reasonable purchasers of Dior Addict Lip Tattoo Products and Dior Addict Lip Tattoo Products.

Ms. Cyndi Chow has cited an unreported judgment of Sundberg J in the Federal Court of Australia in **Nature Blend's Pty Ltd v Nestle Australia Ltd**, VID 369 of 2009. In **Nature Blend's**, at [40], [47] and [49], a claim for infringement of a registered trade mark ("*Luscious Lips*") for confectionary products against the respondents who manufactured "*Allen's*" confectionary products failed because of, among others, the well-known reputation of the respondents' trade mark (as compared to Luscious Lips trade mark). It is to be noted that the Federal Court is not the highest court in Australia. Nonetheless, I accept the reasoning in **Nature Blend's**. This is because if a brand of a product is so well-known, there cannot be a Likelihood of Deception/Confusion regarding that famous brand;

- (3) a phonetic examination of Lip Tattoo Registered Trade Mark and Dior Addict Lip Tattoo Trade Mark should be undertaken - please see **Bata**, at [23(d)]. When I pronounce Lip Tattoo Registered Trade Mark and Dior Addict Lip Tattoo Trade Mark, the differences in the pronunciation of both trade marks are clear. This is because of the presence of two additional words ("*Dior*" and "*Addict*") in the Defendant's trade mark which are absent from Lip Tattoo Registered Trade Mark;

- (4) a visual comparison of Lip Tattoo Registered Trade Mark and Dior Addict Lip Tattoo Trade Mark reveals the following differences -
- (a) the style, font type and font size of the words in both the trade marks are distinct from each other;
 - (b) Lip Tattoo Registered Trade Mark is in black colour but the words “*Lip Tattoo*” in Dior Addict Lip Tattoo Trade Mark are in white; and
 - (c) prominence is given to the words “*Dior Addict*” (not the words “*Lip Tattoo*”) in Dior Addict Lip Tattoo Trade Mark;
- (5) the court should consider how Lip Tattoo Products and Dior Addict Lip Tattoo Products are sold. The Court of Appeal decided in **Bata**, at [30], as follows -

“[30] But it is our view that the effect of the idea of the mark in this case is very much diluted by the fact that the appellant’s goods sold under the appellant’s trade mark are only retailed in the appellant’s exclusive ‘BATA’ shops or those franchised by the appellant. The appellant’s goods carrying its trade mark are not sold in general merchandise outlets such as those of the respondents. A probable customer wanting to buy the appellant’s products, which are principally footwear, would proceed directly to the appellant’s shops or franchised holders where he knows that the goods of the appellant would be sold. He would not, in our view, venture into a general retailing store which stocks the respondents’ socks and underwear to buy the appellant’s goods. Thus, contrasting trade channels has much to do with the idea of the mark and in this case, coupled with the

contrasting material differences in the design of the two trade marks, we find that on this score, there is little likelihood that the general public would be confused and deceived by the presence of the two contending marks.”

(emphasis added).

The trade channels for Lip Tattoo Products are different from those for Dior Addict Lip Tattoo Products. Dior Addict Lip Tattoo Products are only sold in certain boutique outlets or counters in leading departmental stores, KLIA and KLIA 2 Airports which only sell the 3 Brands (including Dior Addict Lip Tattoo Products) but not Lip Tattoo Products. In contrast, Lip Tattoo Products are sold in “Shizens” counters (which do not sell Dior Addict Lip Tattoo Products) and online. There is therefore no Likelihood of Deception/Confusion; and

(6) unlike other goods, consumers of cosmetic products are generally better informed and more discerning. Furthermore, there are sales personnel of Lip Tattoo Products and Dior Addict Lip Tattoo Products who will disabuse any confusion which prospective purchasers may have regarding those products.

49. Based on the evidence and reasons elaborated in the above paragraph 48, I find as a fact that the Plaintiff has failed to discharge the legal onus to prove the 1st Element on a balance of probabilities. On this ground alone, the Original Action should be dismissed.

N(3). Has Defendant used Dior Addict Lip Tattoo Trade Mark under s 38(1)(a) TMA?

50. Section 3(1) TMA has defined a “*trade mark*” as follows:

“ “trade mark” means, except in relation to Part XI, a mark used or proposed to be used in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services and a person having the right either as proprietor or as registered user to use the mark whether with or without an indication of the identity of that person, and means, in relation to Part XI, a mark registrable or registered under the said Part XI;”

(emphasis added).

51. In the High Court case of **JS Staedler & Anor v Lee & Sons Enterprise Sdn Bhd** [1993] MLJU 569, at p. 11-12, Mohamed Dzaidin SCJ (sitting as a High Court Judge) (as he then was) has explained as follows regarding s 38(1)(a) TMA [5th Element (1st Alternative)]:

*“I was also satisfied that the Defendants used the offending mark on their products which were covered by the said trade mark in the course of trade. It was clear to me that the said trade mark under its registration M/B 51889 covered pencils. Similarly, the Defendants 'NIKKI' products were also pencils which were manufactured and sold in the course of business and were used to indicate a connection with themselves as originators. **The expression "in such a manner as to render the use of the mark likely to be taken as being used as a trade mark" as appearing in section 38 [TMA] seemed to make it clear that in order to constitute infringement, the Defendants must use the offending mark as a trade mark within the meaning of the definition under section 3 of the Act, i.e. use in a manner likely to indicate trade origin. See the definition of "trade mark" under the section. In Irving's Yeast-Vite Ltd v. F.A. Horsenail (1934) 56 R.P.C. 110 (H.L.), the appellants moved to***

restrain the respondent from using their registered trade mark "Yeast Vite" upon or in connection with his goods, the form of the user complained of being "Yeast Tablets", a substitute for "Yeast Vite". The grant of an interlocutory injunction to restrain infringement was refused. On appeal to the House of Lords, the Court affirmed the decisions of the Courts below, that there had been no infringement, and that to constitute infringement the use of the mark by the alleged infringer must be for the purpose of indicating the origin of the goods as being in him."

(emphasis added).

52. I accept Ms. Cyndi Chow's submission that the Defendant did not use the words "*Lip Tattoo*" in Dior Addict Lip Tattoo Products in such a manner as to render its use likely to be taken as being used as a trade mark under s 38(1)(a) TMA. This is because the Defendant uses the word "*Dior*" (not "*Lip Tattoo*") in Dior Addict Lip Tattoo Products "*to indicate a connection in the course of trade*" [please refer to the definition of "*trade mark*" in s 3(1) TMA] between Dior Addict Lip Tattoo Products and the Defendant. This decision is supported by the following evidence:

- (1) "*Dior*" (not "*Lip Tattoo*") is a well-known and famous brand; and
- (2) the word "*Dior*" is more prominent than the words "*Lip Tattoo*".

53. Based on the reasons and evidence stated in the above paragraph 52, the Plaintiff has failed to prove the 5th Element (1st Alternative).

N(4). Whether Defendant has used Dior Addict Lip Tattoo Trade Mark within meaning of s 38(1)(b) TMA

54. The 5th Element (2nd Alternative) is absent in this case because the Defendant did not use the words “*Lip Tattoo*” in Dior Addict Lip Tattoo Products in such a manner as to render its use likely to be taken as importing a reference to the Plaintiff or to Lip Tattoo Products. As elaborated in the above paragraph 52, the Defendant has used the word “*Dior*” (not “*Lip Tattoo*”) in Dior Addict Lip Tattoo Products to indicate a connection in the course of trade between Dior Addict Lip Tattoo Products and the Defendant. The Defendant’s use of the word “*Dior*” in Dior Addict Lip Tattoo Products does not give rise to any likelihood of importing any reference to the Plaintiff or to Lip Tattoo Products.

N(5). Can Defendant rely on defence under s 40(1)(b) TMA?

55. Section 40(1)(b) TMA states as follows:

“Acts not constituting infringement

(1) Notwithstanding anything contained in this Act, the following acts do not constitute an infringement of a trade mark -

...

(b) the use in good faith by a person of a description of the character or quality of his goods or services, and in the case of goods not being a description that would be likely to be taken as importing any reference as is mentioned in paragraph 38(1)(b) or paragraph 56(3)(b); ...”

(emphasis added).

56. I am of the following view regarding the defence provided by s 40(1)(b) TMA:

(1) to rely on s 40(1)(b) TMA, a defendant in a trade mark infringement suit has to prove the following two matters -

- (a) the defendant has used a trade mark which is a description of the character or quality of the defendant's goods or services; and
 - (b) the defendant has used the trade mark in good faith; and
- (2) the defendant has the onus to prove a defence under s 40(1)(b) TMA.

57. VC George J (as he then was) has explained the application of s 40(1)(b) TMA in the High Court in **Yomeishu Seizo Co Ltd & Ors v Sinma Medical Products (M) Sdn Bhd** [1996] 2 MLJ 334, at 364, as follows:

“Looking again at the defence provided by s 40(1)(b) [TMA], 'the use in good faith by a person of a description of the character or quality of his goods ...', and applying Danckwerts J's test in Baume & Co Ltd v AH Moore Ltd and what was said by McTiernen J in Baume & Co Ltd v AH Moore Ltd and what was said by McTiernen J in FH Faulding & Co Ltd v Imperial Chemical Industries of Australia & New Zealand Ltd, it is clear that even if 'Yang Ming Jiu' was merely descriptive of the character or quality of the wine sold both by the Japanese and the Chinese, for this defence to succeed the defendant has to prove that there was the bona fide use of what is genuinely descriptive of the goods and used purely for the purposes of description.”

(emphasis added).

58. Even if it is assumed that the Plaintiff is able to prove all the five elements of infringement of Lip Tattoo Registered Trade Mark, the Defendant can nevertheless rely on a statutory defence provided by s

40(1)(b) TMA. This decision is premised on the following evidence and reasons:

- (1) the words “*Lip Tattoo*” as used by the Defendant in Dior Addict Lip Tattoo Trade Mark, describes the long-lasting character or quality of Dior Addict Lip Tattoo Products; and
- (2) the Defendant’s use of the words “*Lip Tattoo*” on Dior Addict Lip Tattoo Products is *bona fide* because -
 - (a) the Defendant relies on the well-known brand and reputation of “*Dior*” and not the words “*Lip Tattoo*”; and
 - (b) the Defendant did not intend to misrepresent to the public at large and cosmetic users in particular that Dior Addict Lip Tattoo Products are connected in any manner to the Plaintiff or to Lip Tattoo Products.

O. No costs should be awarded

59. O 59 rr 2(2), 3(2) and 19(1) RC provide as follows:

***“O 59 r 2(2) Subject to the express provisions of any written law and of these Rules, the costs of and incidental to proceedings in the Court, shall be in the discretion of the Court, and the Court shall have full power to determine by whom and to what extent the costs are to be paid.*”**

O 59 r 3(2) If the Court in the exercise of its discretion sees fit to make any order as to the costs of or incidental to any proceedings, the Court shall, subject to this Order, order the costs to follow the event, except when it appears to the Court that in the circumstances

of the case some other order should be made as to the whole or any part of the costs.

O 59 r 19(1) The amount of costs (excluding disbursement) that are payable shall be at the discretion of the Court and shall be determined upon the conclusion of the trial.”

(emphasis added).

60. I exercise my discretion under O 59 rr 2(2), 3(2) and 19(1) RC not to award any costs because the Plaintiff and Defendant did not completely succeed in this case.

P. Court's decision

61. In brief -

(1) the Defendant is aggrieved by Lip Tattoo Registered Trade Mark within the meaning of s 45(1)(a) TMA and is therefore entitled to file the Counterclaim to remove Lip Tattoo Registered Trade Mark from the Register;

(2) the Court cannot remove Lip Tattoo Registered Trade Mark from the Register under s 45(1)(a) TMA because -

(a) based on **Bata** and **Eastman Photographic Materials**, the words “*lip tattoo*” are “*invented words*” under s 10(1)(c) TMA which are capable of being registered as a trade mark;

- (b) the words “*lip tattoo*” have no “*direct reference*” to the character or quality of cosmetic products and are thus eligible for registration as a trade mark pursuant to s 10(1)(d) TMA;
 - (c) as the words “*lip tattoo*” fall within s 10(1)(c) and (d) TMA, premised on s 10(2) TMA, the Defendant cannot rely on s 10(2A), (2B)(a) and (b) TMA. In any event, the Plaintiff has succeeded to prove that the words “*lip tattoo*” are -
 - (i) inherently distinctive of the Plaintiff’s Goods under s 10(2A) and (2B)(a) TMA; and
 - (ii) factually distinctive of the Plaintiff’s Goods under s 10(2A) and (2B)(b) TMA;
 - (d) the Lip Tattoo trade mark is distinctive under s 10(1)(e) TMA and qualifies for registration as a trade mark; and
 - (e) a Likelihood of Deception/Confusion under the first limb of s 14(1)(a) TMA cannot be invoked against the Plaintiff who is the 1st User of “*Lip Tattoo*” trade mark; and
- (3) there is no infringement of Lip Tattoo Registered Trade Mark as -
- (a) there is no Likelihood of Deception/Confusion between consumers of Dior Addict Lip Tattoo Products and Lip Tattoo Products;
 - (b) there is no proof of the 5th Element (1st Alternative) and 5th Element (2nd Alternative) because the Defendant has used the

word “*Dior*” (not “*Lip Tattoo*”) in Dior Addict Lip Tattoo Products to indicate only a connection in the course of trade” between Dior Addict Lip Tattoo Products and the Defendant (not the Plaintiff and Lip Tattoo Products); and/or

- (c) the Defendant can rely on s 40(1)(b) TMA as a defence against the Original Action because the Defendant’s use of the words “*Lip Tattoo*” describes the long-lasting character or quality of Dior Addict Lip Tattoo Products and such a use is *bona fide*.

62. Premised on the above evidence and reasons, both the Original Action and Counterclaim are dismissed with no order as to costs.

WONG KIAN KHEONG
Judge
High Court (Commercial Division)
Kuala Lumpur

DATE: 19 MARCH 2019

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