

C 1010-R

**THE 11TH LAW ASIA INTERNATIONAL MOOT COURT COMPETITION
AT THE KUALA LUMPUR REGIONAL CENTRE FOR ARBITRATION**

2016

CASE CONCERNING THE CEYLON TEA

BETWEEN

THE CHELSEA TEA COMPANY

(CLAIMANT)

AND

THE ALMOND TEA COMPANY

(RESPONDENT)

MEMORIAL FOR THE RESPONDENT

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STATEMENT OF JURISDICTION

The Chelsea Tea Company (“**Claimant**”) and the Almond Tea Company (“**Respondent**”) (both as “**Parties**”) have agreed to submit the present dispute to arbitration under the auspices of the Kuala Lumpur Regional Centre for Arbitration (“**KLRCA**”), and also agreed to use the KLRCA i-Arbitration Rules. The Parties do not dispute the validity and enforceability of the arbitration agreement, and any award rendered by the tribunal is acknowledged to be final and binding upon the Parties as per Rule 12(7) of KLRCA i-Arbitration Rules.

STATEMENT OF FACTS

THE PARTIES TO THE ARBITRATION

The Claimant is the Chelsea Tea Company (“CTC”), a Sri Lankan manufacturer of Ceylon tea under the brand name ‘CTC CEYLON’.

The Respondent is the Almond Tea Company (“ATC”), a Singaporean distributor of CTC CEYLON and a manufacturer and distributor of black tea under the brand name ‘SAILOR’S CEYLON’.

FACTS SURROUNDING THE DISPUTE

The Sri Lankan Tea Board (“SLTB”) is a fully government-owned statutory institution and is the apex regulatory and administrative body of the Sri Lankan tea industry. SLTB is the registered trade mark proprietor in Malaysia of ‘the Lion Logo’, a mark which denotes that any tea products affixed with it are grown and manufactured entirely in Sri Lanka by approved traders that conform to the quality standards set by the SLTB. The Lion Logo is also registered in many jurisdictions worldwide.

On 20 October 2008, CTC and ATC entered into the Distribution Agreement (the “**Agreement**”), which results in ATC being the exclusive distributor of CTC CEYLON in Malaysia. The Lion Logo is affixed on to the packaging of the CTC CEYLON tea products. CTC is also the registered user of the Lion Logo in Malaysia.

It is agreed that during the 5-year term of the Agreement and for a period of 12 months after it, ATC must not be concerned or interested, either directly or indirectly, in the manufacture or distribution in Malaysia of any goods that compete with Ceylon tea products bearing the

‘CTC CEYLON’ mark or the Lion Logo produced by CTC, affixed with the ‘CTC CEYLON’ mark or the Lion Logo or any other arguably similar mark.

In January 2009, ATC has begun growing and manufacturing black tea in China, the seeds of which are first sourced from Sri Lanka. Such tea products, affixed with its own non-registered ‘ATC’s Mark’ are distributed under the brand name ‘SAILOR’S CEYLON’ in Malaysia. ATC’s SAILOR’S CEYLON tea has never been declared as Ceylon tea in any ATC’s advertisements.

CTC CEYLON is marketed mainly in Europe whereas SAILOR’S CEYLON is marketed mainly in Southeast Asia. Both ATC and CTC’s products are widely available in major supermarkets and grocery stores. They are also served in some cafes and restaurants. The retail price range of SAILOR’S CEYLON and CTC CEYLON are similar.

AGREEMENTS FOR THE RESOLUTION OF THE DISPUTE

The Parties agreed to submit the dispute to the arbitration in accordance with the KLRCA i-Arbitration Rules. in Colombo, Sri Lanka to determine whether the Respondent’s distribution of SAILOR’S CEYLON affixed with the ATC’s Mark in Malaysia is in breach of the Agreement has breached, the Respondent’s use of the word ‘CEYLON’ in respect of its tea product is misleading, and the Respondent’s use of the ATC’s Mark amounts to trade mark infringement and/or passing off.

QUESTIONS PRESENTED

- I. What is the law governing the procedural and substantive merits of this dispute.
- II. Whether or not ATC has breached the Agreement by distributing SAILOR'S CEYLON affixed with the ATC's Mark in Malaysia.
- III. Whether or not ATC's use of the word 'CEYLON' in respect of its tea products is misleading.
- IV. Whether or not ATC's use of the ATC's Mark amounts to a trade mark infringement and/or passing off.

SUMMARY OF PLEADINGS

- I. The procedural aspects of the arbitration shall be governed by the KLRCA i-Arbitration Rules as designated by the Parties and the Sri Lankan laws as a result of the seat of arbitration, which took place in Sri Lanka. The KLRCA i-Arbitration Rules, as well as the Sri Lankan Arbitration Act points that the arbitral tribunal shall apply the laws determined by conflict of law rules to the substantive merits of the dispute. The general principle of conflict of laws further indicates that the Malaysian laws are applicable to contractual claims, as it has the closest connection with the Agreement. It also points that the Malaysian laws govern the non-contractual claims concerning intellectual property, as Malaysia is the country where the protection of relevant intellectual property is claimed.
- II. The Agreement binds both Parties to comply with the restrictions within the assented Term. The Restrictions on Distributor were not breached since the ATC's MARK that is affixed onto the Respondent's tea products' packaging is not arguably similar to the Lion Logo of the Claimant. Though the distribution was embarked during the Agreement was still in force, no wrongful deed was committed by the Respondent and thus no breach of Agreement was established. Hence, the Respondent is not obliged to pay damages as to be determined by the profits of the Respondent's sale of SAILOR'S CEYLON in Malaysia.
- III. The Respondent's use of the word 'CEYLON' in respect of its tea products is not misleading since it is not a protected geographical indication. Moreover, the tea seeds, which were used for plantation in China, were first sourced from Sri Lanka. Together with the fact that the labelling clearly declares China as the country of manufacturing and packed. Therefore, no misleading use was demonstrated and thus grants the Respondent the right to use the word 'CEYLON' in respect of its tea product and continue the sale of any of its tea

product that is described as ‘Ceylon tea’ without having to recall such products from the market.

IV. The ATC’s Mark of the Respondent is not nearly resembling the Lion Logo and it is not likely to cause confusion or deception; therefore, the Respondent’s use of such mark does not amount to trade mark infringement under the Malaysian Trade Mark Act. As the Claimant has not acquired a sufficient goodwill in the Lion Logo in Malaysia, the use of the Respondent’s ATC’s Mark cannot constitute neither a classic or extended form of passing off. The Respondent is therefore rightfully entitled to the use of the ATC’s Mark.

PLEADINGS

I. THE SRI LANKAN LAWS AND KLRCA I-ARBITRATION RULES GOVERN THE PROCEDURAL ASPECT AND THE MALAYSIAN LAWS GOVERN THE SUBSTANTIVE ASPECT OF THE DISPUTE

Generally multiple laws may govern different aspects of an international arbitration¹; the procedural laws and the substantive laws may be different.² The procedural aspect of the present arbitration is governed by the KLRCA i-Arbitration Rules and the Sri Lankan laws [A]. The applicable substantive law is the Malaysian laws [B].

A. The KLRCA i-Arbitration Rules and the laws of Sri Lanka govern the procedure of this arbitration

The procedure of this arbitration is governed by both the institutional arbitral rules designated by the parties and the procedural laws.³ Even in cases that parties have designated their own institutional rules, it is necessary to identify the procedural laws that govern the arbitration as they lie down the parameters and support for international arbitration, supplement the chosen rules and deal with matters the parties have failed to address.⁴

Lex arbitri or the law of arbitration is a general principle of law governing the arbitration in general and determines the procedural laws to be adopted in the arbitration.⁵

¹ SIMON GREENBERG ET AL., INTERNATIONAL COMMERCIAL ARBITRATION: AN ASIA-PACIFIC PERSPECTIVE 96 (2001).

² Kuwait Airways Corp. v. Iraqi Airways [2002] 2 A.C. 883; Channel Tunnel Group Ltd. v. Balfour Beatty Construction Ltd., [1993] A.C. 334; Arsanovia Ltd. v. Cruz City 1 Mauritius Holdings [2012] E.W.H.C. 3702.

³ GREENBERG, *supra* note 1, at 63.

⁴ ALAN REDFERN ET AL., LAW AND PRACTICE OF INTERNATIONAL COMMERCIAL ARBITRATION 83 (Sweet & Maxwell Ltd. 4th ed. 2004); Michael Pryles, *Exclusion of the Model Law*, 4(6) Int'l Arb. L.Rev. 175, 177 (2001).

⁵ GREENBERG, *supra* note 1, at 58; REDFERN, *supra* note 4, at 86.

If parties have designated any institutional rules and they are inconsistent with the procedural laws on certain matters, the former will prevail except to the extent that the latter are mandatory.⁶

Therefore, in the present arbitration, both the KLRCA i-Arbitration as designated by parties [1] and the Sri Lankan laws as indicated by *lex arbitri* [2] govern the procedural aspect of this arbitration.

1. The Parties agreed to use the KLRCA i-Arbitration Rules

Clause 22.1 of the Agreement provides that “[a]ny dispute, controversy or claim arising out of or relating to this contract, or the breach thereof, shall be governed by and construed according to the relevant applicable legislation, and shall be settled by arbitration in accordance with the KLRCA i-Arbitration Rules”.⁷

The Parties agreed to settle the present dispute in accordance with the KLRCA i-Arbitration Rules which are the institutional arbitral rules;⁸ therefore, the KLRCA i-Arbitration Rules govern the procedural aspect of this arbitration.

2. The law of arbitration indicates the Sri Lankan laws to be the procedural law

Lex arbitri or the law of arbitration determines the procedural law of the arbitration.⁹ The law at the seat or place of arbitration determines *lex arbitri*.¹⁰ If parties have agreed on the place or seat of the arbitration, the arbitration is conducted under the procedural law of that particular country.¹¹

⁶ GREENBERG, *supra* note 1, at 63.

⁷ Appendix A: Distribution Agreement, Clause 22.1[hereinafter Agreement].

⁸ Moot Problem, ¶17; Agreement, Clause 22.1.

⁹ REDFERN, *supra* note 4, at 83-84; Government of India v. Cairn Energy Pty [2012] 3 M.L.R.A. 1.

¹⁰ GREENBERG, *supra* note 1, at 55.

¹¹ REDFERN, *supra* note 4, at 85.

In the present dispute, as the Parties have agreed in Clause 22.2 of the Agreement that “[t]he place of arbitration shall be Colombo, Sri Lanka.”¹² Therefore, the laws of Sri Lanka shall be the procedural law of this arbitration.

In conclusion, both the KLRCA i-Arbitration Rules and the laws of Sri Lanka shall govern the procedural aspects of this dispute.

B. The Malaysian laws govern the substantive merits of this arbitration

Section 24 (2) of the Sri Lankan Arbitration Act similarly provides that where parties have failed to designate any governing substantive law, “the arbitral tribunal shall apply the law determined by the conflict of laws rules which it considers applicable.”¹³

However, taking in account the denationalized or anational nature of international arbitration, “[i]t seems settled that the arbitrators are not bound to the *lex forum arbitri*, in the same sense as a national judge is subject to the *lex fori*”.¹⁴ This particularly means that the arbitral tribunal is not restricted to apply the law of the seat of arbitration as a substantive law. On the other hand, a national judge is restricted to the law of the jurisdiction where the action is brought and therefore needs to apply “the conflict of law rules of the State in whose name he does justice”.¹⁵ Moreover, Section 24(2) of the Sri Lankan Arbitration Act does not explicitly state that the conflict of law rules as to be adopted by the arbitral tribunal is restricted to the rules of Sri Lanka.¹⁶ Therefore, the arbitral tribunal is not bound to the conflict of law rules of Sri Lanka.

The issues that shall be resolved in this arbitration cover both contractual claims

¹² Agreement, Clause 22.2.

¹³ Arbitration Act, 1995, § 24(2) (Sri Lanka).

¹⁴ Lopez-Rodriguez, *New Arbitration Acts in Denmark and Spain: The Application of Transnational Rules to the Merits of the Dispute*, 23(2) J. Int. Arb. 125, 127 (2006); See Case No.6527 of 1991, 18 Y.B. Comm. Arb. 46 (ICC Int’l Ct. Arb.).

¹⁵ ALESSANDRO CHECHI, *THE SETTLEMENT OF INTERNATIONAL CULTURAL HERITAGE DISPUTES* 175 (2014); JEAN -MICHEL JACQUET, *DISPUTE SETTLEMENT INTERNATIONAL COMMERCIAL ARBITRATION* 3 (2005), available at http://unctad.org/en/docs/edmmisc232add40_en.pdf.

¹⁶ Arbitration Act § 24(2) (Sri Lanka).

arising out of Agreement and non-contractual claims concerning intellectual property rights, which are closely connected to such agreement. The Malaysian laws govern both the contractual [1] and non-contractual claims [2] relating to the Agreement.

1. The contractual claims arising out of the Agreement are governed by the laws of Malaysia

As the present dispute is arisen out of the Agreement, the general principles of conflict of laws which can be derived from certain international conventions, particularly those in the field of commercial contracts shall apply to the substantive merits of the present dispute.¹⁷ The general principles of conflict of laws in relation to the commercial contracts, as codified in Article 4 of the Rome Convention on the Law Applicable to Contractual Obligations¹⁸ and Article 9 of the Inter-American Convention on the Law Applicable to International Contracts¹⁹ indicate that the contract shall be governed by the law of the country in which it is closely connected. Although neither of these conventions has been ratified by Sri Lanka and Singapore, the rules of conflict set out therein reflect the prevailing principles of private international law in this particular field.²⁰

Although the Claimant's company is incorporated in Sri Lanka and the Respondent's is incorporated in Singapore,²¹ neither the law of Sri Lanka nor Singapore has the closet connection to the dispute. When weighing all of the connections relating to the Agreement, the Claimant submits that Malaysia is mostly connected to the dispute,²² as the

¹⁷ Case No.6527 of 1991, 18 Y.B. Comm. Arb. 46 (ICC Int'l Ct. Arb.).

¹⁸ Rome Convention on the Law Applicable to Contractual Obligations, (originally enacted June 19, 1980) (consolidated version) 2005 O.J. (C 334) 1.

¹⁹ Organization of American States Fifth Inter-American Specialized Conference on Private International Law: Inter-American Convention on the Law Applicable to International Contracts, March 17, 1994, OEA/Ser.K/XXI.5, CIDIP-V/doc.34/94 rev. 3 corr. 2, March 17, 1994, 33 I.L.M. 732.

²⁰ *Id.*

²¹ Moot Problem, ¶2, 7.

²² See IVANA KUNDA & CARLOS MANUEL GONÇALVES DE MELO MARINHO, PRACTICAL HANDBOOK ON EUROPEAN PRIVATE INTERNATIONAL LAW 16 (2010), available at <http://ec.europa.eu/justice/civil/files/>

Agreement had been concluded in Malaysia²³ and the Parties agreed to distribute the products therein.²⁴ Moreover, when considering the obligations imposed on parties, the provisions of the Agreement generally draws reference to Malaysia, for instance, the Distributor must not obtain any products that compete with those of the Supplier in Malaysia.²⁵

This is similar to the ICC Award No. 5717 in which the arbitral tribunal observed that the Swiss law has the closest connection to the dispute because the parties had concluded the contract which governed their relationship in Switzerland and certain obligations of the parties regarding the payment made reference to Swiss bank account.²⁶ The arbitral tribunal in this case concluded that “[c]ompared to these connections, connections to any one of the other relevant jurisdictions are considerably less significant”, which therefore makes the Swiss law applicable to the substantive merits of the dispute.²⁷

2. The non-contractual claims relating to the Agreement are governed by the laws of Malaysia

The non-contractual claims the parties submitted to arbitration are issues relating to intellectual property including whether the Respondent’s use of the word ‘Ceylon’ in respect of its tea products is misleading and whether the Respondent’s use of the ATC’s Mark amounts to trade mark infringement.²⁸ The prevailing conflict of law rules in matters relating to intellectual property as codified in European Commission Regulation On the Law Applicable to Non-Contractual Obligations,²⁹ is *lex loci protectionis* or the law of the country where the protection is claimed. Taking in account the territorial nature of

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²³ Clarifications Page. 12, Question 12.

²⁴ Agreement, Recitals B.

²⁵ Agreement, Clause 4.2.

²⁶ Case No. 5717 of 1990, 1 ICC Bull. 22 (ICC Int’l Ct. Arb.).

²⁷ *Id.*

²⁸ Moot Problem, ¶18.

²⁹ Commission Regulation 864/2007, On the Law Applicable to Non-Contractual Obligations, 2007 O.J. (L 199) 40; SOPHIE NEUMANN, *Ubiquitous and multistate cases*, in RESEARCH HANDBOOK ON CROSS-BORDER ENFORCEMENT OF INTELLECTUAL PROPERTY 497, 506 (Paul Torremans ed., 2004).

intellectual property right, it can only be infringed in a country where it is protected. Consequently, the country where the protection is claimed is generally the place where an alleged infringement occurs.³⁰

In this case, the Respondent's use of the word 'Ceylon' and the ATC's Mark in relation to its tea products occur in Malaysia. Therefore, the law governing non-contractual claims in relation to intellectual property rights is the Malaysian laws.

In conclusion, the Malaysian laws govern the overall substantive merits of this arbitration.

II. THE RESPONDENT'S DISTRIBUTION OF SAILOR'S CEYLON AFFIXED WITH THE ATC'S MARK DOES NOT CONSTITUTE A BREACH OF THE AGREEMENT

The Claimant and the Respondent were bound for a period of 5 years by the Agreement, which was entered into on 20 October 2008.³¹ Though the Claimant has allegedly claimed that the Respondent started distributing the SAILOR'S CEYLON affixed with the ATC's Mark in Malaysia since November 2012³² which was still within the term of the Agreement, such act does not contravene the non-compete clause [A]. Moreover, the Respondent's use of the ATC's Mark [B] and the word 'SAILOR'S CEYLON' [C] does not violate the restrictions on intellectual property as prescribed in the Agreement. Therefore, the Respondent is not liable to pay damages [C].

A. The Respondent does not violate the non-compete restrictions imposed by the Agreement

Clause 4.2 of the Agreement prescribes that

³⁰ WIPO Forum on Private International Law and Intellectual Property, Jan. 30-31, 2001, *Private International Aspects of the Protection of Trademarks*, WIPO/PIL/01/4 (Jan. 19, 2001).

³¹ Moot Problem, ¶11, 13.

³² Moot Problem, ¶14.

During the Term and for a period of 12 months after it the Distributor must not be concerned or interested, either directly or indirectly, in the manufacture or distribution in the Territory of any goods that compete with the Products, affixed with the Trade Marks or any other arguably similar mark in the Territory.³³

The Respondent's growing and manufacturing of SAILOR'S CEYLON tea has taken place in China.³⁴ In this case, given that the term 'Territory' means Malaysia,³⁵ the manufacture of any products outside Malaysia does not contravene the said restriction. Though the Respondent has distributed its tea products affixed with the ATC's Mark in Malaysia,³⁶ the ATC's Mark is not arguably similar to the Claimant's Lion Logo because the ATC's Mark features an outline of a modern lion figure whereas the Lion Logo adopts the heraldic lion figure. Considering this together with the aforesaid reason, the Respondent does not breach Clause 4.2 of the Agreement.

B. The Respondent's use of the ATC's Mark does not violate the Agreement

Clause 9.3.7 of the Agreement prescribes that "[t]he Distributor must not use in the Territory any trade marks or trade names so resembling the Trade Marks, any trade mark or trade names of the Supplier as to be likely to cause confusion or deception".³⁷

In the present case, the use of the Respondent's ATC's Mark is not resembling the Lion Logo of the Claimant [1] and its use is not likely to cause confusion or deception [2].

1. The ATC's Mark is not nearly resembling the Lion Logo

The marks must be compared for their similarities in visual, aural and conceptual

³³ Agreement, Clause 4.2.

³⁴ Moot Problem, ¶14.

³⁵ Agreement, Clause 1.1.5.

³⁶ Moot Problem, ¶14.

³⁷ Agreement, Clause 9.3.7.

aspects.³⁸ However, these three aspects are just guidance towards answering whether the marks as a whole are similar.³⁹

In this case, the ATC's Mark of the Respondent does not bear any visual [i], aural [ii], or conceptual [iii] similarities to the Lion Logo of the Claimant and therefore, both trade marks are dissimilar as a whole. In any event that the arbitral tribunal found that both marks bear aural similarities, the visual and conceptual differences are more significant and sufficient to establish dissimilarities of the two marks [iv].

i. The ATC's Mark and the Lion Logo are visually dissimilar

The determination of similarity between two marks must be based on an overall impression, particularly their distinctive and dominant components.⁴⁰ Every component must be considered together as a whole.⁴¹ However, if there is no dominant component in the mark, no special attention should be given to any one particular part.⁴²

In *Polo/Lauren Co. L.P. v. United States Polo Ass'n*, the court made a comparison between the 'Single Polo Player Mark' and the 'Double Horsemen Device' with the text 'USPA' on the left side. Both marks bear a very low similarity as they feature a different number of polo players.⁴³ Furthermore, as the assessment on their similarity cannot be solely based on the pictorial device because it is not a dominant component due to the factor of size and position, the court observed that the text 'USPA' even increased the dissimilarity between both marks.⁴⁴

³⁸ *Hai Tong Co (Pte.) Ltd. v. Ventree Singapore Pte. Ltd. and another appeal*, [2013] 2 S.L.R. 941; *Festina Lotus SA v. Romanson Co. Ltd.*, [2010] 4 S.L.R. 552; *Staywell Hospitality Group Pty. Ltd. v. Starwood Hotels & Resorts Worldwide, Inc.*, [2014] 1 S.L.R. 911, *cited with approval in Polo/Lauren Co. L.P. v. United States Polo Ass'n*, No. 13 of 2015 (Sing. High Ct. March 8, 2016), <http://www.singaporelaw.sg/sglaw/laws-of-singapore/case-law/free-law/high-court-judgments/18379-polo-lauren-co-lp-v-united-states-polo-association>.

³⁹ *Staywell*, 1 S.L.R. 911, *cited with approval in Polo/Lauren Co. L.P.*, *supra* note 38.

⁴⁰ *See Lloyd Schuhfabrik Meyer v. Klijsen Handel BV*, [1999] 2 C.M.L.R. 1343.

⁴¹ *Polo/Lauren Co. L.P.*, *supra* note 38.

⁴² *Id.*

⁴³ *Id.*

⁴⁴ *Id.*

Likewise, in this present dispute, though both marks utilize a lion figure, the Lion Logo of the Claimant features a heraldic lion figure with a sword whereas the ATC's Mark of the Respondent adopts an outline of a modern lion figure, which is completely different when comparing visually. Moreover, when comparing the size and position of components in the Claimant's Lion Logo, a capital-lettered 'CEYLON TEA' and 'SYMBOL OF QUALITY' beneath the heraldic lion figure are not less outstanding than the device; therefore, the comparison cannot be merely made in regards to the lion figure, but on the texts as well. The text 'CEYLON TEA' adopted in the Claimant's mark makes it very distinctive from the ATC's Mark of the Respondent's. Furthermore, the Respondent's ATC's Mark gives a different visual impression from that of the Claimant, as the former is presented in a vertical rounded rectangle while the latter in a horizontal rounded rectangle. Therefore, in regards to the components in each mark, it can be concluded that the ATC's Mark of the Respondent is visually dissimilar to the Lion Logo of the Claimant.

ii. The ATC's Mark and the Lion Logo are aurally dissimilar

In the Lion Logo, the lion figure is used in conjunction with the word 'CEYLON TEA' which is not adopted in the Respondent's ATC's Mark. Consequently, it is clear that the oral component of both marks is different.⁴⁵ Therefore, in the present case, both marks are aurally dissimilar.

iii. The ATC's Mark and the Lion Logo are conceptually dissimilar

Conceptual comparison of the marks aims to "uncover the ideas that lie behind and inform the understanding of the mark as a whole".⁴⁶ The assessment also aims to

⁴⁵ See Philip Morris Products S.A. v. Pt. Perusahaan Dagang Dan Industri Tresno, No. T05/25129D (Intell. Prop. Off. of Sing. Apr. 28, 2010), <https://www.ipos.gov.sg/Portals/0/about%20IP/IP%20Resources/2010/GDT0525129CountryPhilipMorrisProductsSAvPTPeru.pdf>.

⁴⁶ *Staywell*, 1 S.L.R. 911.

compare “the feelings and images intended to be evoked by each mark”.⁴⁷

The Lion Logo conceptually aims to denote that the tea product on which it is affixed is originated from Sri Lanka, as the lion figure featured therein closely resembles the well-known lion figure on the national flag of Sri Lanka. On the other hand, the lion figure on the Respondent’s ATC’s Mark is not conceptually associated with Sri Lanka, as it is a modern one. Therefore, both marks are conceptually dissimilar.

iv. In any event, the visual and conceptual differences are more significant and sufficient to establish the overall dissimilarity of both marks

In reaching an overall conclusion whether marks are similar, a trade-off among each type of similarity can occur.⁴⁸ The relative significance of each type of similarity would depend on the circumstances of each case, especially the type of goods and the type of mark.⁴⁹

In any event that the arbitral tribunal would find that the Claimant’s Lion Logo and the Respondent’s ATC’s Mark bear aural similarities, as the average consumers might refer to both marks aurally as the lion mark, in the present dispute, the visual and conceptual differences offset aural similarity. As both of the Claimant and the Respondent’s tea products are widely marketed in major supermarkets and grocery stores,⁵⁰ customers often make the choice of the products they want to buy visually and conceptually. Consequently, the visual and conceptual perception of the marks in question will generally prevail over the aural perception. The UK Intellectual Property Office made similar observation in *Chioma Ebilah v. Tamasu Butterfly Europa GMBH* that in clothes shop customers often choose certain goods

⁴⁷ Jamal Abdunaser Mahmoud Al Mahamid v. Global Tobacco Manufacturers (International) Sdn. Bhd., No. Originating Summons 421 of 2014 (Sing. High Ct. Feb. 11, 2015), <http://www.singaporelaw.sg/sglaw/laws-of-singapore/case-law/free-law/high-court-judgments/15905-jamal-abdunaser-mahmoud-al-mahamid-v-global-tobacco-manufacturers-international-sdn-bhd-2015-sghc-42>.

⁴⁸ L. BENTLY & B. SHERMAN, INTELLECTUAL PROPERTY LAW 863 (4th ed. 2014).

⁴⁹ *Festina*, 4 S.L.R. 552.

⁵⁰ Additional Clarifications, Question 23.

based on visual encounter rather than oral communication which therefore makes aural similarity of the mark less important.⁵¹ Therefore, in this case, should the arbitral tribunal find that ATC's Mark and the Lion Logo bear certain aural similarity, the visual and conceptual difference are more significant and sufficient to establish the overall dissimilarity of both marks.

2. The use of the ATC's Mark is not likely to deceive or cause confusion

The similarity of the marks is one of the factors that are critical in determining whether there is a likelihood of confusion resulting from the use of a certain mark.⁵² Moreover, Parker Jin in *The Pianotist Co. Ltd.* observed that the surrounding circumstances as well as the nature of goods and the kind of customers that are likely to buy them also play a part in such determination.⁵³

As the Lion Logo of the Claimant and the ATC's Mark of the Respondent are used in relation to tea products, both of which are marketed in major supermarkets in Malaysia,⁵⁴ they are likely to be displayed in the same shelf because they belong to the same category. Since customers will be able to notice both marks very easily, they are not likely to be confused, as the dissimilarities of both marks will be more apparent.

Though tea products are not luxurious goods and their prices are not relatively high,⁵⁵ it cannot be inferred that the average consumers would pay less degree of attention and care when making purchase and therefore are likely to be confused. Ng-Loy Wee Loon made similar observation in *United States Polo Association v. Polo/Lauren Company* on the price factor that "it is [not] necessary in every case to focus on the price of the type of goods

⁵¹ Tamasu Butterfly Europa G.M.B.H. v. Chioma Ebilah, No. 83770 (U.K. Intell. Prop. Off. Feb. 10, 2012), <https://www.ipo.gov.uk/t-challenge-decision-results/o05712.pdf>.

⁵² *The Polo/Lauren Company L.P. v. United States Polo Ass'n*, [2015] S.G.I.P.O.S. 10.

⁵³ *The Pianotist Co. Ltd.*, (1906) xxiii R.P.C. 774.

⁵⁴ Additional Clarifications, Question 23.

⁵⁵ Additional Clarifications, Question 17.

concerned” and “the [ultimate] aim of the exercise is to determine the degree of care that the average consumer is likely to pay when purchasing that type of goods.”

Regardless of their price range, tea products are types of goods that involve a relatively fair level of care and attention because average consumers are likely to be interested in the type, quality and their personal preference of tea when it comes to tea selection unlike ordinary commodity such as drinking water.

In conclusion, taking in account the surrounding circumstances which enable the average consumers to detect the dissimilarities of both marks more apparently and a fair level of attention and care that average consumers are likely to pay when buying tea products, it can be reasonably established that the use of the ATC’s Mark does not cause any likelihood of confusion.

The ATC’s Mark is dissimilar to the Lion Logo as is not likely to deceive or cause confusion; therefore, the Respondent’s use of the former does not amount to a breach of Clause 9.3.7 of the Agreement.

C. The Respondent’s use of the word ‘SAILOR’S CEYLON’ does not violate the Agreement

According to Clause 9.3.7 of the Agreement, the Respondent is also restricted from using any trade mark or trade name so resembling the registered CTC CEYLON of the Claimant.⁵⁶ Though the brand name SAILOR’S CEYLON of the Respondent and CTC CEYLON of the Claimant contain the word ‘CEYLON’ as a common element, it cannot be concluded that those two are confusingly similar because the comparison must be made as a whole, not merely on a selective component.⁵⁷ In the case *Harrods Application*, it was observed that when any two marks contain a common element, which exists in a number of

⁵⁶ Agreement, Clause 9.3.7.

⁵⁷ *Eriktico v. Erector*, [1935] 52 R.P.C. 136.

other marks in the market, potential customers are likely to pay more attention to the other distinctive feature.⁵⁸ As the word ‘Ceylon’ is commonly used in the market for instance Ceylon Roots, Ceylon Tobacco Company, BEE CEYLON TEA, CEYLON BUISCUIT LIMITED as well as its widespread use as a description i.e. Ceylon tea, the word SAILOR’S and CTC are sufficient to establish a dissimilarity, which enables the consumers to differentiate the two terms. Consequently, the use of the Respondent’s SAILOR’S CEYLON is not likely to cause confusion.⁵⁹ In conclusion, the distribution of the Respondent’s SAILOR’S CEYLON in Malaysia does not contravene Clause 9.3.7 of the Agreement.

In conclusion, it is within the legal right of the Respondent to distribute SAILOR’S CEYLON affixed with the ATC’s Mark in Malaysia.

D. The Respondent is not liable to pay damages

As the distribution of the Respondent’s SAILOR’S CEYLON affixed with the ATC’s Mark is not in breach of the Agreement, the Respondent is rightfully entitled to distribute its tea products affixed with the ATC’s Mark. Therefore, the Respondent does not incur any liability to pay damages to the Claimant.

III. THE RESPONDENT’S USE OF THE WORD ‘CEYLON’ IN RESPECT OF ITS TEA PRODUCT IS NOT MISLEADING

The Agreement on Trade-Related Aspects of Intellectual Property Rights (the “**TRIPS Agreement**”)⁶⁰ is an international agreement that sets forth minimum protection for

⁵⁸ Harrods Application, (1935) 52 R.P.C. 65.

⁵⁹ See Helena Rubinstein Ltd’s Appln, (1960) R.O.C. 229 (holding that there is no likelihood of confusion resulting from the use of “Skin Dew” and “Skin Deep”, since skin is a commonly used word).

⁶⁰ TRIPS: Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, The Legal Texts: The Results of the Uruguay Round of Multilateral Trade Negotiations 320 (1999), 1869 U.N.T.S. 299, 33 I.L.M. 1197 (1994) [hereinafter TRIPS Agreement].

intellectual properties to which Malaysia, Sri Lanka and Singapore are parties. Upon Malaysia's ratification of the TRIPS Agreement, it has passed the Geographical Indications Act 2000 which incorporates certain provisions on protection on geographical indications as laid down in the TRIPS agreement. Considering all relevant facts, it can be proven that under the Malaysian law, the word 'Ceylon' is not a protectable geographical indication [A]; accordingly, the use does not necessarily imply that tea product affixed with it is purely from Sri Lanka [B]. Even conceding that 'Ceylon' designates Sri Lanka, the use is still not misleading [C] since it represents the true place of origin of SAILOR'S CEYLON [D].

A. The word 'Ceylon' is not a protectable geographical indication

Section 3 of Malaysian Geographical Indications Act grants domestic protection to geographical indications which do not fall within certain exceptions as stated in Section 4.⁶¹ The word 'Ceylon' does not correspond to the meaning of "geographical indication" as defined in Section 2 [1]. Even if 'Ceylon' qualifies as an indication, it has become a generic term [2] which is not protected in Sri Lanka [3].

1. The word 'Ceylon' does not correspond to the meaning of "geographical indication" as defined in Section 2

Section 2 of Malaysian Geographical Indications Act provides that

"geographical indication" means an indication which identifies any goods as originating in a country or territory, or a region or locality in that country or territory, where a given quality, reputation or other characteristic of the goods is essentially attributable to their geographical origin [and] "goods" means any natural or agricultural product or any product of handicraft or industry.⁶²

The country's official name is the Democratic Socialist Republic of Sri Lanka.

Therefore, the word 'Ceylon' is not an indication of Sri Lanka and thus is disqualified as a

⁶¹ Geographical Indications Act, 2000, 2, §3, 4 (Malay.).

⁶² Geographical Indications Act 2 §2 (Malay.).

geographical indication according to the definition given. Consequently, ‘Ceylon’ is excluded from protection under this Act.

2. The word ‘Ceylon’ has become a generic term

The Malaysian Geographical Indications Act is enacted in compliance with the TRIPS Agreement. Article 24(6) of the TRIPS Agreement provides that

Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to goods or services for which the relevant indication is identical with the term customary in common language as the common name for such goods or services in the territory of that Member.⁶³

Accordingly, a term is generic when it is “accepted as signifying the type of product, rather than its geographic source,”⁶⁴ that it eventually “becomes part of the public domain”.⁶⁵ This construes that World Trade Organization Members including Malaysia, do not require to protect geographical indications that have become “generic” name for the goods in that country.⁶⁶

In any case the word ‘Ceylon’ constitutes a geographical indication in Sri Lanka, it has become generic in many other countries such as the USA, Japan and Kuwait.⁶⁷ As a result, these countries do not grant protection to the word ‘Ceylon.’ In Malaysia, *in lieu of* indication of source, it denotes a class name or category of all products of the same type,⁶⁸

⁶³ TRIPS Agreement, *supra* note 60, article 24(6).

⁶⁴ R.W. Benson, *Wine Briefs: The Generic Problem*, 62 A.B.A.J. 129 (1976);
See also L.C. Lenzen, *Bacchus in the Hinterlands: A Study of Denominations of Origin in French and American Wine-labelling Laws*, 58 Trademark Rep., 145, 145-175 (1968).

⁶⁵ *Id.*

⁶⁶ Worldwide Symposium on Geographical Indications, Cal., U.S., July 9-11, 2003, WIPO/GEO/SFO/03/3 (June 30, 2003).

⁶⁷ Worldwide Symposium on Geographical Indications, Bangkok, Thai., Mar. 27-29, 2013, WIPO/GEO/BKK/13/INF/4 (Jan. 15, 2014).

⁶⁸ GIOVANNUCCI ET AL., *Guide to Geographical Indications*, xiii (2009).

which is black tea. As a result, it ceases to function as distinctive sign that it becomes incapable of benefiting from protection within Malaysia.⁶⁹

3. The word ‘Ceylon’ is not protected in its country of origin

Pursuant to Section 4(c) of the Malaysian Geographical Indications Act, geographical indications will be excluded from protection given under this act if they are not or have ceased to be protected in their country or territory of origin.⁷⁰

In the event that ‘Ceylon’ is a geographical indication of Sri Lanka, the country does not have the registration system exclusively for geographical indications since it only adopts the certification mark system.⁷¹ As a result, ‘CEYLON’ is not registered as a geographical indication. Therefore, the word ‘Ceylon’ is not domestically protected as a geographical indication in Sri Lanka and thus is excluded from protection under the Malaysian Geographical Indications Act.

B. Even if ‘Ceylon’ designates Sri Lanka, the use is still not misleading

The use of the word ‘Ceylon’ does not mislead the public as to the country of origin [1] and standard of the tea products [2].

1. The use of the word ‘Ceylon’ does not mislead the public as to the country of origin

Under Section 26 of the Trade Descriptions Act 2011, indication of origin is construed as “indication of the place of manufacture, production, processing or reconditioning of the goods or any part of the goods.”⁷² It is seen that indication of origin of the product often relates to the designation of the “country of origin”⁷³

⁶⁹ BERNARD O’CONNOR, THE LAW OF GEOGRAPHICAL INDICATIONS, 95 (2004).

⁷⁰ Geographical Indications Act 2 §4(c) (Malay.).

⁷¹ NAT’L INTELL. PROP. OFF. OF SRI LANKA, GEOGRAPHICAL INDICATIONS (GI), <http://www.nipo.gov.lk/gi.htm>.

⁷² Trade Descriptions Act, 2011, 5, §26 (Malay.).

⁷³ EUR. COMM’N, INTERPRETATIVE NOTICE ON INDICATION OF ORIGIN OF GOODS FROM THE TERRITORIES OCCUPIED BY ISRAEL SINCE JUNE 1967 (2015), https://eeas.europa.eu/delegations/israel/documents/news/20151111_interpretative_notice_indication_of_origin_of_goods_en.pdf.

In this case, the country of origin of the tea leaves is stated on the packaging of all ATC products, together with information of the respective importer, packer, and/or distributor.⁷⁴ Since China is where SAILOR'S CEYLON teas are planted and manufactured, it has already been declared on all ATC packaging. Therefore, the information stated on SAILOR'S CEYLON's packaging is true regardless of the use of the word 'Ceylon' and thus is not misleading.

2. The use of the word 'Ceylon' does not mislead the public regarding the standard of the goods

All facts indicate no misleadingness regarding standard of goods because the use is solely for the purpose of trade name [i], and there is truthful labelling on all packaging to assist purchasers to care for their own interest [ii].

i. The word 'CEYLON' is only used as part of a trade name

A trade name is generally used for trade purposes.⁷⁵ The common law trade name "owner" has no exclusive right to use the name and "cannot control the use of his name to the extent the statutory trade name owner can".⁷⁶

In the present dispute, the Claimant's mark 'CTC CEYLON' is not registered in Malaysia;⁷⁷ hence, it only functions as a non-registered trade name which CTC has no exclusive right to use. Due to the fact that the Claimant has no exclusive right over its trade name which consists of the word 'CEYLON,' the Respondent is eligible to use the word 'CEYLON' after its "SAILOR'S" as part of its trade name.

Moreover, the Respondent's use of the word 'CEYLON' is only to denote connection between SAILOR'S CEYLON and its company's registered address at Suite 18-

⁷⁴ Additional Clarifications, Question 19.

⁷⁵ *Baldry v. Marshall*, (1925) 1 K.B. 260.

⁷⁶ R. Reaves Elledge Jr., *Trade Name Infringement as Unfair Competition*, 40 Cal. L. Rev. 571 (1953).

⁷⁷ Clarifications, Question 15.

1, Katong Tower, 87 Ceylon Road, Singapore 429665.⁷⁸ Therefore, the word ‘CEYLON’ of SAILOR’S CEYLON is solely used for the purpose of depicting link between the trade name and the Almond Tea Company which locates on Ceylon road in Singapore. Subsequently, the use clearly has nothing in relation with Sri Lanka or any standard of CTC CEYLON tea. In conclusion, the word ‘CEYLON’ is only used as part of Respondent’s trade name with no implication of any matter concerning Ceylon tea of Sri Lanka and thus is not misleading.

ii. *Truthful labelling to assist purchasers is presented*

Section 10(1)(a) of the Consumer Protection Act 1999 prohibits a false or misleading representation that the goods are of a particular kind, standard, quality, grade, quantity, composition, style or model.⁷⁹

In *Parkdale Custom Built Furniture Path Ltd. v. Puxu Pty Ltd.*, Gibbs CJ stated that

[a]lthough it is true, ..., that ordinarily a class of consumers may include the inexperienced as well as the experienced, and the gullible as well as the astute, the section must in my opinion be regarded as contemplating the effect of the conduct on reasonable members of the class. The heavy burdens which the section creates cannot have been intended to be imposed for the benefit of persons who fail to take reasonable care of their own interests.⁸⁰

In this respect, if a person were to glance at the manufacturer’s identifying label or to ask for further clarifications from the retailer, that individual will not be misled.⁸¹

In any case that the word ‘Ceylon’ distinguishes specific quality, though CTC manufactures Ceylon tea in accordance with the standards set by the SLTB while ATC

⁷⁸ Moot Problem, ¶7.

⁷⁹ Consumer Protection Act, 1999, 2, §10(1)(a) (Malay.).

⁸⁰ *Parkdale Custom Built Furniture Pty Ltd. v. Puxu Pty Ltd.*, (1982) 149 C.L.R. 191.

⁸¹ Michael Blakeney, *The Protection of Industrial and Intellectual Property Rights under Section 52 of the Trade Practices Act 1974*, 7 U.N.S.W.L.J. 39, 43 (1984).

manufactures black tea,⁸² there is no reasonable cause should the public be misled regarding the quality of SAILOR'S CEYLON since ATC had never declared any of its tea products as Ceylon tea in its advertisements.⁸³ If the purchasers look for the label that clearly identifies the country of origin of tea leaves, they would have seen the information completely provided. Moreover, no proof has been presented that the Respondent's use of the word 'Ceylon' is misleading the public to the extent that they believe the tea of their choice is standardised by the organisation.

C. The word 'CEYLON' represents the true place of origin of the Respondent's SAILOR'S CEYLON

Section 5(a) of the Malaysian Geographical Indications Act provides that

[t]he use in the course of trade of any means in the designation or presentation of any goods that indicates or suggests, in a manner which misleads the public as to the geographical origin of the goods, that the goods in question originate in a geographical area other than the true place of origin.⁸⁴

In any case that any use of the word 'Ceylon' truly designates Sri Lanka as the country of origin of products, the Respondent's use of the word 'Ceylon' in respect of its tea is still factual. Even though the teas are grown and manufactured in China,⁸⁵ the seeds that ATC use were purely sourced from Sri Lanka⁸⁶ without any combination of those that originate elsewhere.⁸⁷ Therefore, even the people perceived the word 'Ceylon' as a geographical name of Sri Lanka and even if the word is protected with Malaysia, the use is still not misleading because the use of the word truly represents SAILOR'S CEYLON place of origin.

⁸² Additional Clarifications, Question 15.

⁸³ Additional Clarifications, Question 4.

⁸⁴ Geographical Indications Act 2 §27(1) (Malay.).

⁸⁵ Moot Problem, ¶14.

⁸⁶ Clarifications, Question 5.

⁸⁷ Additional Clarifications, Question 14.

D. The Respondent is rightfully entitled to use the word ‘Ceylon’ in respect of its tea products

The Respondent’s use of the word ‘Ceylon’ in respect of its tea products is not misleading and thus is within its legal right to refer to its tea as ‘Ceylon Tea’. The use of the word ‘CEYLON’ as an element of its brand name is justified; as a result, it is not obliged to stop using the name ‘SAILOR’S CEYLON’. Moreover, the Respondent is eligible to continue the sale of its products described as ‘Ceylon tea’ and is not mandated to recall all such products from the market. Therefore, the Respondent is rightfully entitled to use the word ‘Ceylon’ in respect of its tea products.

IV. THE RESPONDENT’S USE OF ATC’S MARK DOES NOT CONSTITUTE TRADE MARK INFRINGEMENT AND/OR PASSING OFF

The Respondent’s adoption of the ATC’s Mark does not amount to trade mark infringement [A] and/or passing off [B]. Therefore, the Respondent is rightfully entitled to use the ATC’s Mark [C].

A. The Respondent’s use of ATC’s Mark does not constitute trademark infringement under the Malaysian Trade Marks Act

To establish a minimum standard of trade mark protection, Article 16 of the TRIPS Agreement provides that the owner of the registered trade mark has right to prevent the use identical or similar mark to the registered mark for identical or similar goods in the course of trade if such use is likely to cause confusion.⁸⁸ Malaysia has incorporated such provision in its Trade Marks Act 1976 as amended in 2002. To constitute a trade mark infringement under Article 38(1)(a) of the Malaysian Trade Marks Act, the following

⁸⁸ TRIPS Agreement, *supra* note 60, article 16.

elements need to be satisfied: the respondent is neither the registered proprietor nor the registered user of the trademark; the respondent used a mark identical with or so nearly resembling the plaintiff's registered trademark as is likely to deceive or cause confusion; the respondent was using the offending mark in the course of trade; the respondent was using the offending mark in relation to goods or service within the scope of the registration; the respondent used the offending mark in such a manner as to render use likely to be taken either as being used as a trademark or as importing a reference to the registered proprietor or the registered user or to their goods or services.⁸⁹

Regarding the claim of the Claimant that the Respondent's use of the ATC's Mark constitutes a trade mark infringement against the Claimant's Lion Logo, it is true that the Respondent is neither a registered proprietor nor a registered user of the Lion Logo and the Respondent is using the ATC's Mark in the course of trade as a trade mark on its tea products which are goods within the scope of registration of the Lion Logo. However, the ATC's Mark is not nearly resembling the registered Lion Logo and is not likely to deceive or cause confusion as elaborated earlier.⁹⁰ Therefore, the Respondent's use of such disputed mark does not constitute a trade mark infringement under Section 38(1)(a) of the Malaysian Trade Mark Act.

B. The Respondent's use of the ATC's Mark does not constitute passing off

Passing off is a common law tort based upon the premise that business goodwill must be protected, which particularly means that no trader has any right to represent his goods or services as if they had originated from another trader.⁹¹ In order to bring the action

⁸⁹ Trade Marks Act, 1976, §38 (Malay.); *Fabrique Ebel Societe Anonymne v. Syarikat Perniagaan Tukang Jam City Port*, [1988] 1 M.L.J. 188, 191.

⁹⁰ *See supra* p.7-12.

⁹¹ IDA MADIEHA BT ABDUL GHANI AZMI, *TRADE MARKS LAW IN MALAYSIA CASES AND COMMENTARY* 401 (2006); *Perry v. Truefitt*, (1842) 49 E.R. 749, 752, *cited with approval in* *McCurry Restaurant (KL) Sdn. Bhd. v. McDonald Corp.*, [2009] 3 C.L.J. 540.

on passing off, it is incumbent upon the Claimant to prove that the Claimant has acquired some goodwill related to the mark in question; a misrepresentation by the Respondent is likely to lead the public to believe that such goods or services are those originated from the Claimant; and the damage has been caused or likely to be as a result of the Respondent's misrepresentation.⁹²

However, there is a variant of the classic passing off action known as "extended passing off" action, which can be brought by traders who share collective goodwill of the trade mark.⁹³ In order to establish the action of extended passing off, the Claimant has to prove that it has acquired sufficient collective goodwill in the mark or name that is distinctive to a class of goods which bear a particular quality; a misrepresentation by the Respondent leads or is likely to lead the public to believe that such goods correspond with that certain quality; and the damage has been caused or likely to be caused to the Claimant as a result of the Respondent's misrepresentation.

In this case, the Claimant lacks sufficient goodwill in the Lion Logo in Malaysia [1]. In any event, the Respondent's use of the ATC's Mark does not result in any kind of misrepresentation [2] and therefore does not incur any damages. In conclusion, the Respondent's use of the ATC's Mark neither amounts to a classic passing off nor extended passing off as it does not fulfill the required elements.

1. The Claimant lacks sufficient goodwill in the Lion Logo in Malaysia

Goodwill generally differentiates an old business from a newly established one and is the attractive force that brings in customers.⁹⁴ Lord Diplock explains that goodwill is territorial in nature and "[i]f the business is carried on in several countries a separate goodwill

⁹² Syarikat Zamani Hj Tamin Sdn. Bhd. v. Yong Sze Fun, [2006] 5 M.L.J 262; Reckitt & Colman Products Ltd. v. Borden, Inc., [1990] 1 W.L.R. 49.

⁹³ BENTLY & SHERMAN, *supra* note 48, at 878.

⁹⁴ IRC v. Muller & Co's Margarine, [1901] A.C. 217, 223.

attaches to it in each.”⁹⁵ In *Office for Harmonisation in the Internal Market v. Paola Vergamini*, it was observed that the applicant’s use of the Halal mark which certifies that any products affixed with it comes from the authorized users who comply with the manufacturing processes of Sharia law does not accrue an attractive force over the customers, since it lacks the evidence to demonstrate that consumers genuinely knew the applicant’s certification mark to the point of giving it priority over the other signs inscribed on the goods to which it was affixed.

Similarly in the present dispute, the Lion Logo as affixed onto the packaging of the CTC CEYLON is a quality symbol used by any authorized users that comply with the standards set by the SLTB.⁹⁶ As the packaging of the Claimant’s tea products bear both the dominant CTC CEYLON mark and the Lion Logo, which is only 2 cm² in size on a 100 cm² surface,⁹⁷ the evidence is not sufficient to prove that the Lion Logo bears the attractive force that brings in the Claimant’s customers. Therefore, in either form of passing off, the Claimant lacks sufficient goodwill in the Lion Logo in Malaysia

2. In any event, the Respondent’s use of the ATC’s Mark does not result in any kind of misrepresentation

In any event that the arbitral tribunal found that the Claimant had acquired sufficient goodwill in the Lion Logo, the use of the ATC’s Mark does not cause any kind of misrepresentation. Since the ATC’s Mark of the Respondent does not nearly resemble the Claimant’s Lion Logo to the extent that is likely to deceive or cause confusion as elaborated earlier,⁹⁸ the Respondent has not misrepresented its tea products as those of the Claimant or as if the Respondent’s products complied with the tea standards approved by the SLTB.

⁹⁵ *Star Industrial Co. Ltd. v. Yap Kwee Kor*, [1976] F.S.R. 256, 269.

⁹⁶ Moot Problem, ¶4.

⁹⁷ Additional Clarifications, Question 21.

⁹⁸ *See supra* p.7-12.

As the Claimant lacks sufficient goodwill in the Lion Logo and in any event, the Respondent's use of the ATC's Mark does not amount to any kind of misrepresentation which therefore does not incur any damages. In conclusion, the Respondent's use of the ATC's Mark neither amounts to a classing passing off nor extended passing off as it does not fulfill the required elements.

C. The Respondent is rightfully entitled to use the ATC's Mark

As the use of the Respondent's ATC Mark does not constitute any trade mark infringement and/or passing off, it is within the legal rights of the Respondent to use its ATC's Mark.

PRAYER FOR RELIEF

For the foregoing reasons, the Respondent respectfully requests the arbitral tribunal to grant the following orders:

- I. The Respondent is not liable to pay damages to be determined by its profits made by the sale of SAILOR'S CEYLON in Malaysia;
- II. The Respondent can refer to its tea products as 'Ceylon Tea';
- III. The Respondent is rightfully entitled to use the name 'SAILOR'S CEYLON' and the ATC's Logo; and
- IV. The Respondent is entitled to continue the sale of its products described as 'Ceylon tea' without having to recall such products from the market.

Respectfully Submitted,
Counsel for the Respondent