

**THE 11TH LAWASIA INTERNATIONAL MOOT**  
**KUALA LUMPUR REGIONAL CENTRE FOR ARBITRATION**  
**2016**

---

**CHELSEA TEA COMPANY**

*Claimant*

**v.**

**ALMOND TEA COMPANY**

*Respondent*

---

**MEMORIAL FOR RESPONDENT**

**TABLE OF CONTENTS**

**TABLE OF CONTENTS ..... ii**

**TABLE OF AUTHORITIES ..... v**

**STATEMENT OF JURISDICTION..... ix**

**QUESTIONS PRESENTED ..... x**

**STATEMENT OF FACTS ..... xi**

**SUMMARY OF PLEADINGS ..... xiv**

**PLEADINGS ..... 1**

**I. MALAYSIA LAW GOVERNS THE SUBJECT MATTERS UNDER THE  
DETERMINATION OF THE CONFLICT OF LAW RULE ..... 1**

1. The Malaysia Arbitration Act requires the application of conflict of law rule of the seat  
of the arbitration..... 1

2. The conflict of law rule requires the application of Malaysia Law to the dispute  
between CTC and ATC..... 2

**II. ATC HAS NOT BREACHED THE AGREEMENT BY DISTRIBUTING  
'SAILOR'S CEYLON' AFFIXED WITH THE ATC'S MARK IN MALAYSIA..... 4**

A. The Agreement cannot be enforced under Contracts Act 1950 of Malaysia..... 4

1. Clause 4.1 is void and cannot be enforced by law..... 4

2. Tribunal should not enforce the remains of the Agreement ..... 5

B. Even if the Agreement is not void, ATC has not breached the Agreement by  
distributing 'SAILOR'S CEYLON' affixed with the ATC's Mark in Malaysia ..... 6

1. The mark ‘SAILOR’S CEYLON’ is not similar to ‘CTC CEYLON’ and does not cause any confusion among customers .....	6
2. ATC’s Mark is not similar to the Lion Logo as to be likely to cause confusion among the customers .....	8
<b>III. ATC’S USE OF THE WORD ‘CEYLON’ IN RESPECT OF ITS TEA PRODUCTS IS NOT MISLEADING .....</b>	<b>9</b>
A. ATC does not mislead consumers about the origin of their tea products.....	9
B. ATC does not mislead consumers about the quality of their tea products .....	10
<b>IV. ATC’S USE OF THE ATC’S MARK AMOUNTS TO NEITHER TRADEMARK INFRINGEMENT NOR PASSING OFF.....</b>	<b>11</b>
A. ATC’s use of the ATC’s Mark does not amount to trademark infringement.....	11
1. There is no identity between the marks .....	12
2. There is no similarity between the marks that is likely to cause confusion in the course of trade .....	14
3. Even under Sri Lanka Intellectual Property Act 2003, the above arguments still comply with the relevant provisions .....	16
B. ATC is not liable in passing off for using the ATC’s Mark .....	16
1. ATC’s use of ATC’s Mark made no misrepresentation to customers within Malaysia	16
2. CTC has not suffered damages since there is no misrepresentation made by ATC’s use of ATC’s Mark.....	18
<b>PRAYER OF RELIEF .....</b>	<b>20</b>

**APPENDIX..... 21**

## TABLE OF AUTHORITIES

### CASES

<i>AG Spalding Brothers v AW Gamage, Ltd</i> [1914-15] All ER Rep 147 at 150.....	16
<i>Aristoc Ltd. v. Rysta Ltd.</i> , reported in Appeals Cases Vol. 1945, p.68.....	7
<i>Aristoc, Ld v Rysta, Ld</i> (1943), reported in Reports of Patent Cases Vol. 60, p.8. ....	7
<i>Australian Woollen Mills Ltd v F. S. Walton &amp; Co Ltd</i> , (1937), reported in Commonwealth Law Reports Vol. 58, p. 641. ....	7
Award in ICC Case No. 2830, 111 J.D.I. (Clunet) 914 (1984), .....	1
<i>Bonnython v. Commonwealth of Australia</i> , Privy council on appeal from Australia, Appeal Court, 1951, para.201 and 219 .....	2
Case <i>AOM Minerve SA v. INPI</i> and another [2001] ETMR-1209.....	13
Case B 43457, <i>Fromex SA's application; opposition of KH de Jong's Exporthandel BV</i> , [1999] ETMR 989.....	14
<i>Community of Roquefort v. William Faehndrich, Inc.</i> ,U.S. District Court for the Southern District of New York, Federal Supplement, 1961, p.291.....	9
<i>Erven Warnink BV and others v. J Townend &amp; Sons (Hull) Ltd and others</i> , reported in All England Law Report, 1979, Volume 2, p.927.....	19
<i>I &amp; R Morley v Macky Logan Caldwell</i> [1921] NZLR 1001 at 1015 (CA).....	15
ICC case No. 1512, I Y.B. Comm. Arb. 128 (1976) .....	1
<i>In re Dixie Rests, Inc.</i> , Federal Reporter, Third Series, Vol. 105, p. 1405-1407, and United States Patents Quarterly, Vol. 41, p.1533-1534.....	7
<i>In the Matter of Speer's Trade Mark</i> (1887) 4 RPC 521 at 524.....	15
<i>Lesotho Highland Development Authority v. Impregilo Spa</i> . House of Lords, 2006, p.221 .....	1

<i>Masterpiece Inc. v. Alavida Lifestyles Inc.</i> ,2011, Canadian Patent Reporter Vol. 92, fourth series, p. 361, Para 49.....	8
<i>Matratzen Concord v OHMI - Hukla Germany (Matrazen)</i> , 2004, reported in European Court Reports Vol. 1, p. 3657 .....	6
<i>Midas Equipment Ltd. v. Zellers Inc.</i> , 1991 CarswellAlta 70.....	17
<i>Moroccanoil Israel Ltd v Aldi Stores Ltd</i> , [2015] E.C.C. 6.....	18
<i>Reckitt and Colman Products Ltd v Borden Inc. and others</i> , reported in All England Law Reports, 1990, Volume 1, p. 873.....	16
<i>Reddaway &amp; Co and Another v Banham &amp; Co and Another</i> [1895-99] All ER Rep 133.....	16
<i>Resolution Trust Corp. v. Sharif-Munir-Daidson Dev. Corp.</i> , the Federal Reporter, Vol. 992,p. 1398.....	5
<i>Schweppes Ld. v. Gibbens [(1905), 22 R.P.C. 601</i> .....	17
<i>Seven-Up Co v Bubble Up Co. Inc.</i> , 1987, reported in Intellectual Property Reports, Vol. 9, p.259.....	7
<i>The Singapore Professional Golfers’ Association v Chen Eng Waye and others</i> ,Singapore Court of Appeal, 2013, case no. 18, p.11 .....	19
<i>Toledo Police Patrolmen’s Ass’n, Local 10 v. City of Toledo</i> , North Eastern Reporter Second, Vol. 641,p.799 -803.....	5
<i>UFC PHILIPPINES, INC. (now merged with NUTRI-ASIA, INC., with NUTRI-ASIA, INC. as the surviving entity), Petitioner, v. BARRIO FIESTA MANUFACTURING CORPORATION, Respondent.</i> , PHSC, 2016, p.157 .....	17
<i>Whithworth Street Estates (Manchester) Ltd. V. James Miller and Partners Ltd.</i> , England Appeal Court, 1970, para. 583 and 603 .....	2

<i>Wrigle &amp; Company v. Anthony Wilson</i> , reported by Malaysia Law Journal, 1964, p.269 .....	4
<i>Y.K.Fung Securities Sdn Bhd v. James Cape (Far East) Ltd.</i> , Malaysia, reported in Malaysia Law Journal, p.621 .....	2
<i>YK Fung Securities SdnBhd v. James Cape (Far East) Ltd (CA)</i> [1997] 4 CLJ 300 .....	3

#### RULES

KLRC A i-Arbitration, Article 35.....	1
---------------------------------------	---

#### TREATISES

Restatement (Second) of Contracts, note 17 §184.....	5
--	---

#### BOOKS

Brown and Grant, <i>The Law of Intellectual Property in New Zealand</i> , Butterworths, 1989 at page 82.....	15
E. Gaillard & J. Savage (eds.), Fouchard Gaillard Goldman on <i>International Commercial Arbitration</i> p.1197 (1999) .....	1
Gary B. Born, <i>International Commercial Arbitration</i> , Kluwer Law International .....	1
Henry Cambell Black, <i>Black's Law Dictionary 4<sup>th</sup></i> , West Publishing Co, 1968, p. 880 .....	12
J.Lew, <i>Applicable Law in International Commercial Arbitration</i> , p.17-59 (2003).....	1
Joseph Chitty, <i>Chitty on Contract: General Principle</i> , Sweet & Maxwell, 2012, 32th Edition ....	4
<i>WIPO Intellectual Property Handbook: Policy, Law and Use</i> . .....	11

#### NATIONAL LEGISLATIONS

Malaysia Arbitration Act 2005 .....	2
Malaysia Contracts Act 1950.....	4

Malaysia Geographical Indication Act 2000 .....	9
Malaysia Trademark Act 2003.....	11

ARTICLES

Belden Premaraj, <i>The Choices of Law – Better Safe Than Sorry: The Malaysian Arbitration Perspective</i> .....	2, 3
--	------

JOURNALS

Briony Pollard, Jeremy Blum, <i>Bimbo and composite trademarks: a review of the European approach to assessing confusion</i> , <i>European Intellectual Property Review</i> , Vol. 37, 2015, p.46-50.....	7
Kal Raustiala and Stephen R. Munzer, <i>The Global Struggle over Geographic Indications -The European Journal of International Law</i> , <i>European Journal of International Law</i> , Vol. 18, 2007, p. 353.....	10

MANUALS

<i>Trademark Manual of Examining Procedure, the October 2015 Edition</i> .....	7
--	---

GUIDELINES

Practice Guidelines, <i>Relative grounds - Identical or similar trademarks</i> , New Zealand Intellectual Property Office .....	15
<i>The Guidelines for Examination in the Office</i> , Part C: Opposition. Section 2: Identicalness and Likelihood of confusion, Chapter 3: Comparison of Signs, OHIM- an agency of European Union.....	12, 13



## **STATEMENT OF JURISDICTION**

**CHELSEA TEA COMPANY** (“CTC”) and **ALMOND TEA COMPANY** (“ATC”) jointly submitted the present dispute to the Kuala Lumpur Regional Centre for Arbitration (“KLRCA”), Malaysia, pursuant to the KLRCA i-Arbitration Rules (“KLRCA Rules”). This Tribunal, therefore, has the jurisdiction to decide the dispute.

## QUESTIONS PRESENTED

1. What is the applicable law that should be referred to in this dispute?
2. Whether ATC has not breached the distribution agreement (“the Agreement”) by distributing ‘SAILOR’S CEYLON’ affixed with the ATC’s Mark in Malaysia?
  - (a) Whether the Agreement can be enforced; and
  - (b) Even if the Agreement can be enforced, whether or not ATC has breached the distribution contract by distributing ‘SAILOR’S CEYLON’ affixed with the ATC’s Mark in Malaysia.
3. Whether ATC’s use of the word ‘CEYLON’ in respect of its tea products is not misleading?
  - (a) Whether ATC uses the term ‘CEYLON TEA’ to describe their products; and
  - (b) Whether the word ‘CEYLON’ misleads customers about the origin of the products as Sri Lanka.
4. Whether ATC’s use of the ATC’s Mark does not amount to trademark infringement and/or passing off?
  - (a) Whether ATC’s use of ATC’s Mark amounts to trademark infringement; and
  - (b) Whether ATC is liable in passing off for using ATC’s Mark.

## **STATEMENT OF FACTS**

### **Background**

There is the dispute between CTC, a manufacturer of “Ceylon tea” incorporated in Sri Lanka, and ATC, the exclusive tea products distributor of CTC in Malaysia through a 5-year distribution Agreement. The tea of CTC is manufactured under the quality standards of the Sri Lanka Tea Board (“SLTB”). The tea products from CTC are affixed with the trademarks owned by the SLTB, which conform the quality standards of it. However, during the term of the Agreement between the two parties, ATC manufactured and sold tea products of themselves in the territory of Malaysia (“Territory”). The activities of the ATC are claimed by CTC to have breached the Agreement between the parties. Furthermore, ATC also affixed on their products the trademarks, which is considered as trademark infringement by CTC.

### **Dispute**

By distributing their tea products in the Territory, CTC claimed ATC to have breached the Agreement, in particular, Clause 4, for affixing the mark which is considered to be similar to that of CTC on the competing product sold in the Territory. Furthermore, because of using the word ‘Ceylon’ on the tea products, CTC also claimed ATC misleads customers about the geographical indication of the products. The trademark affixed on ATC tea products constitutes trademark infringement and/or passing off through the claim of CTC.

The parties agreed to submit their dispute to the binding arbitration in accordance with the rules for arbitration of KLRCA, namely the KLRCA i-Arbitration rules. All hearings and proceedings

would be held in Colombo, Sri Lanka. The parties have not negotiated the applicable law to resolve the dispute.

### **Claims and Counter-Claims**

The term of the Agreement is 5 years, and during the distribution term, ATC is not allowed to distribute any products which would compete with the tea products of CTC. Since ATC started distributing their tea product in the Territory, the profits of CTC dropped to 45% in total from 2012 till 2013. The profits of CTC only witnessed a slight increase after that time. Because ATC distributed tea products with the ATC's Mark on, CTC claimed ATC for trademark infringement and breach the Agreement.

According to the assumed intentions of the two parties and the “closest and most real connection” test applied to the present dispute, the governing substantive law is the law of Malaysia.

The trademark affixed on ATC's tea products is not similar to the trademark on the package of CTC. The mark of ATC is composed of three parts, which are the Lion device, the ‘SYMBOL OF QUALITY’ and ‘1972’; on the other hand, the mark of CTC is composed of two parts: the Lion Logo, the ‘CEYLON TEA’ and the ‘SYMBOL OF QUALITY’. The lion logos on the two trademarks are not identical and therefore it cannot be compared. The only part of the marks which should be considered is the ‘SYMBOL OF QUALITY’. The most fundamental parts of the trademark of ATC including the Lion device and the ‘1972’ are different from that of CTC, which could be inferred that the marks between the two parties are not identical. Therefore, it shall not lead to the confusion of customers who look for the tea products of the two parties. Hence, there is no trademark infringement between the two parties in the case at hand. Furthermore, as there is no misrepresentation in this case, ATC is not liable for passing off. Thus, CTC did not suffer any

damages resulted from the distribution of ATC. Moreover, the distribution of ATC's tea products would not result in the breach of the Agreement because the trademark is not similar to the trademark of the CTC.

The word 'CEYLON' in the brand name of ATC does not mislead customers about the origin and the quality of the tea products. At the present, the word 'CEYLON' is no longer used as the national name of Sri Lanka. ATC has the right to use this word to inform the customers about the first source of ATC's tea seeds. Moreover, ATC has affixed on their packaging that the tea was produced under the highest quality of ATC.

## SUMMARY OF PLEADINGS

### **I. SRI LANKA LAW GOVERNS THE SUBJECT MATTER UNDER THE DETERMINATION OF THE CONFLICT OF LAW RULE.**

In the KLRCA Rules, the Arbitral Tribunal has to apply the appropriate principle in the case where the parties fail to designate the substantive law. Accordingly, the conflict of law of Malaysia shall be applied in the present dispute since the “seat of the arbitration” is Malaysia, which was chosen by the arbitration agreement of the parties.

In the absence of the agreement on choosing the applicable law, the “closest and most real connection” test to the transaction should be applied. The “closest and most real connection” involves the place of performance, the place of contracting, the places of residence or business of the parties, and the nature and subject matters of the contract. In this case, the place where the contract was made should be considered to determine the proper law for the contract. First, the place of the main contractual performance is Malaysia. Second, the subject matters of the Agreement and the place where the dispute arose are in the Territory. Hence, it is clear that the Malaysia domestic law should govern the contract as the substantive law.

### **II. ATC HAS NOT BREACHED THE AGREEMENT BY DISTRIBUTING ‘SAILOR’S CEYLON’ AFFIXED WITH THE ATC’S MARK IN MALAYSIA**

The Agreement between ATC and CTC cannot be enforced under Contract Act 1950 of Malaysia since it is a covenant of restraint of trade that restricts ATC from taking the supply of tea products from other person than CTC.

Even if the Agreement was enforceable, ATC had not breached the Agreement by distributing ‘SAILOR’S CEYLON’ affixed with the ATC’s Mark in Malaysia.

**III. ATC's use of the word 'CEYLON' in respect of its tea products is not misleading**

By using the word 'CEYLON' in their brand name, ATC does not mislead the consumers about the origin and the quality of their tea products. First, ATC does not describe their products as 'CEYLON TEA' and have the origin of products from Sri Lanka. Second, ATC set out other quality standards for their tea products, which are indicated clearly on the packaging.

**IV. ATC's use of the ATC's Mark amounts to neither trademark infringement nor passing off**

By using the ATC's Mark affixed onto the packaging of 'SAILOR CEYLON', ATC has neither infringed nor passed off CTC's registered trademark under Malaysia Trademark Act.

Neither identity nor similarity between two marks are found to be likely to cause confusion in the course of trade that amounts to the infringement in this case.

Since there is no misrepresentation made by ATC's use of ATC's Mark and no damages suffered by the CTC, CTC's claims for ATC's passing off of its goodwill and the act of misrepresentation has not been fulfilled.

## PLEADINGS

### I. MALAYSIA LAW GOVERNS THE SUBJECT MATTERS UNDER THE DETERMINATION OF THE CONFLICT OF LAW RULE

The application of the appropriate principle in the KLRCA Rules requires the application of conflict of law rule at the seat of the arbitration (1) the test of the rule clearly asserts that the law of Malaysia will govern the subject matters in the present dispute (2).

#### 1. The Malaysia Arbitration Act requires the application of conflict of law rule of the seat of the arbitration

In the KLRCA Rules, the Arbitral Tribunal applies the appropriate law in the case where the parties fail to designate the substantive law.<sup>1</sup> The appropriate test in KLRCA Rule is widely interpreted as leaving the tribunal entirely to choose whatever conflict rules it desires, without reference to external principle.<sup>2</sup> The “seat of an arbitration” initially governs the whole of the tribunal operation.<sup>3</sup> Hence, the application of the conflict rules of the arbitral seat is considered as a reasonable rule for the appropriate test.<sup>4</sup> Furthermore, the “seat of an arbitration” can be different from the hearing place where the arbitration is held and it is rather understood as the “legal place of the arbitration”.<sup>5</sup> Thus, the seat of the arbitration rather refers to the legal construct, not the geographical or physical location of the arbitration.

---

<sup>1</sup> KLRCA i-Arbitration, Article 35.

<sup>2</sup> E. Gaillard & J. Savage (eds.), *Fouchard Gaillard Goldman on International Commercial Arbitration*, p.1197 (1999), J.Lew, *Applicable Law in International Commercial Arbitration*, p.17-59 (2003), Gary B. Born, *International Commercial Arbitration*, Kluwer Law International, P.2135.

<sup>3</sup> ICC case No. 1512, I Y.B. Comm. Arb. 128 (1976), Award in ICC Case No. 2830, 111 J.D.I. (Clunet) 914 (1984),

<sup>4</sup> Gary B. Born, *International Commercial Arbitration*, Kluwer Law International, P.2136.

<sup>5</sup> *Lesotho Highland Development Authority v. Impregilo Spa*. House of Lords, 2006, p.221.



According to the above-mentioned reasons, the “seat of the arbitration” is Malaysia chosen by the arbitration agreement of the parties.<sup>6</sup> Therefore, the conflict of laws of Malaysia is applied in the present dispute.<sup>7</sup>

## **2. The conflict of law rule requires the application of Malaysia Law to the dispute between CTC and ATC**

According to Malaysia Arbitration Act regarding conflict of law rule,<sup>8</sup> it implies that the choice of applicable law depends on the express or inferred intention of the parties.<sup>9</sup> In the absence of the agreement on choosing the applicable law between the parties, the “closest and most real connection” test to the transaction will be applied.<sup>10</sup> The “closest and most real connection” involves determining factors such as the nature and subject matters of the contract, the place of performance, the place of contracting and the places of residence or business of the parties.<sup>11</sup> The seat or the place of the arbitration is unconnected with the acceptability of the law of that place of the arbitration.<sup>12</sup>

In the case at hand, the nature and subject matters between the parties regard the distribution of CTC’s tea products in Territory.<sup>13</sup> The present dispute considering the breach of the tea Agreement and the trademark infringement claim about the affix of the ATC’s Mark on the tea products by

---

<sup>6</sup> Moot problem, Appendix A, Clause 22.

<sup>7</sup> Malaysia Arbitration Act 2005, Article 30.4

<sup>8</sup> Ibid.

<sup>9</sup> *Whithworth Street Estates (Manchester) Ltd. V. James Miller and Partners Ltd.*, England Appeal Court, 1970, para. 583 and 603.

<sup>10</sup> *Bonnython v. Commonwealth of Australia*, Privy council on appeal from Australia, Appeal Court, 1951, para.201 and 219.

<sup>11</sup> *Y.K.Fung Securities Sdn Bhd v. James Cape (Far East) Ltd.*, Malaysia, reported in Malaysia Law Journal, p.621.

<sup>12</sup> Belden Premaraj, *The Choices of Law – Better Safe Than Sorry: The Malaysian Arbitration Perspective*, p.4.

<sup>13</sup> Moot problem, Appendix A.

ATC arose in Malaysia.<sup>14</sup> Moreover, the ATC's Mark, which is believed by CTC to be similar to its trademark, is registered in Malaysia.<sup>15</sup>

Considering the place of contractual performance, which has been widely asserted in the conflict of laws of common law and civil law systems.<sup>16</sup> Through the above analysis, the subject matter of the contract also points out that the performance place of the Agreement is Malaysia.

Moreover, besides the performance place, the signature place of a contract is also considered as an important factor to determine the proper law for substantive law.<sup>17</sup> Here, the two parties signed the Agreement in Malaysia.<sup>18</sup>

Although ATC and CTC chose Colombo, Sri Lanka as the place of the arbitration, it did not clearly assert the parties' intention about the preference to apply the law of Sri Lanka to the dispute. The place of the arbitration may only regard the reputation of the goods,<sup>19</sup> which are the tea products of CTC in this case. Thus, the place of the arbitration is not as important factor to designate the applicable law as the performance place of the Agreement. Hence, the application of Sri Lanka law to the present dispute shall be unreasonable.

Therefore, the nature and subject matter of the contract, the main performance place of the Agreement and the place the contract was signed lead to Malaysia law as the governing substantive law.

In conclusion, the factors of "the closest and most real connection" test in the case at hand lead to the law of Malaysia as the applicable law in this case.

---

<sup>14</sup> Moot problem, para. 18.

<sup>15</sup> Clarification, Q.10.

<sup>16</sup> Belden Premaraj, *The Choices of Law – Better Safe Than Sorry: The Malaysian Arbitration Perspective*, p.27

<sup>17</sup> *YK Fung Securities SdnBhd v. James Cape (Far East) Ltd (CA)* [1997] 4 CLJ 300.

<sup>18</sup> Clarification, Q.12.

<sup>19</sup> Ibid.

## **II. ATC HAS NOT BREACHED THE AGREEMENT BY DISTRIBUTING 'SAILOR'S CEYLON' AFFIXED WITH THE ATC'S MARK IN MALAYSIA**

The Agreement between ATC and CTC cannot be enforced under Contracts Act 1950 of Malaysia (A). Even if the Agreement was enforceable, ATC had not breached the Agreement by distributing SAILOR'S CEYLON affixed with the ATC's Mark in Malaysia (B).

### **A. The Agreement cannot be enforced under Contracts Act 1950 of Malaysia**

All covenants in restraint of trade are *prima facie* unenforceable at common law and are enforceable only if they are reasonable with reference to the interests of the parties concerned and of the public.<sup>20</sup> However, the Malaysian courts have adopted a stricter interpretation of section 28 of the Contracts Act 1950 thus far, rendering all covenants of restraint of trade void even if the covenants in question are reasonable.<sup>21</sup> Therefore, Clause 4.1 of the Agreement, which restricts ATC taking supply of tea products from any person other than CTC, is unenforceable (1). Moreover, Clause 4.1 is an essential part of the Agreement. Thus, the Tribunal should refuse to enforce the entire Agreement (2).

#### **1. Clause 4.1 is void and cannot be enforced by law**

Section 28 of Contracts Act 1950 expressly states that every agreement by which anyone is restrained from exercising a lawful profession, trade or business of any kind, is to that extent void.<sup>22</sup> Here, Clause 4.1 of the Agreement restricts the distributor from obtaining the Products, or any goods that compete with them, for resale from any person other than the supplier.<sup>23</sup> Therefore,

---

<sup>20</sup> Joseph Chitty, *Chitty on Contract: General Principle*, Sweet & Maxwell, 2012, 32th Edition.

<sup>21</sup> *Wrigle & Company v. Anthony Wilson*, Malaysia Law Journal, 1964, p.269.

<sup>22</sup> Malaysia Contracts Act 1950, Section 28

<sup>23</sup> Moot problem, Appendix A, Clause 4.1.

this Tribunal should find that under Contracts Act 1950, Clause 4.1 is void and cannot be enforced by law.

## **2. Tribunal should not enforce the remains of the Agreement**

Clause 18 of the Agreement states that if any provision contained in this Agreement is declared to be unenforceable, invalid or illegal for any reason whatsoever, the other terms and provisions of this Agreement shall remain in full force.<sup>24</sup> However, a severability clause will only be applied where an unenforceable part is not an essential part of the agreed exchange.<sup>25</sup> Whether a given provision is an essential part of the agreed exchange turns on the intention of the parties to the contract.<sup>26</sup> This Tribunal should determine whether the parties would have made the Agreement even without the offending provision of the contract.<sup>27</sup>

In this case, it has been shown that during a visit to BOH Tea Plantation, Ranatunga, the Chairman of the Board of Director of CTC, greatly persuaded Philip Chan, the Managing Director of ATC, to cease the sale of all other tea products in Malaysia.<sup>28</sup> Chan was not keen to the offer.<sup>29</sup> Ranatunga tried very hard to persuade him to change his mind and only gave up after losing the golf challenge.<sup>30</sup> One month later, a fungal disease devastated the tea plantations of ATC.<sup>31</sup> Ranatunga took this opportunity to contact and convince Chan again to accept his offer.<sup>32</sup> Obviously, CTC desired ATC to take all their supplies of tea from CTC and would not have entered into the Agreement without the exclusive purchasing clause. Thus, Clause 4.1, which restricts ATC from

---

<sup>24</sup> Moot problem, Appendix A, Clause 18.

<sup>25</sup> Restatement (Second) of Contracts, note 17 §184.

<sup>26</sup> *Toledo Police Patrolmen's Ass'n, Local 10 v. City of Toledo*, North Eastern Reporter, Vol. 641,p.799 -803.

<sup>27</sup> *Resolution Trust Corp. v. Sharif-Munir-Daidson Dev. Corp.*, the Federal Reporter, Vol. 992,p. 1398.

<sup>28</sup> Moot problem, para 8.

<sup>29</sup> Moot problem, para.8.

<sup>30</sup> Moot problem, para.9.

<sup>31</sup> Moot problem, para.10.

<sup>32</sup> Ibid.

taking tea products from any person other than CTC, is an essential part of the Agreement concerning exclusive tea distribution. For all the above reasons, this Tribunal should declare the clause inseverable and refuse to enforce the contract in its entirety.

**B. Even if the Agreement is not void, ATC has not breached the Agreement by distributing ‘SAILOR’S CEYLON’ affixed with the ATC’s Mark in Malaysia**

Clause 4.2 of the Agreement restricts ATC from distributing any goods that compete with the products, affixed with any similar mark or the Trade Marks during the term and 12 months after that.<sup>33</sup> The Trade Marks of CTC includes two parts: ‘CTC CEYLON’ and the Lion Logo.<sup>34</sup> Moreover, pursuant to Clause 9.3.7 of the Agreement, ATC is not permitted to use any resemble trademark as to be likely to cause confusion among consumers.<sup>35</sup> In fact, ATC has distributed tea products named ‘SAILOR’S CEYLON’ affixed with the ATC’s Mark in Malaysia since November 2012, which is during the term of the Agreement.<sup>36</sup> However, the mark ‘SAILOR’S CEYLON’ (1) and ATC’s Mark (2) are not similar to the Trade Marks and therefore, do not lead to any confusion among the customers. Therefore, ATC has not breached the Agreement.

**1. The mark ‘SAILOR’S CEYLON’ is not similar to ‘CTC CEYLON’ and does not cause any confusion among customers**

**1.1. The marks ‘SAILOR’S CEYLON’ and ‘CTC CEYLON’ are not similar to each other**

It was held that a trademark cannot be regarded as being similar to another trade mark, which is identical to one of the components of the mark, unless that component forms the dominant element

---

<sup>33</sup> Appendix A, Clause 4.2.

<sup>34</sup> Appendix A, Clause 1.1.6.

<sup>35</sup> Appendix A, Clause 9.1.3.

<sup>36</sup> Moot problem, Para 14.

with the overall impression created by the mark.<sup>37</sup> The question of whether two marks are similar must be answered by the judge on whom the responsibility lies as a matter of first impression.<sup>38</sup> It is not a correct approach to the solution of the problem whether two marks are similar to lay them side by side and make a careful comparison of them with a view to observing the difference between them.<sup>39</sup> The issue of similarity should be determined from the point of view of a person who has only a general and not a precise recollection of the earlier mark and then sees or hears the later one by itself.<sup>40</sup> Thus, it has been held that in order to reach a conclusion on similarity, the Tribunal should consider the dominant elements of the respective trademarks, and compare the respective trademarks from the visual, aural, conceptual perspectives.<sup>41</sup> A mark will be found to be deceptively similar to another mark if it takes a prominent and distinct feature of that mark.<sup>42</sup> It has been found in a registration of a trademark in the restaurant industry that the term ‘DELTA’ is the dominant portion of the mark ‘THE DELTA CAFÉ’ because the ‘CAFÉ’ is a descriptive word and a particular feature.<sup>43</sup> The public will not generally consider a descriptive element forming part of a composite mark as the dominant element of the overall impression created by the mark.<sup>44</sup> Therefore, if the two marks are only similar in respects which are descriptive or origin neutral then this will tend to decrease the likelihood of confusion, indeed it may result in a finding that the marks are not even similar.<sup>45</sup>

---

<sup>37</sup> *Matratzen Concord v. OHMI - Hukla Germany (Matrazen)*, European Court Reports, Vol. 1, 2004, p. 3657.

<sup>38</sup> *Aristoc Ltd. v. Rysta Ltd.*, Appeals Cases, Vol. 1945, p.68.

<sup>39</sup> *Australian Woollen Mills Ltd v F. S. Walton & Co Ltd*, Commonwealth Law Reports, Vol. 58, 1937, p. 641.

<sup>40</sup> *Aristoc, Ld v Rysta, Ld*, Reports of Patent Cases, Vol. 60, 1943, p.8.

<sup>41</sup> *Trademark Manual of Examining Procedure, the October 2015 Edition*, §1207.01(b) (viii)

<sup>42</sup> *Seven-Up Co v. Bubble Up Co. Inc.*, Intellectual Property Reports, Vol. 9, 1987, p.259.

<sup>43</sup> *In re Dixie Rests, Inc.*, Federal Reporter, Third Series, Vol. 105, p. 1405-1407, and United States Patents Quarterly, Vol. 41, p.1533-1534.

<sup>44</sup> Briony Pollard, Jeremy Blum, *Bimbo and composite trademarks: a review of the European approach to assessing confusion*, European Intellectual Property Review, Vol. 37, 2015, p.46-50.

<sup>45</sup> *Ibid.*

In this case, the two marks share the similar term ‘CEYLON’. However, ‘CEYLON’ is the descriptive element of two marks. In the ‘CTC CEYLON’, ‘CEYLON’ is a geographical term describing the origin of the products from Sri Lanka. In ‘SAILOR’S CEYLON’, by using the word ‘CEYLON’, ATC indeed expect to demonstrate their tea products actually grown by Sri Lanka tea seeds.<sup>46</sup> Therefore, according to the above-mentioned reasons, in this case where the two marks share the similar descriptive element, the Tribunal should not consider any deceptive similarity between the marks of ATC and CTC.

**1.2. There is no likelihood of confusion between the SAILOR’S CEYLON and CTC CEYLON**

The resemblance between the marks will often have the greatest effect on the confusion analysis.<sup>47</sup> Therefore, if the marks do not resemble one another, it is unlikely that even a strong finding on the remaining factors would lead to a likelihood of confusion.<sup>48</sup> As stated above, there is no deceptive similarity between ‘SAILOR’S CEYLON’ and ‘CTC CEYLON’. Therefore, this Tribunal should come to the conclusion that there is no likelihood of confusion among the customers.

In conclusion, ATC did not breach the Agreement by using the name SAILOR’S CEYLON.

**2. ATC’s Mark is not similar to the Lion Logo as to be likely to cause confusion among the customers**

This issue will be indicated at Section IV.A.2 of this submission.

In conclusion, ATC has not breached the Agreement by distributing SAILOR’S CEYLON affixed with the ATC’s Mark in Malaysia.

---

<sup>46</sup> Clarification, Q.5.

<sup>47</sup> *Masterpiece Inc. v. Alavida Lifestyles Inc.*, Canadian Patent Reporter, Vol. 92, 2011, p. 361.

<sup>48</sup> *Ibid.*

### **III. ATC'S USE OF THE WORD 'CEYLON' IN RESPECT OF ITS TEA PRODUCTS IS NOT MISLEADING**

By using the word 'CEYLON' in their brand name, ATC does not mislead consumers about the origin and quality of their tea products attributed to Sri Lanka's geographical condition as well as the quality standards set by the SLTB.

#### **A. ATC does not mislead consumers about the origin of their tea products**

'CEYLON' is not a geographical indication in compliance with definition of 'geographical indication' regulated in Geographical Indication Act 2000. Accordingly, 'geographical indication' is defined as a geographical names combinations of words which is used to identify a good coming from a specific location.<sup>49</sup> In this case, the mere word 'CEYLON' as a geographical name can be deemed a geographical indication. Thus, by using only the word 'CEYLON' in a brand name for 'Black tea',<sup>50</sup> ATC does not describe their tea products coming from Sri Lanka.

In *Community of Roquefort v. William Faehndrich, Inc.*, the defendant imported into the United States a sheep's milk blue-mold cheese produced in Hungary and Italy. The labels on those products as prepared for sale to the public are read "Imported Roquefort Cheese". The labels further state that the products are "Made from pure sheep milk only", but fail to indicate the country of origin while Roquefort is a famous cheese manufactured in the Community of Roquefort, France. The defendant was alleged to cause a false and misleading designation of origin by simply using the phrase 'Roquefort' on their cheese products.<sup>51</sup> However, a Spanish or Californian producer of blue cheese ought to be permitted to label their products 'Roquefort-style Blue from

---

<sup>49</sup> Malaysia Geographical Indication Act 2000, Section 2

<sup>50</sup> Additional clarification, Q.13.

<sup>51</sup> *Community of Roquefort v. William Faehndrich, Inc.*, U.S. District Court for the Southern District of New York, Federal Supplement, 1961, p.291.



Catalonia' or 'Sonoma County Roquefort Cheese: Product of California' as long as they do not simply use the phrase 'Roquefort'.<sup>52</sup>

In this case, ATC's packaging contains both origin and quality of their products and they use the brand name 'SAILOR'S CEYLON' instead of simply using 'CEYLON'. Furthermore, all ATC's tea products contain the clause 'Manufactured [...] in [country of origin]...' on their packaging.<sup>53</sup> They clearly indicate the country of origin of their products. On the other hand, in case the word 'CEYLON' indicates Sri Lanka, tea seeds of CTC were sourced in Sri Lanka.<sup>54</sup> By using the word 'CEYLON', ATC indeed expects to demonstrate their tea products actually grown by Sri Lanka tea seeds.

Therefore, they did not mislead the public as to the true place of origin of the goods.

#### **B. ATC does not mislead consumers about the quality of their tea products**

To be described as Ceylon tea, the tea products must conform to the quality standards set by the SLTB.<sup>55</sup> However, ATC stated that their tea products as 'Black tea' and never used the term 'CEYLON TEA'.<sup>56</sup> Thus, ATC does not indicate that their products are manufactured in compliance with the quality standards set by the SLTB.

Moreover, ATC used the word 'CEYLON' in the brand name for the products.<sup>57</sup> It is proved above that 'Ceylon' is not a geographical indication. Accordingly, they do not mislead consumers to think that the quality of their tea products attributed to Sri Lanka's condition.

---

<sup>52</sup> Kal Raustiala and Stephen R. Munzer, *The Global Struggle over Geographic Indications -The European Journal of International Law*, European Journal of International Law, Vol. 18, 2007, p. 353.

<sup>53</sup> Additional Clarification, Q.6.

<sup>54</sup> Clarification, Q.5.

<sup>55</sup> Moot problem, para.4.

<sup>56</sup> Additional Clarification, Q.4.

<sup>57</sup> Moot Problem, para.14.

Besides, ATC also sets out other quality standards for the products which are indicated clearly on the package as highest standards ‘by Almond Tea Company’.<sup>58</sup>

Therefore, by using the word ‘Ceylon’, ATC does not mislead customers about origin and quality of their tea products.

#### **IV. ATC’S USE OF THE ATC’S MARK AMOUNTS TO NEITHER TRADEMARK INFRINGEMENT NOR PASSING OFF**

By using the ATC’s Mark affixed onto the packaging of ‘SAILOR’S CEYLON’ teas<sup>59</sup> ATC has neither infringed nor passed off CTC’s registered trademark under Malaysia Trademark Act 2003.

##### **A. ATC’s use of the ATC’s Mark does not amount to trademark infringement**

Under subsection 1 of section 38, Malaysia Trademark Act 2003: “*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 other words, the trademark which is alleged to be infringed under this provision has to be a registered trade mark at first.<sup>60</sup> Then to claim trademark infringement is to find either the identity or the similarities between the marks that is likely to cause confusion in the course of trade.<sup>61</sup>

In the case at hand, CTC uses a trademark which is a registered mark in Malaysia only with a condition such that its proprietor obtains no exclusive rights over the words ‘CEYLON TEA’ and ‘SYMBOL OF QUALITY’ contained in the mark.<sup>62</sup> Under subsection 2 of section 40 Malaysia Trademark Act 2003 which stated that “*Where a trade mark is registered subject to conditions,*

---

<sup>58</sup> Additional Clarification, Q.6.

<sup>59</sup> Ibid.

<sup>60</sup> *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 227.

<sup>61</sup> Malaysia Trademark Act 2003, Section 38.

<sup>62</sup> Moot Problem, para. 5.

*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 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*". This use of a trademark of ATC, thus, does not amount to trademark infringement in any manner to which having regard to the registration condition does not extend.

Nevertheless, even if it comes up with a trademark infringement and the elements of infringement therefore have to be taken into account, ATC's use of the ATC's Mark does not meet those elements in accordance with Malaysia Trademark Act 2003.

CTC's trademark includes two separate parts which are 'CTC CEYLON' and the Lion Logo. The Lion Logo itself includes three parts, which are a lion device, 'CEYLON TEA' and the word 'SYMBOL OF QUALITY'. Meanwhile, ATC's Mark comprises of three parts which are a lion device, the word 'SYMBOL OF QUALITY' and the number "1972" (described in Trade Mark No. 1 of the **Appendix**).

While finding the identity or similarities, all elements of the marks are taken into account, irrespective of their distinctiveness or dominance.<sup>63</sup>

### **1. There is no identity between the marks**

"Identical" is the word used to describe a thing that is the same as something else in all respects.<sup>64</sup>

The marks are only deemed identical in the event where all the parts contained in each mark are the same with one another. Meanwhile, there are parts of CTC's trademark which are not contained

---

<sup>63</sup>*The Guidelines for Examination in the Office*, Part C: Opposition. Section 2: Identicalness and Likelihood of confusion, OHIM- an Agency of European, Ver.01, p. 4

<sup>64</sup> Henry Cambell Black, *Black's Law Dictionary 4<sup>th</sup>*, West Publishing Co, 1968, p. 880

in ATC's Mark and *vice versa*. Therefore, the marks cannot be deemed identical. The only two parts which can be compared are the lion devices and the word 'SYMBOL OF QUALITY' due to their same concept.

For the lion devices, there is visually no identity between those two lions. One holds a sword, puts its tongue out and has dots on its body, while the other is designed in a more realistic and pure image of a lion.

For the term 'SYMBOL OF QUALITY', it goes without saying that the use of the same words when the figurative element is not the same will not suffice for a finding of identity. The following marks are not identical.<sup>65</sup> (Described in Trade Mark No. 2 of the **Appendix**)

On the other hand, there are other elements, which suggest that trademarks are not identical. In a situation where ATC has the only one same part of CTC's registered mark, it is not possible to say that they have used an identical mark, even though the alike part which was copied was the most prominent part of it. Accordingly, the Court of Appeal of Paris has concluded that POST AIR is not an identical mark to LA POSTE in the case *AOM Minerve SA v. INPI and another*.<sup>66</sup>

Consequently, two marks will not be considered as identical if one is contained within the other but is accompanied by further characters or by words – irrespective of distinctiveness or possible descriptive character.<sup>67</sup> In the case at hand, the ATC's Mark is accompanied not only by a different lion device but also the distinctive number "1972". Therefore, there is no identity between the marks in overall assessment.

---

<sup>65</sup> *The Guidelines for Examination in the Office*, Part C: Opposition. Section 2: Identicalness and Likelihood of confusion, Chapter 3: Comparison of Signs, OHIM – an agency of European Union, Ver. 01, p. 10

<sup>66</sup> *AOM Minerve SA v. INPI and another* [2001] ETMR-1209.

<sup>67</sup> *The Guidelines for Examination in the Office*, Part C: Opposition. Section 2: Identicalness and Likelihood of confusion, Chapter 3: Comparison of Signs, OHIM – an agency of European Union, Ver. 01, p. 8

## 2. There is no similarity between the marks that is likely to cause confusion in the course of trade

### 2.1. No similarity found between the marks

In addition to the marks not being identical, it will be demonstrated hereafter that the marks are not similar enough to likely cause confusion in the course of trade.

In this aspect, only the two lion devices will be borne in mind due to their same concept of being lions. However, ATC will demonstrate that despite both being lions, the marks are not similar. The case law below would demonstrate this fact.

In another case, despite the apparent similarities between them, two trade marks were found by an OHIM Opposition Division as “not similar”. The two cockerel marks were closely analyzed and their differences were listed at length.<sup>68</sup> (Described in Trade Mark No. 3 of the **Appendix**)

The result of the accurate examination was that:

*“...Visually, the common feature of both marks A and B is the device of a cock. Both cocks are depicted in profile and are facing to the left. The differences appear firstly in the design of the illustrations in question. In mark A the left leg of the cock is lifted as if the cock were walking... There is an also clear difference between the images of the feathers and the feet in each mark...”*<sup>69</sup>

Likewise, in the case at hand, putting the two lions in such a close analysis comes up with the same lengthy list of differences as analyzing in the last IV.A.1 section (Described in Trade Mark No. 4 of the **Appendix**).

---

<sup>68</sup> B 43457, *Fromex SA's application; opposition of KH de Jong's Exporthandel BV*, [1999] ETMR 989.

<sup>69</sup> *Ibid.*

It should be further noticed that while comparing marks visually, the size of the marks should not be taken into account, as trademark owners are not given any size or scale limitations for the use of their marks.<sup>70</sup>

## **2.2. No likelihood of confusion found**

It was stipulated in subsection 1 of section 38, Malaysia Trademark Act 2003 that a demonstration of the similarities between the marks has to be accompanied by a demonstration of a likelihood of confusion caused. In other words, with no likelihood of confusion caused by the alleged similarities between the marks, all the prior efforts to prove their similarities will fail.

In fact, CTC has not conducted any Market Survey to show whether the ATC's Mark causes confusion among the public in Malaysia.<sup>71</sup> Therefore, it has no evidence to prove that there is a likelihood of confusion caused by ATC's Mark among relevant consumers in Malaysia.

Furthermore, where the marks contain one or two similar elements, but also contain other distinctive elements, this may not be considered enough to create deception or confusion.<sup>72</sup> In the present case, the fact that both marks contain its own distinctive elements as mentioned above makes it not enough basic ground to claim a likelihood of confusion.

---

<sup>70</sup> *I & R Morley v Macky Logan Caldwell*, New Zealand Law Reports, 1921, p.1015; *In the Matter of Speer's Trade Mark*, Report of Patent Cases, vol. 4, 1887, p.524; *Brown and Grant, The Law of Intellectual Property in New Zealand*, Butterworths, 1989, p.82.

<sup>71</sup> *Clarification*, Q.4.

<sup>72</sup> Practice Guidelines, *Relative grounds - Identical or similar trademarks*, New Zealand Intellectual Property Office, Part 4.1.

**3. Even under Sri Lanka Intellectual Property Act 2003, the above arguments still comply with the relevant provisions**

Under Article 186 (1) (b), Sri Lanka IP Act 2003, “*any person who falsely applies to goods any Mark or Marks so nearly resembling a registered Mark as to be likely to mislead*” shall be guilty of an offence to trademark infringement.

On the grounds of case law, scholar writings and information provided, ATC has demonstrated above that ATC’s Mark is neither identical with nor nearly resembling to CTC’s trademark as to be likely to mislead. Therefore, ATC’s use of ATC’s Mark affixed on its products amounts to no trademark infringement and any claim against this, thus, is groundless.

**B. ATC is not liable in passing off for using the ATC’s Mark**

There are three elements of a valid cause of passing off: CTC’s goodwill attached to their trademark exists in Malaysia’s market; a misrepresentation by ATC to lead or likely to lead the public to believe that the goods offered by him are those of CTC; CTC has suffered as a result of misrepresentation.<sup>73</sup> The classical trinity has not been fulfilled since there is no misrepresentation made by ATC’s use of their mark (1) and CTC has not suffered damages (2).

**1. ATC’s use of ATC’s Mark made no misrepresentation to customers within Malaysia**

In *Reddaway & Co and Another v. Banham & Co and Another*, misrepresentation is defined as a false representation that another person’s goods are those of original trader.<sup>74</sup> However, the misrepresentation can be implied in the use or imitation of a mark with which the goods of another are associated in the minds of the public.<sup>75</sup> The use by the defendant in connection with the goods

---

<sup>73</sup> *Reckitt and Colman Products Ltd v Borden Inc. and others*, All England Law Reports, Vol.1, 1990, p. 873.

<sup>74</sup> *Reddaway & Co and Another v Banham & Co and Another*, All England Law Reports, 1895-99, p.133.

<sup>75</sup> *AG Spalding Brothers v AW Gamage, Ltd*, All England Law Reports, 1914-15, p.150.

of the mark in question must be calculated to deceive for establishing valid cause off misrepresentation.<sup>76</sup> On the other hand, ‘colorable imitation’ denotes such a close or ingenious imitation as to be calculated to deceive ordinary persons, or such a resemblance to the original as to deceive an ordinary purchaser giving such attention as a purchaser usually gives, as to cause him to purchase the one supposing it to be the other.<sup>77</sup>

In *Schweppes Ltd. v. Gibbens*, it is held that “*the whole question in these cases is whether the thing taken in its entirety, looking at the whole thing is such that, in the ordinary course of things, a person with reasonable apprehension and with proper eyesight would be deceived*”.<sup>78</sup> In *Midas Equipment Ltd. v. Zellers Inc.*, by looking at the packages of the appellant and respondent, and admitting that there are some points of similarity, there are so many points of dissimilarity that the judge cannot see how anybody with “*reasonable apprehension and with proper eyesight would be deceived*”.<sup>79</sup>

In this case, by looking at the whole of ATC and CTC’s trademark, there are so many points of dissimilarity between them. For the lion devices, there is visually no identity between those two lions according to the abovementioned analysis and this is able to be distinguished with proper eyesight. Furthermore, CTC’s trademark bears the word ‘CEYLON TEA’ to indicate their products as Ceylon tea. ATC, however, use no word of Ceylon tea which intentionally leads customers to believe that their tea products are Ceylon tea offered by CTC. The words ‘SYMBOL OF QUALITY’ is the only similarity between ATC’s Mark and CTC’s trademark. Nevertheless, CTC has no exclusive right over the words.<sup>80</sup> Recognition on the part of the relevant public that

---

<sup>76</sup> Ibid.

<sup>77</sup> *UFC PHILIPPINES, INC. (now merged with NUTRI-ASIA, INC., with NUTRI-ASIA, INC. as the surviving entity), Petitioner, v. BARRIO FIESTA MANUFACTURING CORPORATION, Respondent.*, PHSC, 2016, p.157

<sup>78</sup> *Schweppes Ltd. v. Gibbens*, Reports of Patent Cases, vol. 22, 1905, p.601.

<sup>79</sup> *Midas Equipment Ltd. v. Zellers Inc.*, 1991 CarswellAlta 70.

<sup>80</sup> Moot problem, para. 5.



the name and/or packaging of the former looked similar, even strikingly similar, to the name and/or packaging of the latter would not by itself translate into an actionable misrepresentation.<sup>81</sup>

Therefore, taking in ATC's Mark and CTC's trademark entirety, although there are some points of similarity, there are so many points of dissimilarity that shall not be deemed a misrepresentation as to deceive customers to believe tea products of ATC are those of CTC.

Otherwise, ATC's use of their mark is proved above that there is no likelihood of confusion in connection with CTC's trademark. In fact, CTC has not conducted any Market Survey to show whether the ATC's Mark caused confusion among the public in Malaysia.<sup>82</sup> Therefore, it has no evidence to prove that there is a likelihood of confusion caused by ATC's Mark among relevant consumers in Malaysia.

Moreover, products of ATC and CTC are both made available to downstream consumers through intermediaries such as wholesalers, retailers, and food and beverage establishments.<sup>83</sup> Such intermediaries are inherently not themselves deceived by origin of tea products supplied by ATC.<sup>84</sup> Hence, ATC's use of ATC's Mark amounts to no misrepresentation.

## **2. CTC has not suffered damages since there is no misrepresentation made by ATC's use of ATC's Mark**

Initially, in *The Singapore Professional Golfers' Association* case, the court held that there is no need to consider whether damages were likely to be suffered by CTC, given that no misrepresentation had been established.<sup>85</sup> ATC's use of ATC's Mark did not inherently lead to diversion of customers from CTC's tea products to ATC's one.

---

<sup>81</sup> *Moroccan oil Israel Ltd v. Aldi Stores Ltd*, E.C.C., 2015, p. 6.

<sup>82</sup> Clarification, Q.4.

<sup>83</sup> Additional Clarification, Q.22.

<sup>84</sup> *Singsung Pte Ltd v. LG 26 Electronics Pte Ltd*, Singapore Court of Appeal, case no. 33, 2016, p. 42.

<sup>85</sup> *The Singapore Professional Golfers' Association v. Chen Eng Waye and others*, Singapore Court of Appeal, case no. 18, 2013, p.11.

On the other hand, it is insufficient that the Tribunal concludes the liability of ATC for damaging CTC's goodwill. Damages resulting from the misrepresentation may take the form of fall in sale as a result of diversion of potential customers.<sup>86</sup> However, CTC cannot blame ATC for their loss of sales. Although ATC started using ATC's Mark in 2012, it was not until 2013 and 2014 that CTC began suffering the sales drop.<sup>87</sup> Moreover, CTC enjoyed the increase in sales of 8% in 2015 from the previous year,<sup>88</sup> even though ATC did not stop using the mark in 2015.<sup>89</sup> The loss of sales can be a result of other irrelevant reasons, such as the non-renewal of the Agreement between ATC and CTC. In fact, during the term of the Agreement, with Philip Chan's impressive knowledge of the Malaysian tea industry,<sup>90</sup> CTC satisfied with the total profits from the sales of CTC CEYLON in Malaysia which increased from year to year, exceeding targets set by CTC, and in 2012 constituted approximately 35% of the global net revenue of CTC.<sup>91</sup>

Hence, CTC has not suffered damages as a result of misrepresentation made by ATC's use of ATC's Mark.

Therefore, ATC is not liable in passing off for using ATC's Mark due to a lack of sufficient establishment for the classical trinity of passing off for using ATC's Mark.

---

<sup>86</sup> *Erven Warnink BV and others v. J Townend & Sons (Hull) Ltd and others*, All England Law Report, Vol. 2, 1979, p.927.

<sup>87</sup> Clarification, Q.10.

<sup>88</sup> *Ibid.*

<sup>89</sup> Moot problem, para. 14.

<sup>90</sup> Moot problem, para.8.

<sup>91</sup> Moot problem, para.13.













## **PRAYER OF RELIEF**

For the foregoing reasons, ATC respectfully requests the Tribunal to declare that:

- Malaysia law is the applicable law to settle this dispute.
- ATC has not breached the Agreement by distributing SAILOR'S CEYLON affixed with the ATC's Mark in Malaysia.
- ATC can continue using the name 'SAILOR'S CEYLON' or any other name containing the word 'CEYLON' even if its tea does not originate from Sri Lanka.
- The ATC's Mark or a lion device amounts to neither trademark infringement nor passing off, thus ATC can continue using them affixed with their products.

APPENDIX

Trade Marks

No.	Representation				
1	<table border="0" style="width: 100%;"><tr><td style="text-align: center; width: 50%;"></td><td style="text-align: center; width: 50%;"></td></tr><tr><td style="text-align: center;">("The Lion Logo")</td><td style="text-align: center;">("ATC's Mark")</td></tr></table>			("The Lion Logo")	("ATC's Mark")
					
("The Lion Logo")	("ATC's Mark")				
2	<table border="0" style="width: 100%;"><tr><td style="text-align: center; width: 50%;"></td><td style="text-align: center; width: 50%;"></td></tr></table>				
					

3



earlier trade mark registrations

(“A”)



CTM-application

(“B”)

4



(The lion device in CTC's trademark)



(The lion device in ATC's Mark)