

Code: 1019-C

**The 11th LAWASIA International Moot Competition 2016**

at Colombo Sri Lanka

2016

ARBITRATION REGARDING THE USE OF CERTAIN PHRASES AND MARKS IN  
INTELLECTUAL PROPERTY LAW

THE CHELSEA TEA COMPANY (CTC)

Claimant

v

THE ALMOND TEA COMPANY (ATC)

Respondents

MEMORIAL FOR THE CLAIMANT

## TABLE OF CONTENTS

<b>STATEMENT OF JURISDICTION</b>	<b>5,</b>
<b>QUESTIONS PRESENTED</b>	<b>6,</b>
<b>STATEMENT OF FACTS</b>	<b>7,</b>
<b>SUMMARY OF PLEADINGS</b>	<b>9,</b>
<b>PLEADINGS</b>	
<b>I. THE PROCEDURAL LAWS OF THE ARBITRATION ARE THE LAWS OF SRI LANKA AND THE LAW GOVERNING THE SUBSTATIVE MATTERS OF THIS DISPUTE IS PRIMARILY THE LAW OF MALAYSIA BUT DUE CONSIDERATION HAS TO BE GIVEN TO THE INTERNATIONAL AGREEMNTS/TREATIES.</b>	
A. THE LAWS OF SRI LANKA GOVERN THE PROCEDURES OF THIS ARBITRATION	11,
B. THE SUBSTANTIVE LAW WILL PRIMARILY BE MALAYSIAN LAW	12,
C. INTERNATIONLA LAW AND SR LANAKAN LAW CANNOT BE IGNORED	13,
<b>II. ALMONT TEA COMPANY HAS INDEED BREECHED THE AGREEMENT BY DISTRIBUTING SAILOR’S CEYLON AFFIXED WITH THE ATC MARK IN MALAYSIA</b>	
A. VIOLATION OF DISTRIBUTION AGREEMNENT	14,
a) The period of time specified in the agreement had not expired	15,
b) There was direct involvement in the distribution. Malaysia is a part of the territory	15,

- c) Their goods were in direct competition with CTC Products 16,
- d) The use of an arguably similar mark in the territory 16,

**III. ALMONT TEA COMPANY HAS INDEED BREECHED THE AGREEMENT BY DISTRIBUTING SAILOR’S CEYLON AFFIXED WITH THE ATC MARK IN MALAYSIA**

- A. THE ASSOCIATION OF THE WORD CEYLON WITH SRI LANKA AS A GLOBAL BODY 17,
- B. GEOGRAPHICAL INDICATIONS 18,

**IV. ALMONT TEA COMPANY’S USE OF THE ATC’S MARK AMOUNTS TO TRADEMARK INFRINGEMENT AND MAY BE COME UNDER THE CATEGORY OF ‘UNFAIR TRADE PRACTICES’, WHICH INCLUDES ‘PASSING OFF’**

- A. THE USE OF THE ATC MARK AMOUNTS TO TRADEMARK INFRINGEMENT 19,
- B. USE OF THE ATC’S MARK DOES CONSTITUTE AS PASSING OFF, OR AT THE VERY LEAST MAY BE CATEGORIZED UNDER ‘UNFAIR TRADE PRACTICES’ PERSUANT TO ARTICLE 10bis OF THE PARIS CONVENTION 20,
- a) Passing off 21,
- b) Trade Mark Dilution 22,

**PRAYER FOR RELIEF 24,**

## INDEX OF AUTHORITIES

1. Kuala Lumpur Regional Centre For Arbitration i-Arbitration Rules	11,
2. Paris Convention for the Protection of Industrial Property	14, 20, 21, 23,
3. The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)	13, 20,
4. Sri Lankan Arbitration Act 1995	11, 12,
5. Tea Control Act 1957, Sri Lanka	17,
6. Geographical Indication Act 2000, Malaysia	19,
7. Malaysia Trademark Act 1976	19,
8. GARY B. BORN, INTERNATIONAL COMMERCIAL ARBITRATION 2646 (Kluwer Law International, 2009)	12,
9. Hubbard Manufacturing Co. v. Greeson, Ind. App., 487 N.E.2d 825 (1978)	12,
10. Greek Orthodox Church v. Goldberg, 717 F. Supp. 1374 (1989)	12,
11. Hubbard Manufacturing Co. v. Greeson, Ind. App., 487 N.E.2d 825 (1978)	12,
12. Austin v. River, 95 Ohio App. 400, 120 N.E.2d 133 (1953)	13,
13. Colby v. Long, 289 F.2d 137 (6th Cir. 1961)	13,
14. N. R. Dongre Vs. Whirlpool Corporation	21,
15. Erven Warnink BV v J Townend & Sons (Hull) Ltd	21,

## **STATEMENT OF JURISDICTION**

1. To ensure an expeditious resolution of the dispute, the Parties, Chelsea Tea Company (Claimant) and Almond Tea Company (Respondent) have agreed in writing to submit this dispute to arbitration.
2. The Parties have also agreed to resolve their dispute in accordance with the Kuala Lumpur Regional Centre for Arbitration i-Arbitration Rules (“i-Arbitration Rules”) with the seat of arbitration being Colombo, Sri Lanka.
3. 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 i-Arbitration Rule.

## **QUESTIONS PRESENTED**

1. To what extent will the both domestic and international law apply?
2. Do ATC's actions amount to a breach of the distribution agreement signed by both the parties? Whether or not ATC's use of the word 'CEYLON' in respect of its tea products is misleading; What is the level of protection given to the Claimant's trademark and product, especially with respect to Geographical Indications?
3. Whether or not ATC's use of the ATC's Mark amounts to trademark infringement?
4. Would ATC's action amount to 'Unfair Trade Practices'?

## **SUMMARY OF FACTS**

1. The Chelsea Tea Company ('CTC') is a company incorporated in Sri Lanka. Established in 1965, CTC is a manufacturer of "Ceylon tea" under the brand name 'CTC CEYLON'. Marvan Ranatunga is the Chairman of the Board of Directors of CTC.
2. CTC CEYLON teas bear the famous heraldic lion insignia, as is present on the Sri Lankan Flag.
3. The Sri Lankan Tea Board, established by an Act of Parliament is responsible to regulate, among other things, the quality standards maintained by Sri Lankan tea and further promotion and protection of the said tea. It has also registered the aforementioned 'Lion Logo' as a trademark in Malaysia, but has no exclusive rights over the words 'Ceylon Tea' and 'Symbol of Quality'.
4. Almond Tea Company ('ATC'), a company incorporated in Singapore is also involved in the production and distribution of tea products. Philip Chan is its managing director.
5. Following failed attempts by Marvan Ranatunga to expand CTC Ceylon's market, by contacting Philip Chan to distribute Ceylon tea in Malaysia instead of his own products; a fungal disease destroyed the crops that ATC used, that gave way for Marvan Ranatunga to convince Philip Chan to distribute CTC Ceylon Tea with certain limitations as given in the Distribution agreement signed. One of the limitations was that ATC may not introduce into the same market, competitive products during the duration of the agreement and 12 months following it.
6. CTC Ceylon obtained benefits by this agreements in terms of increased profits.
7. In March 2015, it came to CTC's attention that ATC has been growing and manufacturing tea in China, and distributing such tea products under the brand name 'SAILOR'S CEYLON' in Malaysia since November 2012 and using an 'arguably similar' logo to the Lion logo.

8. Hence, with this alleged infringement of the agreements and possible claims under the relevant Intellectual Property Law, CTC claims certain relief through arbitration, pursuant to the agreement.



## SUMMARY OF PLEADINGS

1. The applicable Law with reference to the proceedings of arbitration would be administered the Sri Lankan Arbitration Act, considering it is the seat of arbitration, and the KLRCA rules as they were explicitly agreed upon by the parties.
2. The substantive laws applicable will be primarily of Malaysia, especially taking into consideration that the conflict of laws principle through the Sri Lankan Arbitration Act. However, we cannot disregard the international conventions/treaties as Malaysia and Sri Lanka have incorporated them into their laws and the international standard of intellectual property rights is generally preferred as it is common.
3. ATC has indeed breached the Distribution agreement signed by both CTC and ATC pursuant to the fact that the agreement explicitly stated that till the time of expiration of the agreement and 12 months after that, ATC will not contribute directly or indirectly to production/distribution etc of goods that may be directly in competition with CTC's product. Similarly, dissecting the agreement clause, the marks/signs etc used by ATC would have led to significant amount of confusion and thus competition on the consumer end as the end products will reach the same retailer.
4. Use of the word 'Ceylon' by ATC to describe their product is in fact misleading, or as the threshold of the applicable law determines, is arguably misleading and confusing considering the fact that CTC Ceylon tea had been well established in Malaysia and in light of the popular demand and sales, for the first time introducing a product with a similar name would generally not allow the consumer to differentiate between the products. Similarly, the fact that certain other indications of the ATC's product's origin are given in fine print do help eliminate the confusion.

5. Similarly, the word Ceylon depicts a geographical location, namely Sri Lanka, and thus established brand has maintained its quality and certain unique key features help in its protection as a geographical indication. And the word 'Ceylon' being so directly declaring the geographical area, it is reasonable to day that consumers would assume that it the same, CTC's tea, from Sri Lanka.
6. ATC's use of an 'arguably similar' logo to associate its product with directly infringes the trademark registration of the Lion Logo. As the basic requirement need to infringe is confusion and considering the display of the logs on the products, this may be satisfied.
7. Lastly, using the above mentioned marks signs to refer to its product, ATC's actions may be categorized as 'Unfair Trade Practices' as may satisfy the subcategories of 'Passing off' and 'Trademarks Dilution', especially in light of CTC's well reputed base.

## **PLEADINGS**

**I. THE PROCEDURAL LAWS OF THE ARBITRATION ARE THE LAWS OF SRI LANKA AND THE LAW GOVERNING THE SUBSTANTIVE MATTERS OF THIS DISPUTE IS PRIMARILY THE LAW OF MALAYSIA BUT DUE CONSIDERATION HAS TO BE GIVEN TO THE INTERNATIONAL AGREEMENTS/TREATIES.**

**A. THE LAWS OF SRI LANKA GOVERN THE PROCEDURES OF THIS ARBITRATION**

1. The Sri Lankan law shall apply as a result of the fact that the seat of arbitration was held in Sri Lanka. The applicable law directs the arbitral tribunal to apply the KLRCA Rules, agreed by the parties.
2. The Sri Lankan law is the procedural law for the dispute because it is an international arbitration with the seat of arbitration taking place in Sri Lanka, determined by the parties.
3. KLRCA Rules is the applicable law under the Sri Lankan Arbitration Act 1995 as the Lex arbitri. Section 17 of the Arbitration act states:  

“Subject to the provisions of this Act, the parties shall be free to agree on the procedure to be followed by the arbitral tribunal in conducting the proceedings.”
4. Hence, the KLRCA Rules is the applicable law as a result of being agreed upon by both parties. Article 35 also states:

“The arbitral tribunal shall apply the rules of law designated by the parties as applicable to the substance of the dispute. Failing such designation by the parties, the arbitral tribunal shall apply the law which it determines to be appropriate.”

5. In the present case, the parties did not agree with the exact substantive law to be applicable to the current dispute. Therefore, the substantive Law will be decided as follows.

**B. THE SUBSTANTIVE LAW WILL PRIMARILY BE MALAYSIAN LAW**

6. With the seat of arbitration in Sri Lanka, the arbitral tribunal is directed to Sri Lankan Arbitration Act as Lex arbitri. For international arbitration, if the Sri Lankan law is to be the basis of the conflict of laws rules, pursuant to Section 24 of its Arbitration Act, then the conflict of laws rules applicable in Sri Lanka.
7. Such conflict of laws can be used to argue that the applicable substantive law is to be the one with which has the closest and most real connection with the contractual transaction.
8. The closest connection rule can be linked to Professor Gary Born which was later recognized and implemented internationally<sup>1</sup>. In *Hubbard Mfg. Co., Inc. v. Greeson*,<sup>2</sup> the court applied the law of the state where the relationship between the parties is centered, rather than the laws of the parties' domicile states. The same conflict of laws rules was applied in *Greek Orthodox Church vs. Goldberg* where the court applied Indiana's law because it had closest connecting factors to the events leading up to the dispute, rather

---

<sup>1</sup> GARY B. BORN, INTERNATIONAL COMMERCIAL ARBITRATION 2646 (Kluwer Law International, 2009)

<sup>2</sup> *Hubbard Manufacturing Co. v. Greeson, Ind. App.*, 487 N.E.2d 825 (1978)

than Swiss law, where the mosaic was temporarily settled and later imported into the United States<sup>3</sup>

9. Malaysia indeed has the closest relation to the conflict as, among other things, the Distribution Agreement was signed in Malaysia, the Distribution of the product took place there and lastly and the alleged infringement of the trade mark took place there.
10. Another important principle noted is that in a conflict of the choices of substantive law, the court shall apply the Lex loci actus: the rule which states that the applicable law is the law of the place where the act that gives rise to the legal claim occurs<sup>4</sup>. The cases which illustrate the application of this rule are Austin River v Ohio<sup>5</sup> and Colby v Long<sup>6</sup> where the courts applied the law of the state of the incident to determine whether the plaintiff has valid title or not, instead of applying the laws of the parties' domicile states.
11. As mentioned earlier, Malaysia is indeed the place where the legal claim occurs in terms of alleged infringement of the trademark.
12. Hence, in light of the above two principles, the claimant submit that Malaysian Law should primarily apply.

### **C. INTERNATIONAL LAW AND SR LAKANAN LAW CANNOT BE IGNORED**

13. Malaysia is a member of the WTO and subsequently a contracting party of The Agreement on Trade-Related Aspects of Intellectual Property Rights<sup>7</sup>.

---

<sup>3</sup> Greek Orthodox Church v. Goldberg, 717 F. Supp. 1374 (1989).

<sup>4</sup> BLACK'S LAW DICTIONARY, (9th ed. 2009)

<sup>5</sup> Austin v. River, 95 Ohio App. 400, 120 N.E.2d 133 (1953)

<sup>6</sup> Colby v. Long, 289 F.2d 137 (6th Cir. 1961)

<sup>7</sup> Henceforth referred to as 'TRIPS'

14. As earlier contented that Malaysian Law should primarily apply as the substantive law, being a contracting party extends protection of intellectual property rights to international conventions and treaties, such as TRIPS and the Paris Convention.
15. Similarly, pursuant to Article 2 of the Paris Convention and reflective provisions of the TRIPS, the contracting members enjoy protection that their domestic laws provide in other contracting states as well.
16. Considering that Sri Lankan Tea board<sup>8</sup> has registered Ceylon Tea as a valid Geographical Indication<sup>9</sup> and has registered its trademark in full, therefor, Chelsea Tea Company<sup>10</sup> enjoys much greater protection in its domestic sphere, and thus it would be unjust not to take into consideration such protection, especially in light of the international convention/treaties.

**II. ALMONT TEA COMPANY HAS INDEED BREECHED THE AGREEMENT BY DISTRIBUTING SAILOR'S CEYLON AFFIXED WITH THE ATC MARK IN MALAYSIA**

**A. VIOLATION OF DISTRIBUTION AGREEMENT**

1. Section 4.2 of the Distribution agreement states that:

‘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 trademark or another arguably similar mark in the Territory’.

---

<sup>8</sup> Henceforth referred to as ‘SLTB’

<sup>9</sup> Henceforth referred to as ‘GI’

<sup>10</sup> Henceforth referred to as ‘CTC’

2. It is contested by the claimant that this clause was violated in many ways:

**a) The period of time specified in the agreement had not expired:**

3. The first part of the clause specifies that during ‘the term’ - understood to be the term during which the respondents (the ATC) were under contract with the CTC and acting as their distributors; from 20 October 2008, to its conclusion on 20 October 2013 - as well as for a ‘period of 12 Months after it’ - from October 2013 to October 2014 - the respondents would not manufacture, or distribute in ‘The Territory’ - understood to be Malaysia - any goods that could compete with the product, or bore ‘arguably similar mark’s.

4. It is clear that the respondent’s actions in terms of distributing the tea in Malaysia during November 2012 to 20th October 2014 - when the effectiveness of the clause ended - and beyond is in direct violation of this clause, with that time period falling within what is referred to as ‘the term’ during which both parties were still co-operating and under contractual duty to each other.

**b) There was direct involvement in the distribution. Malaysia is a part of the territory:**

5. As the respondents were in charge of the distribution of both brands, SAILOR’S CEYLON and the CTC CEYLON, for the duration of the 2012-2013 period, it is reasonable to assume that similar distribution channels within ‘the Territory’ - Malaysia - to tap into the common market of Malaysia. This would leave both products highly accessible on a localized level, increasing the amount of competition in sales between them.

6. Although manufactured by the Respondents outside ‘the Territory’, the product was distributed within Malaysia, contrary to the explicit wording of the agreement. This allows both the brands to be in direct competition to each other, as is referred to below.

**c) Their goods were in direct competition with CTC Products:**

7. The goods manufactured by the Respondent were perfectly substitutable with the goods of the claimant - being two different brands in direct competition with each other in the Malaysian market.

8. The actions of the Respondent in terms of setting competitive prices, lower than that of the CTC CEYLON brand show that it was meant to directly compete.

9. This is also supported by the fact that both the Claimant and Respondent claim the same amount of market share within the Territory.

10. The effect of the Respondent’s specific product SAILOR’S CEYLON on the Claimant’s product can also be seen by the fall in sales after its introduction in 2012, at lower, competitive prices - further evidence of the intended competitiveness of the Respondent’s brand, as well as the harm suffered by the Claimant.

**d) The use of an arguably similar mark in the territory:**

11. The logo adopted by the Respondent bears many visual similarities to that originally used by the Claimant.

12. Attention must be given to the Lion as the main motif, the use of a four sided boundary with rounded corners, as well as the motto ‘Symbol of Quality’ at the bottom of the logo.

13. With the size of both symbols on their respective packaging being 4 cm<sup>2</sup>, they are not large enough for what ‘distinguishing features’ as there may be between the two logos, to practically be visible to the average consumer.



14. Therefore, the Claimants submit that the device is very clearly ‘arguably similar’ as well as used inside the Territory, as established before - contrary to the explicit intention expressed in the agreement.

**III. ALMOND TEA COMPANY’S US OF THE WORD ‘CEYLON’ IN RESPECT OF ITSTEA PRODUCTS IS MISLEADING**

**A. THE ASSOCIATION OF THE WORD CEYLON WITH SRI LANKA AS A GLOBAL BODY**

1. The word ‘Ceylon’ is associated with the nation of Sri Lanka, implying that any product with the name ‘Ceylon’ was produced or made there.
2. This extends further than simple geographic association, as the word ‘Ceylon’ has also become a brand of sorts - owing to the prevalence of Sri Lankan tea on the global market.
3. Such branding carries with it certain assumptions important to sales: the brand image is established around a guaranteed level of quality normally found in Sri Lankan tea; it also holds to reason that any tea produced in ‘Ceylon’ adheres to the regulations and checks imposed by the Sri Lankan Tea Board - including regulations such as sections 11, 25 and 28 under the Tea Control Act 1957.
4. Neither of these assumptions are true about the Respondent's product.
5. Individuals who are used to purchasing Sri Lankan tea or the ‘Ceylon’ brand with these expectations may be misled to believe that the Respondents’ product is of a similar quality.
6. In cases where the quality does not match, this may result in a negative effect on the reputation of Sri Lankan tea in the territories where the Respondents’ product is

marketed, and a subsequent loss of sales for such products. As tea accounts for 15% of all total Sri Lankan exports, such a loss could potentially be economically devastating.

## **B. GEOGRAPHICAL INDICATIONS**

The laws relating Geographical Indication states that the use of such an indications without the product being manufactured in such locations declares such an action unlawful

7. According to the World Intellectual Property Organization, a geographical indication identifies a good as originating in a delimited territory or region where a noted quality, reputation or other characteristic of the good is essentially attributable to its geographic origin and/or the human or natural factors present there.
8. With this, we see that the use of the word ‘Ceylon’ in ‘Sailor’s Ceylon’ is essentially such an indication.
9. This is established above, with the word ‘Ceylon’s historical association with Sri Lanka, as well as Sri Lankan tea’s noted ‘quality and reputation’, which would otherwise not be present in another nation.
10. As such, it falls underneath the regulations imposed by TRIPS, the Paris Convention, as well as Malaysian Law - the first two having been ratified by both Malaysia and Sri Lanka, and binding within their respective jurisdictions.
11. This particular use of geographic indications falls underneath Article 22 of TRIPS, which criminalizes in Section 2(a):

‘The use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than

the true place of origin in a manner which misleads the public as to the geographical origin of the good’.

12. The Claimants establish that the use of the word Ceylon is misleading in such a way, and falls within the definition of Unfair Practices as established by Article 10 of the Paris Convention.
13. Similarly, Malaysian law also criminalizes such use of geographic locations in the Geographical Indication Act of 2000, under S.5(1)(a).
14. It is important to note that under both TRIPS and the Malaysian Geographical Indication Act 2000 S(3)(a), it is not important for a company name to have been officially registered, if its trademark otherwise fulfills the criteria for a geographic indication, it will still be criminal under such law.

**IV. ALMOND TEA COMPANY’S USE OF THE ATC’S MARK AMOUNT TO TRADEMARK INFRINGEMENT AND MAY BE COME UNDER THE CATEGORY OF ‘UNFAIR TRADE PRACTICES’, WHICH INCLUDES ‘PASSING OFF’**

**A. THE USE OF THE ATC MARK AMOUNTS TO TRADEMARK INFRINGEMENT**

1. the Malaysia Trademark Act 1976 defines a trademark as:

‘A mark used or proposed to be used in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services and a person having the right either as proprietor or as registered user to use the mark’.

2. They are protected by both the Paris Convention and the Trade Mark Act 1976 in Malaysia.
3. The claimants submit that there has been an act of trademark infringement against the CTC logo, by the Respondent's use of the ATC mark under Article 16.(1) of TRIPS, Article 38 of the Trade Mark Act 1976 and Article 6 of the Paris Convention, as all of them criminalize the use of logos which are outright identical, or, in this case, similar enough to cause confusion in the course of trade.
4. It is submitted that in this particular case, considering that the space where the trademark is going to be displayed is less than 4 cm<sup>2</sup>, and similar enough in its use of a lion motif, the same motto at the base of the crest, and four sided boundaries with rounded corners, it can definitely cause confusion for the ordinary consumer.
5. Although among these, the words 'Symbol of Quality' have been excluded from the trademark, they still add to the overall confusion that is caused by their use.
6. There is also reference to be made to the Paris Convention Article 10 s.3(1) which states that it is part of 'Unfair Practices' to cause such confusion in regards to the usage of similar trademarks.

**B. USE OF THE ATC'S MARK DOES CONSTITUTE AS PASSING OFF, OR AT THE VERY LEAST MAY BE CATEGORIZED UNDER 'UNFAIR TRADE PRACTICES' PERSUANT TO ARTICLE 10bis OF THE PARIS CONVENTION**

7. The scope of Article 10bis s.3(1) is very broad in that it covers any act in the course of trade involving the mark, sign, label or any other distinctive indication used by the businessman.
8. The 'intent' to actually confuse is immaterial to qualify as unfair practices.

**a) Passing off**

9. Passing-Off is a wrong at common law tort that protects the goodwill of a party from misrepresentations that may induce and mislead the public as to the commercial origin of the product in question<sup>11</sup>.
10. In order for this Passing-Off claim to be successful, the five commonly accepted elements that maybe required are:
  - i. A misrepresentation, made by a trader in the course of trade, to prospective customers, of which a reasonably foreseeable consequence is to injure the business or goodwill of the trader and lastly that actual damage is done by such conduct<sup>12</sup>.
11. Or at the very least, the following three prerequisites:
  - i. Goodwill owned by the claimant in the goods or services in question,
  - ii. A misrepresentation made by another party,
  - iii. Damage or potential damage to the claimant's goodwill<sup>13</sup>.
12. There is indeed a certain level of goodwill and reputation associated with the product, its name and the well reputed 'Lion Logo', considering the fact that Ceylon's Tea had been well established in Malaysia and dominated a large share of their tea market as is also evidenced by the their performance statistics.
13. ATC, in using the Lion in their Logo and using the words 'Symbol of quality' and 'Ceylon' in association with it, at the very least are 'likely to lead the public to believe

---

<sup>11</sup> N. R. Dongre Vs. Whirlpool Corporation

<sup>12</sup> Erven Warnink BV v J Townend & Sons (Hull) Ltd

<sup>13</sup> *Reckitt & Colman Products Ltd. v Borden Inc. [1990] 1 WLR 491*

that goods or services offered by him are goods or services of the plaintiff<sup>14</sup>. This act amounts to misrepresentation.

14. It is also submitted that ‘Ceylon Tea’ was the only tea brand, before ATC’s ‘Sailor’s Ceylon’, to use such a name, accompanied by the Lion logo, thus it is reasonable to conclude that the customers would indeed be able to differentiate the product for other tea brands.
15. Lastly, the alleged misrepresentation did indeed lead to damage of the CTC’s market and reputation as in evidenced by the sharp decline in sales.

**b) Trade Mark Dilution**

16. CTC’s registered trademark in commands a level of superiority and uniqueness in the domestic market in terms of its quality, fragrance, and key characteristics.
17. The use of a similar Logo and associated words diminishes the strength or value of the trademark and is ‘diluting’ the marks distinctiveness and directly effecting its image by associating it with something that may not hold up to the same quality standards as by the SLTB.
18. Lastly it is contested that, ATC, by using the above mentioned marks and words, which are generally similar but nonetheless noticeably different, is taking undue advantage of the other’s distinctive qualities and reputation, which may potentially be transferred between the products and thus may be categorized as ‘Exploitation of Another’s Reputation’ in line with ‘Unfair Practices’ mentioned.
19. We can also see that this confusion is something that they have benefited from in the Malaysian Market, as evidenced by the falling sales of their competitor, the Claimants.

---

<sup>14</sup> Ibid, *Reckitt & Colman Products Ltd. v Borden Inc.* [1990] 1 WLR 491

20. Also in reference to S.3(iii) which criminalizes indications in the course of trade which are liable to mislead the public as to the qualities that the good possesses - in this case, the quality assurances and checks associated with Ceylon tea as a Sri Lankan brand.
21. The claimants request as under Article 10.(1) of the Paris convention, that measures be taken against this violation of trademark use.

## **PRAYER FOR RELIEF**

For the foregoing reasons, the Claimant respectfully requests the arbitral tribunal to declare that:

1. The KLRCA Rules and Sri Lankan law are the appropriate law to govern the procedural aspects of this arbitration.
2. Malaysian Intellectual property law accompanied by the international conventions/treaties should be applicable substantive law for this dispute, with due consideration to Sri Lankan Law as well.
3. ATC should be made to make payment of damages to be determined by the profits of ATC made by the sale of SAILOR'S CEYLON in Malaysia
4. An order should be issued that parties can only refer to tea grown and manufactured entirely in Sri Lanka as 'Ceylon Tea'
5. An order should also be issued directing ATC to stop using the name 'SAILOR'S CEYLON', the ATC's Logo, or any other name or mark containing the word 'CEYLON' or a lion device if its tea does not originate from Sri Lanka
6. And the last order requested is to direct ATC to discontinue the sale of its products described as 'Ceylon tea' and to recall all such products from the market.