

DALAM MAHKAMAH PERSEKUTUAN MALAYSIA

(BIDANG KUASA RAYUAN)

**RAYUAN SIVIL NO. 02(f)-2-2008 (W)**

ANTARA

**MCLAREN INTERNATIONAL LIMITED ... PERAYU**

DAN

**LIM YAT MEEN ... RESPONDEN**

[ DALAM MAHKAMAH RAYUAN MALAYSIA

(BIDANG KUASA RAYUAN)

RAYUAN SIVIL NO. W-02-205-2005

ANTARA

MCLAREN INTERNATIONAL LIMITED ... PERAYU

DAN

LIM YAT MEEN ... RESPONDEN ]

[ Dalam Mahkamah Tinggi Malaya di Kuala Lumpur

(Bahagian Dagang)

Usul Pemula No. D3-25-7-2003

ANTARA

MCLAREN INTERNATIONAL LIMITED ... PEMOHON

DAN

LIM YAT MEEN ... RESPONDEN ]

Coram: RICHARD MALANJUM, CJSS  
ABDUL AZIZ MOHAMAD, FCJ  
HASHIM YUSOFF, FCJ

## **JUDGMENT** **OF THE COURT**

1. The respondent has been the registered proprietor of the trade mark “McLaren” (Trade Mark No. 9202266) since 11 April 1992, when he applied for registration of the trade mark. The approval of the registration had retrospective effect from that date. The registration is in respect of “articles of clothing, including boots, shoes and slippers” in Class 25.
2. Over seven years later, on 11 August 1999, the appellant company, claiming to be the bona fide proprietor of the trade mark “McLaren”, filed application No. 9907641 for registration of the trade mark in respect of “articles of clothing, footwear and headgear” in Class 25.
3. On 16 February 2001, the Registrar of Trade Marks informed the appellants that their application contravened section 19(1) of the Trade Marks Act 1976 (“the Act”) in that the trade mark whose registration the appellants sought was identical with the respondent’s registered trade mark or so nearly resembled the respondent’s registered trade mark as was likely to deceive or cause confusion. Section 19(1) prohibits the registration of such a trade mark in respect of any goods or description of goods.
4. On 3 March 2003, the appellants, by notice of originating motion, applied for an order expunging totally the entry of the respondent’s Trade Mark No. 9202266 from the Register of Trade Marks. For this relief the appellants cited sections 14, 25, 45 and 46(1) of the Act. Alternatively, relying on section 46(1) only, the appellants sought an order varying the entry by the deletion of the words “articles of clothing, including” from the description of the goods to which the respondent’s trade mark relates.

5. It is useful to state what the sections on which the appellants' application relied are about. By section 45 the High Court, on the application of any "person aggrieved" by, *inter alia*, "any entry made in the Register without sufficient cause or . . . any entry wrongfully remaining in the Register", is empowered to "make such order for . . . expunging or varying such entry as it thinks fit". This is provided in paragraph (a) of section 45(1). It is about expunging or varying an entry that is shown, after the entry was made, to be an entry that, for some reason or other, was a wrongful entry.

6. Section 46(1) provides as follows:

"(1) Subject to this section and to section 57, the Court may, on application by a person aggrieved, order a trade mark to be removed from the Register in respect of any of the goods or services in respect of which it is registered on the ground –

- (a) that the trade mark was registered without an intention in good faith, on the part of the applicant for registration or, if it was registered under subsection (1) of section 26, on the part of the body corporate or registered user concerned, to use the trade mark in relation to those goods or services and that there has in fact been no use in good faith of the trade mark in relation to those goods or services by the registered proprietor or registered user of the trade mark for the time being up to the date one month before the date of the application; or
- (b) that up to one month before the date of the application a continuous period of not less than three years had elapsed during which the trade mark was a registered trade mark and during which there was no use in good faith of the trade mark in relation to those goods or services by the registered proprietor or registered user of the trade mark for the time being."

It empowers the Court, that is the High Court, on the application of a “person aggrieved” to order a trade mark to be removed from the Register for reason of non-use. The grounds in paragraphs (a) and (b) are independent alternative grounds that are not related to one another.

7. The essential difference between section 45(1)(a) and section 46(1) is that in an application under section 45(1)(a) some legally-recognized fault has to be shown to have been made in respect of the entry whereas in an application under section 46(1) no such fault has to be shown. What has to be shown is non-use of a trade mark that may have been properly and faultlessly registered.

8. Section 14 prohibits the registration of a mark or part of a mark as a trade mark in several circumstances, one of which is “if the use of [it] is likely to deceive or cause confusion to the public”. It is relevant to an application under section 45(1)(a) because if a mark has been registered in contravention of section 14, it may be argued, for an application under section 45(1)(a), that the entry was made without sufficient cause or that it is an entry wrongfully remaining in the Register.

9. Section 25 is about the procedure for the registration of a trade mark. By its subsection (1), an applicant for the registration of a trade mark must be a person claiming to be its proprietor. Since the appellants claimed that the respondent was not the lawful proprietor of the trade mark “McLaren” and therefore his application of 11 April 1992 did not deserve to be allowed, the appellants must have relied on section 25 as also relevant to section 45(1)(a).

10. Essentially, therefore, the appellants' application was under sections 45(1)(a) and 46(1). To succeed under either provision, they had to show that they were a person aggrieved and that they had a case under either section; that is to say, they had both to establish *locus standi* and to show merit.

11. The appellants failed in the High Court and the Court of Appeal. At the High Court the learned judge found that the appellants were not a person aggrieved but it seems to us, from the way the judgment is written, that that finding as to the appellants' *locus standi* was made upon a finding that the appellants failed to make out a case on the merits. As to the merits, the matters that the learned judge found were mostly relevant to section 45(1)(a), including the finding that section 37 applied to render the registration of the respondent's trade mark conclusive after seven years. And it should be mentioned that the respondent's counsel did admit to us that section 37 was urged only in relation to section 45(1)(a) and not in relation to section 46(1). The learned judge's findings that were relevant to section 46(1) were only the finding that the trade mark was used by the respondent on men's executive shoes – a finding made on the basis of sales of the shoes by Stonefly Enterprise and United Summary Sdn Bhd – and that it was not necessary for those two entities to be registered as registered users under section 48. That section, to the extent only of subsections (1) and (2), provides as follows:

“48. (1) Subject to the provisions of this section, where the registered proprietor of a trade mark grants, by lawful contract, a right to any person to use the trade mark for all or any of the goods or services in respect of which the trade mark is registered, that person may be entered on the Register as a registered user of the said trade mark whether with or without any conditions or restrictions, provided that it shall be a condition of any such

registration that the registered proprietor shall retain and exercise control over the use of the trade mark and over the quality of the goods or services provided by the registered user in connection with that trade mark.

(2) Where it is proposed that a person shall be registered as a registered user of a trade mark, the registered proprietor shall submit an application to the Registrar for the registration of that person as a registered user of the trade mark and such application shall be accompanied by the prescribed fee and the following information:

- (a) the representation of the registered trade mark;
- (b) the names, addresses, and addresses for service of the parties;
- (c) the goods or services in respect of which the registration is proposed;
- (d) any conditions or restrictions proposed with respect to the characteristics of the goods or services, to the mode or place of permitted use or to any other matter; and
- (e) whether the permitted use is to be for a period or without limit of period, and if for a period, the duration of that period.”

12. The learned judge made no mention of the appellants’ alternative prayer.

13. The Court of Appeal’s judgment is reported as *McLaren International Ltd v Lim Yat Meen* [2008] 1 CLJ 613. In paragraphs [11], [12] and [13], the Court of Appeal mentioned three cases on when a person can be said to be a “person aggrieved” for the purposes of sections 45(1)(a) and 46(1). The first is *Fazaruddin bin Ibrahim v Parkson Corp Sdn Bhd* [1997] 2 CLJ 863,

but we will refer to the report in [1977] 4 MLJ 360. In that case Abdul Malik Ishak J said, at page 369: “The phrase ‘person aggrieved’ in s 45(1)(a) of the Act should be construed liberally. In my judgment, it includes any person whose own application for registration is obstructed by the opposing party in the suit . . .” The second is *Service Master (M) Sdn Bhd v MHL ServiceMaster Sdn Bhd* [1998] 1 CLJ 459, a decision of Kamalanathan Ratnam JC which the Court of Appeal saw as being in conflict with the approach in Fazaruddin. The third is a Singapore case of a date earlier than the other two, *Re Arnold D. Palmer* [1987] 2 MLJ 681, from which the Court of Appeal quoted the following words of Chan Sek Keong JC: “. . . it cannot be right, in principle, that the mere filing of his application can confer the necessary *locus standi* on the applicant for the purpose of rectifying proceedings”.

14. After touching on those three cases the Court of Appeal proceeded to what appears to us to be a consideration of the merits of the appellants’ application under section 45(1)(a), in the course of which the Court of Appeal made what amounted to a finding that there was no fault in the registration of the respondent’s trade mark and referred to the protection of section 37 in favour of the respondent, and then came to the following conclusion in paragraph [21]:

“[21] From the above prognosis, surely the best approach to arrive at a correct decision whether an applicant is an aggrieved person is by bringing all the available evidence to bear before the judge, rather than debating whether the terminology of “an aggrieved person” should be given a wide or restricted interpretation. By this method, irrespective of the scope of the two words, the learned judge will be able to arrive at a more meaningful decision. Despite the valiant attempt by the appellant, regretfully after having weighed all the agreed facts and evidence, we decided that it did not qualify as an aggrieved person

and hence had no *locus standi* to initiate the action, be it pursuant to ss. 45 or 46 of the Trade Marks Act 1976.”

15. It appears to us that the Court of Appeal was influenced by the lack of merit in the appellants’ case under section 45(1)(a) to arrive at the conclusion that they were not an aggrieved person.

16. The only manner in which the Court of Appeal dealt with the appellants’ application under section 46(1) was by making a finding in paragraph [28] that section 48 did not make it mandatory for Stonefly Enterprise and United Summary Sdn Bhd to be registered as registered users.

17. The Court of Appeal made no mention of the appellants’ alternative prayer.

18. Leave was granted to the appellants to appeal to this court on the following two questions:

- “(a) Is a party whose application for registration of a trade mark obstructed under section 19 of the Trade Marks Act 1976 by the prior registration of an identical or similar mark on the Register of Trademarks an “aggrieved person” with the appropriate *locus standi* within the meaning of that term in sections 45 and 46 of the Trade Marks Act 1976.
- (b) Whether in the face of uncontroverted evidence of non use of a registered mark in relation to some only of the registered goods, such only of the goods may be rectified by their removal or expunged pursuant the entitlements in law under sections 45 and 46 of the Trade Marks Act 1976.”

The appellants have decided not to rely on their application under section

45. Therefore the references to that section in the two questions are to be disregarded. The appellants rely only on their application under section 46(1), and they rely only on paragraph (b) of the section. Paragraph (a) is therefore not involved in this appeal. Only paragraph (b) is involved in this appeal.

**Question (a)**

19. It goes without saying that the appellants' purpose behind Question (a) is to get this court to answer, contrary to the Court of Appeal's finding, that the appellants were a person aggrieved. But the appellants' counsel did not place his hopes entirely on an answer to Question (a) in the affirmative. While contending, in reliance on what Abdul Malik Ishak J said in *Fazaruddin*, that the appellants should be accepted as a person aggrieved by reason solely that their application for registration of the "McLaren" trade mark encountered, on 16 February 2001, the obstruction of section 19(1), and while urging this court, "in the national interest", to endorse the "liberal approach" in *Fazaruddin*, the appellants' counsel also submitted that on the facts the appellants qualified as a person aggrieved according to the test in *Re Arnold D. Palmer*. It was rather on those facts that the appellants themselves in their affidavit claimed to be a person aggrieved and not on the mere fact of their application being obstructed under section 19(1).

20. Indeed, in our judgment, Question (a) cannot be answered in the affirmative. A person whose application for registration of his trade mark is jeopardized by section 19(1) cannot, without more, qualify as a person aggrieved, because he could be a mere busybody. An answer in the affirmative that the appellants want to Question (a) would uphold Abdul Malik Ishak J's statement in *Fazaruddin*, which was made without any

supporting authority. The proposal in the statement had been rejected ten years before in *Re Arnold D. Palmer*, in the following passage at page 686 which contains the words that the Court of Appeal cited:

“ . . . The registration of a trade mark in the name of a proprietor, once effected, ought not to be disturbed by persons who have no trading interest in the goods concerned. If an applicant for rectification has no such interest to begin with, and therefore cannot suffer any damage at all by the existence of a conflicting trade mark on the register, it cannot be right, in principle, that the mere filing of his application can confer the necessary *locus standi* on the applicant for the purpose of rectifying proceedings. Otherwise, the test of grievance propounded in *Powell’s Trade Mark* (1984) 11 R.P.C. 7; [1984] A.C. 8 would be completely nullified by resorting to the simple expediency of applying to register the very mark the applicant seeks to expunge. . . . ”

21. *Re Arnold D. Palmer* is an authority (out of several) that is heavily relied on by the respondent to deny that the appellants are a person aggrieved. In that case the applicant sought the removal from the Register of a trade mark on the ground of non-user. On whether the applicant was a person aggrieved, Chan Sek Keong JC, after considering the speeches of Lord Herschell and Lord Watson in the House of Lords in *Powell’s Trade Mark* (1894) 11 R.P.C. 7; [1984] A.C. 8, and the manner in which subsequent judges reacted to the opinions of the said Law Lords in *Lever Bros. v Sunniewite Products* (1949) 66 R.P.C. 84, *Consort Trade Mark* [1980] R.P.C. 160, and *Wells Fargo Trade Mark* [1977] R.P.C. 503, concluded as follows:

“ On the basis of these decisions, it is plain that the applicant will fail in this appeal unless he can show that he has used his trade mark in the course of a trade which is the same as or similar to that of the respondents or that he has a genuine and present intention to use the mark as a trade mark. But the evidence shows none of these things, as the Registrar has found. . . . ”

22. We understand that passage as laying down the principle that a person aggrieved is a person who has used his mark as a trade mark – or who has a genuine and present intention to use his mark as a trade mark – in the course of a trade which is the same as or similar to the trade of the owner of the registered trade mark that the person wants to have removed from the Register.

23. The appellants' counsel submitted that on the facts adduced in the affidavit in support of the appellants' notice of originating motion, which facts counsel said were undisputed, the appellants satisfied the above test of a person aggrieved as expounded in *Re Arnold D. Palmer*. The facts, in the words of the appellants' company secretary who made the affidavit, are as follows:

“The Applicant is a company organised and existing under the laws of England . . . The Applicant is the proprietor of the mark “McLaren” and has filed for a trade mark application under no. 99/07641 on 11th August 1999 in relation to “*articles of clothing, footwear and headgear.*” The mark “McLaren” has long been associated with the Formula 1 race of which the McLaren team is well-known worldwide, including Malaysia. I verily believe that the “McLaren” mark is known to the Malaysian public long before the Sepang F1 circuit was established by virtue of the various sports programmes and telecast of the races on Malaysian television. The McLaren team has been participating in the Formula 1 race for 37 years and I verily believe that there are many supporters of the McLaren team in Malaysia. (*Broadcasting statistics for 1993-2000 are exhibited*) . . . Pursuant to the popularity of the McLaren team, merchandise bearing the “McLaren” mark have been offered for sale by the Applicants for over 10 years. Customers buying the products will immediately identify and associate such merchandise with the Applicants and equate the same with products endorsed by the McLaren team. (*A recent catalogue of merchandise offered under*

*the “McLaren” mark is exhibited*). These products are made available by mail order to any person anywhere in the world. There is also a membership programme for Team McLaren which is open to anyone from around the world. Membership benefits include discounted prices on McLaren merchandise and free subscription to the McLaren magazines. (*A copy of the McLaren magazine entitled “Racing Line” is exhibited*). The “McLaren” mark has also been extensively promoted both internationally and in Malaysia. Other than in “Racing Line” magazine, promotion of the “McLaren” mark is conducted via the website [www.mclaren.com](http://www.mclaren.com) as well as on-site promotion such as at the Sepang F1 circuit. The “McLaren” mark is also promoted via the website of the Sepang F1 circuit, <http://www.f1-malaysia.com>. (*Printouts from those websites are exhibited*). By virtue of the foregoing, I verily believe that the “McLaren” mark is well-known in Malaysia and the Applicant enjoys considerable reputation and goodwill amongst the Malaysian public in respect of the “McLaren” mark not only as the Formula 1 team but also for the merchandise associated therewith, particularly, clothing. . . . The Applicant’s trade mark application has been objected to by the Registrar of Trade Marks on the basis of the Respondent’s said mark. As both marks are similar, the Applicant’s application will not be able to proceed to registration in light of the earlier registration by the Respondent unless the said trade mark registration is expunged. By virtue of the Applicant’s reputation and goodwill subsisting in the “McLaren” mark, and use thereof in Malaysia, the Respondent’s continued registration of the said mark will seriously jeopardize the Applicant’s right and interests in the exploitation of its “McLaren” mark. I verily believe and am advised by the Applicant’s solicitors that the Applicant is therefore aggrieved by the registration of the said mark by the Respondent and has *locus standi* to apply to the Honourable Court to rectify the Register.”

24. In our judgment the question whether, on the facts, the appellants pass the test of a person aggrieved as laid down in *Re Arnold D. Palmer* is outside the scope of this appeal. It is a question of fact, and, contrary to the

claim of the appellants' counsel, some of the facts are, moreover, judging by the respondent's affidavit in reply, hotly in dispute. To top it all, there is no leave-question to cater for the appellants' alternative stand. The only leave-question on which the appellants can rely for a finding that they are an aggrieved person is Question (a), if answered in the affirmative. We have already opined that it cannot be answered in the affirmative.

25. As the appellants fail in this appeal on the question of *locus standi*, this appeal ought to be dismissed without any need to answer Question (b), which is the question as to the merits of the appellants' application. We will nonetheless deal with that question.

**Question (b)**

26. As we said, in this appeal the appellants rely only on paragraph (b) of section 46(1). According to section 46(1)(b), applying it to the present case, the court may order the respondent's "McLaren" trade mark to be removed from the Register *in respect of any of the following goods*, namely, articles of clothing, boots, shoes and slippers, if, for a certain period, there was no use in good faith of that trade mark in relation to those goods by the respondent (as the registered proprietor of the trade mark) or by the registered user of the trade mark. The period is a continuous period of three years until 3 February 2003, which was one month before the date of the appellants' application, 3 March 2003. In other words, the period is a continuous period of non-use from 3 February 2000 until 3 February 2003.

27. It is an admitted fact that the respondent's trade mark, since it was registered on 11 April 1992, had been used only in respect of executive men's shoes. The respondent claimed in paragraphs 5 and 6 of his affidavit dated 23 November 2004: ". . . all the men's executive shoes bearing the

mark MCLAREN that were contract-manufactured by Stonefly Enterprise and United Summary Sdn Bhd were done pursuant to the ongoing contractual relationships between me and Stonefly Enterprise and United Summary Sdn Bhd respectively. Both [those entities] were acting as my agents to use the mark MCLAREN for the purpose of dealing with men's executive shoes bearing the MCLAREN trade mark in Kelantan since May 1999 and in Kuala Lumpur since early 2000".

28. There are two facets to the application of section 46(1)(b) to the facts of this case. The first facet concerns the fact that in any event, let alone during the said period of three years, there was no use of the respondent's registered trade mark in relation to some of the goods in respect of which the trade mark is registered, that is to say, in relation to articles of clothing other than footwear. The court is therefore empowered to order the respondent's trade mark to be removed from the Register in respect of such articles of clothing, or, in other words, to grant the appellants' alternative prayer for an order of deletion of the words "articles of clothing, including" from the description of the goods to which the respondent's trade mark relates. The respondent's only answer to the alternative prayer, which does not avail with us, is to ask the court, in exercising its discretionary power under section 46(1)(b), to take into consideration matters "such as questions of good faith and public interest", as the respondent, so he claims, had the necessary intention to use the trade mark in relation to all the goods in respect of which it is registered.

29. The second facet concerns the fact that during the relevant three years the respondent's trade mark was used in relation to executive men's shoes, which constitute some of the goods in respect of which the trade mark is registered. So that the ground for removal of the trade mark under

section 46(1)(b) in respect of those goods may be avoided or prevented from arising, the use must be use by the respondent himself as the registered proprietor or by the registered user of the trade mark, besides the use having to be in good faith. A registered user is a person registered as such under section 48. Stonefly and United Summary were never registered under section 48 as registered users of the respondent's trade mark. Although, as the Court of Appeal said, section 48 did not make it mandatory for them to be registered as such, their not being so registered has the consequence that for the purposes of section 46(1)(b) the use of the respondent's trade mark by them was not use by a registered user. That leaves the question whether the use of the trade mark on executive men's shoes by those entities was use as agent for the respondent and therefore was use by the respondent as the registered proprietor. That was one of the arguments of the respondent in the High Court, against which the appellants presented strong arguments in submission, and in the present appeal we do not see the respondent repeating the argument at all or with any degree of enthusiasm.

30. But Question (b) is not concerned with the second facet. It is concerned only with the first facet. It is predicated on "uncontroverted evidence of non use of a registered mark in relation to some only of the registered goods", which can only be non-use in relation to articles of clothing other than footwear. Question (b) is clearly a question that is looking at the appellants' alternative prayer. An affirmative answer to Question (b), which is the answer that the appellants want, can only sensibly and logically result in the granting of the alternative prayer. Therefore, were the appellants to succeed in this appeal on the question of *locus standi*, we would allow the appeal but only to the extent of granting the alternative prayer. But since the appellants fail on the question of *locus*

*standi*, we dismiss the appeal with costs and order that the deposit be paid to the respondent to account of his taxed costs.

Dated: 8 June 2009

**DATO' ABDUL AZIZ BIN MOHAMAD**  
Judge  
Federal Court, Malaysia

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