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**SCZ JUDGMENT NO. 10/2012**

**IN THE SUPREME COURT OF ZAMBIA APPEAL NO. 74/2010**

**HOLDEN AT KABWE AND LUSAKA**

**(Appellate Jurisdiction)**

**IN THE MATTER OF: SECTION 51 OF THE TRADEMARKS ACT, CAP. 401**

**IN THE MATTER OF: AN APPEAL AGAINST THE DECISION OF THE**

**REGISTRAR OF TRADE MARKS**

**BETWEEN:**

**DH BROTHERS INDUSTRIES (PTY) LIMITED APPELLANT**

**AND**

**OLIVINE INDUSTRIES(PTY) LIMITED RESPONDENT**

Coram: Sakala, CJ, Chibesakunda and Phiri, JJS

3rd November, 2010 and 29th February 2012

For the Appellant: Mr. A. Kalaluka of Ellis and Company

For the Respondent: Mr. N. Makayi of Christopher Russell and

Cook

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**Sakala, CJ., delivered the Judgment of the Court.**

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***Cases referred to:***

***1. Nicholson Vs Bass (1931) 2 CH1, at page (42).***

***2. Berli UK Ltd Vs Bali Brassier Co. (1969) 2 All E. R. 812 at page 821.***

***3 G. E. Trade Mark (1970) R.P.C. 365.***

***4. The Trade Marks Act, 1938 and Koyo Seiko Kabushiki Kaisha’s in the Reports of Patent, Design and Trade Mark cases, Vol. LXX1 No. 19, London, 1954***.

***5. Harher Stagger Limited’s Trade Mark (Reports of Pantent, Design and Trade Mark cases, Vol. lxx1 No. 7 page 140)***

***Works referred to:-***

1. ***Kerly’s Law of Trade Marks and Trade names (13th edition, London, Sweet and Maxwell), at page 202, paragraph 7-165.***

This is an appeal against the Judgment of the High Court dismissing the Appellant’s appeal from the decision of the Registrar of Trade Marks, in which the Registrar had held that the Appellant’s Trade Mark “***Daily***,” could not be accorded protection on account of non-registration, even though the Appellant had shown sufficient prior use of the mark in Zambia.

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The facts leading to the appeal to this Court are that on the 23rd of February, 2005, the Respondent applied to the Registrar of Trade Marks to register its trademark, “***Daily***” in class 3 for ***its bleaching preparations and other substances for laundry use such as cleaning, polishing and abrasive preparations, soaps, perfumery, essential oils, cosmetics, hair lotion and dentifrices.***

The Appellant opposed the application on ground that it was a true proprietor of the trademark, “***Daily,***”in Zambia and that it had been using this trademark since 2003, prior to the Respondent’s application to register the same trademark.

The learned Registrar of Trade Marks, after considering the submissions and the authorities cited, ruled that since the Appellant’s trademark was not registered, it could not be protected.

The Appellant, dissatisfied with the decision of the Registrar, filed an appeal in the High Court based on one ground, namely;

***That the learned Registrar of Trademarks misdirected herself in law and in fact when she held that the trademark, “Daily,” cannot be accorded protection on account of non-registration notwithstanding that the Appellant had demonstrated sufficient prior use.***

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The learned High Court Judge considered the arguments and submissions in the appeal and the Ruling of the Registrar. The High Court Judge noted that the question raised in the appeal was whether an unregistered Trade Mark, which resembles or is identical to another Mark which is also not registered could prevent the other Mark from being registered under the law and the rules in the ***Trade Marks Act***.

The Court observed that there was no doubt that the Appellant’s and the Respondent’s Trade Marks were identical; that there was no dispute that the goods they relate to are also similar; that both the Appellant and the Respondent had shown proof of prior use of the same trademark on the Zambian market; that there was also no doubt that since the trademarks were similar or identical and the goods they relate to were also similar, the possibility of deception or confusion being caused to the consumers was more than probable. The Court, however, pointed out that this was not what was in issue, as the crux of the appeal was whether, under the law and rules in the ***Trade Marks Act***, a proprietor of an unregistered mark could prevent the registration of a similar or identical unregistered trademark from being registered.

According to the Appellate High Court Judge, to determine the question, she had to have recourse to the ***Preamble*** to the ***Act*** which explained the purpose of that law. After setting out the

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***Preamble,*** the court noted that the Appellant relied on the provisions of ***Section 16*** to the effect that it was not lawful to register a trademark which was likely to deceive or cause confusion.

The court noted that the Respondent’s position was that ***Section 16***  did not accord protection to an unregistered trademark and that in the instant case, the Appellant’s mark was not registered and that for that reason, the ***Act*** did not protect the Appellant’s mark against another proprietor.

The court accepted the submissions on behalf of the Respondent that the law in the ***Trade Marks Act*** did not offer any protection to an unregistered trademark, that the ***Preamble*** to the ***Act***  *states* the purpose of the ***Act***, namely, registration of trademarks; that properly read with other ***Sections*** in the ***Act,*** particularly with ***Section 17,***  it will be seen that ***Section 16*** did not offer protection to an unregistered trade mark, and that protection is only offered to registered trademarks and not similar or identical unregistered trademarks.

According to the appellate High Court Judge, this is buttressed by ***Section 9(1) of the Act,*** which gives exclusive right of use to a proprietor of a registered trademark and that Section ***7 of the Act*** also disentitles a proprietor of an unregistered trademark

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from instituting proceedings to prevent or recover damages for infringement of an unregistered trademark. That according to the case of ***Nicholson Vs Bass,1*** it was not necessary to prove the length of use of the trademark or the extent of the trademark.

The court concluded that the Registrar of Trade Marks was on firm ground when she held that the Appellant’s Trade Mark, “***Daily”,*** could not be accorded protection on account of non- registration, even if the Appellant had shown sufficient prior use of the trademark in Zambia. The Appellant’s appeal was dismissed with costs to the Respondent to be taxed in default of agreement.

The Appellant appealed to this Court against the Judgment of the High Court. The appeal is based on two grounds; namely:-

1. That the Learned High Court Judge erred in law and in fact when she held that ***Section 16 of the Trade Marks Act,*** as read together with other provisions of the ***Trade Marks Act***, does not accord protection to an unregistered trade mark; and.
2. That the Court below misdirected itself in law and in fact when it held that the Appellant’s mark, “***DAILY***” could not be accorded protection on account of non-registration even though the Appellant had shown sufficient prior use of the mark in Zambia.

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On behalf of the parties, written heads of argument were filed with the court based on the two grounds. The Appellant argued the two grounds together and also adopted the Appellant’s submissions filed in the court below.

The gist of the Appellant’s combined written heads of argument on the combined grounds, is that the Respondent’s Mark, ***“DAILY’,*** did not satisfy the requirements of ***Section 16 of the Trade Marks Act,*** and as such was disentitled to protection and or registration by the Registrar; that the import of ***Section 16*** was that it is not every mark that may be registered, that ***Section 16*** also implies that it was not only the issue of similarity with an already registered mark, which was supposed to be taken into account in deciding whether or not a mark was to be registered.

It was contended that ***Section 16*** makes it unlawful to register a mark which is: likely to deceive or cause confusion; contrary to law or morality; likely to give offence or cause annoyance to any person or class of persons; and otherwise disentitled to protection in a court of law.

It was submitted that the court below misdirected itself; when it held that since the Appellant’s Mark is not registered, then the Respondent’s Mark be registered; that the court below

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misconstrued the provisions of  ***Section 16*** to mean that there can only be ***confusion*** or ***deception*** with respect to an already registered mark; that a mark can independently fail to satisfy  ***section 16*** even where there is no similarity, no confusion or deception with respect to an already registered mark; that a mark, which fails to adequately distinguish the goods of a certain source from the goods of another, is disentitled to registration. In support of these submissions the court was referred to the learned authors of ***Kerly’s Law of Trade Marks and Trade names,1*** where marks disentitled to registration on account of deception are described as follows:-

***“Firstly, its an absolute and not a relative ground for refusal.*** ***It is concerned with the deceptiveness which is inherent in the mark itself, as opposed to deception caused by similarity of the mark to another …… Secondly, the paragraph refers expressly to deception caused by the nature of the mark itself. This does not mean that the mark has to be considered in a vacuum. It must be considered against the goods or services applied for and in the general context of the relevant trade.”***

It was submitted that the deception caused by the Respondent’s mark is inherent in the mark itself in view of the ***exactness*** with the Appellant’s mark (both marks being “***DAILY”***); and that the

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Respondent’s mark should not be considered for registration in a vacuum; but against the goods applied for and also the general context of the trade; whereby there has been sufficient prior use of the mark in the market by the Appellant.

The holding of ***Salmon, L.J..,*** in the case of ***G. E. Trade Mark3*** was cited in support; where he said:

***“…. In comparing two trade marks they must be considered; not merely when they are placed side by side, but from the view point of a person who may have seen or heard of one of the marks and then with a more or less imperfect recollection of the mark, comes across the other.”***

It was contended that taking into account the above, the two marks herein are confusingly similar; thereby disentitling the Respondent’s mark from registration.

It was further submitted that the difference, between ***Sections 16 and 17 of the Trade Marks Act,***  is that ***Section 16*** is available to any party with respect to an unregistered mark, while ***Section 17*** is available to a proprietor of a registered mark. In support of this submission the court was referred to the case of ***The Trade Marks Act, 1938 and Koyo Seiko Kabushiki Kaisha4’s*** reported ***in the Reports of Patent, Design and Trade Mark cases, Vol. LXX1 No. 19, London, 1954***, in which the distinction between the two sections was expounded, but in

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relation to ***Sections 11 and 12 of the English Trade Mark of 1938,***  which are reproduced in  ***Sections 16 and 17 of the Zambian Trade Mark Act, Cap 401.*** Thus, in the  ***Kaisha case***  the court held:

“***The Respondent being on the Register, both section 11 and 12 of the Act were open to them for purposes of affording grounds of objection. The main point of difference between Section 11 and Section 12(1) is that Section 11 is available to a person not on the Register, while Section 12(1) is confined to objections by registered proprietors. As the Respondents are registered , both sections were open to them but, which ever Section one looks at, the real question in this case is whether the mark proposed to be registered so nearly resembles the Respondents’ marks or either of them as to be likely to deceive or cause confusion.”***

It was also contended that ***Sections 16 and 17 of the Zambian Trade Marks Act, Cap 401,*** are an exact reproduction of the ***Sections*** of the ***English Act*** and that the above reasoning would apply to distinguish the corresponding sections in Zambia.

It was submitted that ***Section 16*** of the ***Zambian Trade Marks Act*** provides a ground of objection available to a proprietor of a confusingly similar mark which is not registered; while ***Section***

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***17*** of the Zambian **Trade Marks Act,** provides a ground of objection available to a proprietor of a registered confusingly similar mark.

It was pointed out that the court of appeal in the case of ***Harher Stagger Limited’s Trade Mark5*** held:-

***“…The reason for that is as follows: As Mr. Mould pointed out Section 11 may be invoked by a person who has not got a registered mark at all, but whether he has or whether he has not got a registered mark, the question under Section 11 is as I have stated in the “HOVIS” case, whether, having regard to the use made of the objector’s or applicant’s mark and the inferences to be drawn from its use, confusion is likely. Under Section 12 which is only available to a registered proprietor of a mark, the question of confusion has to be considered with regard to any possible user by the registered objector or applicant of his mark in regard to any of the subjects in respect of which it is registered.”***

It was finally submitted that the above authority and reasoning apply to ***Sections 16 and 17*** of the ***Zambian Trade Marks Act***, and this was a proper case to allow the appeal and refuse the registration of the Respondent’s mark.

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The summary of the response to the combined arguments on grounds one and two is that the provisions of  ***Section 16*** cannot be read in isolation of other sections of the ***Act***  and in particular in isolation to ***Section 17 of the Act;*** that from the preamble, the ***Act*** deals with registration of trade marks and protection thereof; and that for one to have an interest or protection of the  ***act,***  one must firstly, have a mark that is capable of being registered within the meaning of ***Section 16***  (and other Sections such as Section 32 for defensive marks); and that secondly and more importantly, the marks is actually registered on the Register of Trade Mark in order to oppose or prevent the registration of another mark.

It was pointed out that ***Sections 7 and 8***  of the ***Act,*** clearly indicate that it is only a proprietor of a registered trade mark that can oppose the registration of a similar mark; that in the instant case, the Appellant does not have a registered mark; and that at no time did it have a registered trade mark with which to oppose the application and registration of the Respondent’s mark, that if the Appellant sat on its rights to register the mark as its own, it now cannot turn round and prevent the Respondent from exercising its right to register its mark.

On the interpretation of ***Sections 16 and 17,*** it was contented that the court must look at the Act and its sections in totality.

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We have anxiously addressed our minds to the combined arguments for and against this appeal and the authorities cited. We have also considered the arguments and submissions made in the court below. We have also examined the Judgment appealed against.

The question for determination in this appeal, in this court, still remains the same as that which was before the Appellate High Court Judge. The facts of the case are simple and straight forward. In brief, they are that the Respondent applied to the Registrar of Trade Marks to register its trade mark, “***Daily”.*** The Appellant opposed the application on the ground that it was a true proprietor of the trade mark; ***“Daily”*** in Zambia and had been using this trade mark prior to the Respondent’s application to register the same trademark.

The most important common fact to both parties is that none of the parties had this common trade mark “***Daily”*** registered with the Registrar of Trade Marks. The question for determination in this appeal, which as observed was also the question before the Appellate High Court Judge, is: ***Whether an unregistered trademark, which resembles or is identical to another mark, which is also unregistered, can prevent the other unregistered mark from being registered under the law and the rules in the Trade Mark Act.?***

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The contention of the Appellant is that the Respondent’s Mark, ***“DAILY,”*** does not satisfy the requirements of  ***Section 16 of the Trade Marks Act;*** and therefore disentitled to protection and or registration by the Registrar.

On the other hand, the argument on behalf of the Respondent is that  ***Section 16 of the Trade Marks Act, Cap 401,*** should not be read in isolation of the other provisions of the  ***Act,***  particularly ***Section 17(1), that the Act deals with registration of trade marks and protection thereof;*** that for one to have protection of the ***Act***  to oppose or prevent the registration of another mark, one must have a mark capable of being registered within the meaning of ***Section 16*** and the mark must actually be registered on the Register of Trade Marks; and that ***Sections 7 and 8 of the Act***  make it clear that only a proprietor of a registered trade mark can oppose the registration of a similar mark.

The Appellate High Court Judge observed that there was no doubt that the Appellant’s and the Respondent’s trade marks were identical, that the goods they relate to were also similar; that both parties had shown proof of prior use of the same trade mark on the Zambian Market. The Court, however, also observed that that was not the issue; but that what was in issue was whether, under the law and the rules in the ***Trade Marks Act,*** a

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proprietor of an unregistered mark can prevent the registration of a similar or identical, unregistered trade mark from being registered.

***Section 16 of the Trade Marks Act, Cap 401*** reads as follows:

***“It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would be likely to deceive or cause confusion or would be contrary to law or morality or would be likely to give offence or cause annoyance to any person or class of persons or would otherwise be disentitled to protection in a court of law.”***

And ***Section 17(1)*** of the same ***Act*** reads as follows:-

***“Subject to the provisions of subsection (2), no trade mark shall be registered in respect of any goods or description of goods that is identical with a trade mark belonging to a different proprietor and already on the register in respect of the goods or description of goods, or that so nearly resembles such a trade mark as to be likely to deceive or cause confusion.”***

To complete the citation of the relevant provisions of the ***Act***, it is also necessary to set out the ***Preamble*** to the ***Act*** and the provisions of ***Sections 7 and 9(1) of the Act.***

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The ***Preamble*** to the ***Act*** reads:

***“An Act to make provision relating to the registration of the trademarks and for other purposes incidental thereto.”***

***Section 7 of the Act***  reads:

***“No person shall be entitled to institute any proceedings to prevent or recover damages for the infringement of an unregistered trade mark, but nothing in this Act shall be deemed to affect rights of action of any person for passing off goods as the goods of another person or the remedies in respect thereof.”***

And ***Section 9(1)***  reads:

***“9(i) Subject to the provisions of this Section and of Sections twelve and thirteen, the registration of a person in part A of the register as proprietor of a trade mark in respect of any goods shall, if valid, give or be deemed to have given to that person the exclusive right the use of the trade mark in relation to those goods and, without prejudice to the generality of the foregoing words, that right shall be deemed to be infringed by any person who, not being the proprietor of the trade mark or registered user thereof using by way of permitted use, uses a mark identical with it or so nearly resembling it as to be likely to deceive or cause confusion in the course of the trade mark in relation to any***

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***goods in respect of which it is registered and in such manner as to render the use of the mark likely to be taken.”***

After setting out and discussing the above provisions of the ***Trade Mark Act,*** the Appellate High Court Judge had this to say:

“***I have seriously considered the above arguments by the learned Counsel of the parties. I entirely agree with the submissions by the learned Counsel for the Respondent that the law in the Trade Marks Act does not offer any protection to an unregistered trademark. The Preamble to the Act which I have recast above states the purpose of the Act which is to provide for registration of trademarks and for matters incidental thereto. Properly read with the other Sections in the Act and in particular, with Section 17, it will be seen that Section 16 does not offer protection to an unregistered trademark. I therefore agree with the learned Counsel for the respondent that Section 16 should not be read in isolation of the other provisions in the Act. Properly read with Section 17(1) of the Act, it will be seen that protection is only offered to registered trademarks and not similar or identical unregistered trademarks. This is strengthened by the provision of Section 9(i) of the Act which gives exclusive right of use to a proprietor of a registered trademark. In addition, Section 7 of the Act also disentitles a proprietor of an unregistered trademark from instituting***

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***proceedings to prevent or recover damages for infringement of an unregistered trademark.”***

We also totally agree with the arguments on the submissions on behalf of the Respondent and with the Appellate High Court Judge in her analysis of the relevant provisions of the ***Trade Marks Act, Cap 401 of the Laws of Zambia*** in so far as they relate to the an undisputed facts in this appeal.

It is also our conclusion that both the Registrar of Trade Marks and the Appellate High Court Judge were on firm ground when they held that the Appellant’s trade mark ***“Daily”***  could not be accorded protection on account of non-registration, though the Appellant had shown sufficient prior use of the mark in Zambia.

This appeal, therefore, fails as lacking in merit. It is dismissed with costs to the Respondent to be taxed in default of agreement.

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E. L. Sakala L. P. Chibesakunda

**CHIEF JUSTICE SUPREME COURT JUDGE**

…………………………………

G. Phiri

**SUPREME COURT JUDGE**

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