

**IN THE MATTER OF: TRADE MARK REGISTRATION NUMBER 42/1999
PHARMADOL IN CLASS 5 IN THE NAME OF KINGS
PHARMACEUTICAL LIMITED**

**IN THE MATTER OF: AN APPLICATION FOR THE EXPUNGEMENT FROM
THE REGISTER OF TRADE MARKS PURSUANT TO
SECTION 31 AND REGULATION 82 OF THE TRADE
MARKS ACT CHAPTER 401 OF THE LAWS OF
ZAMBIA**

BETWEEN:

PHARMANOVA (ZAMBIA) LIMITED

APPLICANT

AND

KINGS PHARMACEUTICAL LIMITED

RESPONDENT

**Coram: Anthony Bwembya, Registrar of Trade Marks
Benson Mpalo, Deputy Registrar of Trade Marks**

For the Applicant: Messrs Lukona Chambers

For The Respondent: Messrs Tembo Ngulube & Associates

RULING

***Delivered by Benson Mpalo, Deputy Registrar of Trade Marks pursuant to
section 5(b) of the Trade Marks Act, Chapter 401 of the Laws of Zambia***

Legislation referred to:

The Trademarks Act Chapter 401 of the Laws of Zambia

Cases referred to:



1. A M Moolla Group Limited and others V the Gap Inc and others 2005 (6) SA 568 (SCA)
2. Ansul BV v Ajax Brandbeveiling BV 2003 (RPC) C-/10/01
3. Apollinaris Company Limited's Application (1891) 8 RPC 137
4. Broadway Pen Corporation & Another v. Wechsler & Company (Pty) Limited and others (the Everglide case) 1963(3) SA 434 (T)
5. Clorox Co. V Salazar, 108 USPQ2d 1083(TTAB 2013)
6. Etraction (PTY) Limited v. Tyrector (Pty) Limited; Case No. 16926/11 and 16926A/11
7. J N Nicholas Ltd v Rose and Thistle, 1993 (II) CHN 395 (Cal) (DB)
8. Maxxus Group GmbH v Globus Holding GmbH C-183/21
9. Philip Mutantika, Sheal S. Mulyata v. Kenneth Chipungu; Appeal No. 94 of 2012
10. Powell's Trade Mark (1894) 11 RPC 4
11. Re Arnold D. Palmer (1987) 2 MLJ 681
12. Re; KURB SIDE , Decision by the Registrar of Trade Marks of Canada, under Registration No. 127,017 of June 26,1962, October 3,1958, S.N 247,655
13. Westminister Tobacco Co (Cape Town and London) (PTY) Limited V Phillip Morris products S.A., The Registrar of Trade Marks and Philip Morris Brands SARL (925/2015) (2017) ZASCA 10 (16th March 2017),

Other Sources referred to:

1. Black Law Dictionary; 8th Edition at page 186



INTRODUCTION

1. This is a ruling in respect of an application to the Registrar for the Removal from the register, of trade mark No. **42/1999 “PHARMADOL” in class 5**, registered in the name of Kings Pharmaceuticals Limited.
2. I am delivering this ruling in my capacity as Deputy Registrar of Trade Marks, pursuant to section 5(b) of the Trade Marks Act, Chapter 401 of the Laws of Zambia.

BACKGROUND

3. On the 4th of March, 2020 Pharmanova (Zambia) Limited of Plot No. 7329, Moobola Road, Lusaka, Zambia (hereinafter referred to as “the Applicant”) applied for the removal from the Register of trademark registration **No. 42/1999 “PHARMADOL”** registered by Kings Pharmaceuticals Limited of Plot No. 7322, Moobola Road, Industrial Area, Lusaka, Zambia (hereinafter referred to as “the Respondent”).
4. The trademark registration No. 42/1999 ‘PHARMADOL’ (hereinafter referred to as ‘the Respondent’s trademark’) is registered in class 5 of the NICE Classification of goods in respect of *Medicines, pharmaceutical preparations and substances for human use in all forms including capsules, tablets, syrups; liquids, tonic, plasters and material for stopping teeth, dental wax, disinfectants; preparations for killing weeds and destroying vermin.*

GROUNDS FOR EXPUNGEMENT

5. The application for expungement was made pursuant to section 31 of the Trade Marks Act, chapter 401 of the Laws of Zambia (“the Trade Marks Act”) and Regulation 82 of the Trade Marks Regulation under the said Act.



6. The application was made on the basis that there has been no bona fide use of the Respondent's trade mark by the Respondent in relation to the specification of goods for which it is registered and a continuous period of five years or longer has elapsed without such use since the trade mark was registered.

APPLICANT'S STATEMENT OF CASE

7. The application for expungement was accompanied by a Statement of Case in which the Applicant explained that it is a reputed manufacturer and distributor of a wide product line of life-saving pharmaceutical products including over-the-counter consumer products, personal and home care products and mineral water.
8. The Applicant stated that it is also the proprietor of various trademarks registered in Zambia including the trademark 'PANADO' for paracetamol. The Applicant claimed that it has successfully traded under the trade mark PANADO within Zambia and has consequently built up an exclusive large and loyal following in the Zambian market place.
9. The Applicant explained that on 27th August, 2019 it sought to register another trade mark '**Pharmado and label**' in class 5. The Applicant stated that the word 'Pharmado' was an inverted word created by the Applicant by combining the prefix '**Pharma**' from the Applicant's name Pharmanova and the suffix '**do**' derived from the Applicant's well-known registered trade mark 'Panado'. However, the Applicants application was rejected on ground that it conflicts with the Respondent's earlier registered trade mark number 42/1999 '**PHARMADOL**' in class 5.
10. According to the Applicant's Statement of case, on receipt of the letter of rejection, the Applicant conducted a market inquiry of the use of the



Respondent's trade mark and found no evidence of bona fide use in Zambia or elsewhere since its registration.

11. Further, that the Applicant conducted a search on the Trade mark Register and found that the Respondent's trade mark had not been assigned or licensed to any other user and consequently sought for the expungement of the trade mark for want of bona fide use as provided under section 31 of the Trade Marks Act. In light of the foregoing, the Applicant seeks the following reliefs:

- i. The removal from the register of the Respondent's trade mark
- ii. An acceptance and subsequent registration of application number 1219/2019 'Pharmado' in the name of the applicant herein
- iii. An order for the prohibition of the distribution of goods bearing the trade mark Pharmadol by any other party not being the registered proprietor.

COUNTER STATEMENT

12. On the 14th of May, 2020, the Respondent filed a counter statement relying on section 9 and 10 of the Trade marks Act for its defence.

13. The Respondent averred that the Respondent's trade mark 'Pharmadol' has been in existence and active use for over 22 years during which period the Respondent has manufactured and distributed across Zambia various pharmaceutical products in class 5.

14. The Respondent contended that it enjoys rights in the trade mark 'Pharmadol' and enjoys protection under section 9 and 10 of the Trade Marks Act, by reason thereof the Applicant cannot validly challenge the registration of the Respondents trade mark.



15. The Respondent further stated that it has neither assigned nor licenced any other user to use its trade mark because it has, for 22 years, bona fide used the trade mark and manufactured pharmaceutical products in class 5.
16. It was submitted that the Applicant's application is bereft of merit, frivolous, vexatious and was made in bad faith.
17. I note from the record that the Respondent filed, together with the counterstatement, an Affidavit in opposition to the application for the removal of the trade mark dated 14th May, 2020. It is clear that the purpose of the said Affidavit was to respond to issues raised in the Applicant's statement of case. However, I must hasten to state that the Trade Marks Regulations do not require a counterstatement to be accompanied by an affidavit in opposition. In any case, the depositions made in the Affidavit are a repetition of the statements in the Respondent's counterstatement.

APPLICANT'S EVIDENCE

18. The Applicant filed an Affidavit in support of application for expungement which was deposed by one Alagappan Murugappan in his capacity as General Manager of the Applicant company.
19. Mr. Murugappan stated that the Applicant is a registered proprietor of a trade mark called PANADO, a paracetamol product in class 5 under registration No. 738/2000. Exhibited and marked "AM1" was a copy of the trade mark certificate of the said trade mark.
20. He deposed that a market inquiry conducted by the Applicant revealed that there has been no legitimate or bona fide use of the of the Respondents trade mark. He added that records in the registry of marks show that the Respondent's trade mark has never been assigned nor licensed to any other user for use to manufacture any product in class 5.



21. Mr. Murugappan further deposed that a survey of the market has shown that the only pharmaceutical product being distributed on the Zambian market bearing the name PHARMADOL is paracetamol purportedly manufactured by YASH LIFE SCIENCES LIMITED. The product packaging for the said product and purchase receipt were exhibited and marked “AM2”.
22. Mr. Murugappan contended that there is neither registration of the product aforementioned nor evidence of any licence use or assignment of the said trade mark on the Trade Marks Register. That on the advise of the Applicant’s Agents, Mr. Murugappan verily believes that the use of the trade mark by the said Yash Life Sciences Limited does not therefore constitute bona fide use of the trade mark.
23. It was further deposed that the packaging of the paracetamol product distributed by Yash Life Sciences Limited on the market is packaged in similar red packaging with white labelling just like the Applicant’s registered trade mark PANADO. He alleged that this has caused confusion on the market and occasioned loss of business on the part of the applicant owing to the said similarity. The deponent exhibited and marked “AM3” a receipt given to a customer after purchasing the paracetamol product called PHARMADOL purportedly manufactured by Yash Life Sciences Limited.
24. Mr. Murugappan averred that the premises described in the Counter Statement as the Respondent’s address wherein the alleged manufacturing of the products under the trade mark PHARMADOL is taking place, are under lease and occupied by the Applicant and being used for ware housing.
25. In conclusion, Mr. Murugappan deposed that as confirmed by the Respondent, there has never been legitimate use, licence or assignment of



the trade mark PHARMADOL by the Respondent and that this is a proper case for expungement of the Respondent's trade mark from the Register.

RESPONDENT'S EVIDENCE

26. On the 8th of April 2021, the Respondent filed an affidavit in opposition to the Applicant's Affidavit in support of application for removal of trade mark from the register. The affidavit was deposed by Ismail Ibrahim Patel in his capacity as director of the Respondent Company.
27. Mr. Patel deposed that there has been use of the Respondent's trade mark sought to be expunged by the Applicant for the past 22 years. He contended that the Applicant has not adduced any shred of evidence of its purported wide market inquiry into the use of the Respondent's trade mark.
28. Mr. Patel stated that the Respondent has permitted Yash Life Sciences Limited to use its trade mark even though such licence or permission of the use of the trade mark has not been registered. That for all intents and purposes, the Respondent remains the duly registered proprietor of the trade mark herein.
29. He further deposed that the use of the Respondent's trade mark by Yash Life Sciences Limited amounts to bona fide use of the same.
30. Mr. Patel argued that the Applicant appears to be aggrieved by the use of a trade mark that it does not own. That the Applicant does not have any proprietary or intellectual interest in the trade mark 'Pharmadol' and as such cannot validly ask the Registrar to expunge the trade mark.
31. In Opposition to paragraph 9 of the Applicant's affidavit in support where it was alleged that the packaging of the paracetamol product distributed by Yash Life Sciences Limited is packaged in similar red packaging like the Applicant's 'PANADO' trade mark, Mr. Patel argued that the Applicant



appears to be setting up another case of infringement of its trade mark, which the Respondent denies. He argues that there can never be proprietary or intellectual interest in a colour and as such the Respondent and any other party is at liberty to use or package its products in red packaging.

32. It was argued that the Applicant's loss of business cannot be attributed to the Respondent or any other party's use of red packaging. Further, that the Applicant is trying to eliminate competition and distort the market through the expungement of competitor trade marks.

33. In response to paragraph 12 of the Applicants Affidavit in support, Mr. Patel contended that where the Respondent or its licensees or assigns decide to conduct their business from is not a concern of the Applicant.

34. Mr. Patel deposed that the Applicants application is frivolous and vexatious and the reliefs sought by the Applicant are baseless, malicious and ought to be dismissed.

APPLICANT'S EVIDENCE IN REPLY

35. On 14th June, 2021, the Applicant filed an Affidavit in reply to the Respondent's Affidavit in Opposition, deposed by Mr. ALAGAPPAN MURUGAPPAN.

36. In response to paragraph 5 of the Respondent's Affidavit in opposition, Mr. Murugappan stated that there has been no production and or distribution of any paracetamol product in class 5 under the name PHARMADOL by the Respondent.

37. Mr. Murugappan stated that the contents of paragraph 6 of the Respondent's affidavit are completely false. He emphasised that the Respondent has never assigned nor licenced any other person or entity use of its registered trademark and argued that in any case, any bona fide



assignment or licence of the trade mark ought to have been registered in the trade mark register prior to any use. He further argued that Yash Life Science Limited is neither a bona fide licensee nor assignee, it is not entitled to use PHAMADOL.

38. That while it is indeed true that the Applicant does not own the trade mark named PHARMADOL, its illegal use of the said trade mark by Yash Life Sciences Limited is interfering with its business since the paracetamol products being distributed by the said company are packaged in white and red line packages, a descriptive packaging protected as a trade mark under PANADO, a product manufactured by the Applicant. Mr. Murugappan contended therefore, that the Applicant has a legitimate interest in the expungement of the trade mark No. 42/199 as it is not subject of bona fide use nor is it subject of any lawful assignment or licence.

39. Mr. Murugappan stated that while it is true that the Respondent's place of business is of no concern to the Applicant, it is not true to assert that the Respondent is producing the trade mark named PHARMADOL.

40. Mr. Murugappan affirmed that the Application by the Applicant is legitimate and the relief sought well grounded, it ought to be allowed.

THE HEARING

41. The matter was scheduled for hearing on 20th October, 2022. However, both parties indicated that the said date was not convenient. In order to dispose of this matter expediently, I advised the parties by letter dated 25th October, 2022 that they had the option of proceeding to file written submissions in support of their respective cases. Both parties were agreeable to the proposal.



APPLICANT'S WRITTEN SUBMISSIONS

42. The Applicant gave an introduction of the Applicant company and a brief background to the matter, reiterating some of the contents of its Statement of Case. The Applicant also reiterated the reliefs it seeks and highlighted the contents of the Respondent's counterstatement, the Applicant's affidavit in support, the Respondent's affidavit in opposition and the Applicants reply.
43. The Applicant submitted that it had demonstrated in its Statement of Case and Affidavit in Support, that it is the registered proprietor of the trade mark PANADO, a paracetamol product registered in class 5. That the Applicant manufactures and distributes the said distinctively marked product in Zambia as shown on the Trade Mark certificate exhibited and marked "AM1" in the Affidavit in Support. The Applicant also stated that the Respondent is a registered proprietor of the trade mark PHARMADOL, also a paracetamol product registered in class 5.
44. In support of its application for expungement, the Applicant relies on section 31 of the Trade Marks Act. The Applicant submitted that the Respondent has made no bona fide use of the PHAMADOL trade mark and alleges that it has adduced evidence to the effect that the only product on the market named or marked PHARMADOL, is a paracetamol product produced by Yash Life Sciences Limited.
45. The Applicant contends that the said PHARMADOL is packaged and labelled similarly to the packaging and labelling on PANADO, the Applicant's duly registered product thereby causing confusion in the market. It was further argued that the use of the Respondent's trade mark PHARMADOL by Yash Life Sciences Limited is neither by lawful assignment nor licence nor transmission nor permitted use and consequently there is no bona fide use of the trade mark by the Respondent.



46. The Applicant cited the case of **Re Arnold D. Palmer (1987) 2 MLJ 681** where it was held that:

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 of 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 Marks (1984) 11 RPC7; [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;

47. From the foregoing case, the applicant submitted that it is an aggrieved person for purposes of section 31 of the Trade Marks Act having locus standi to commence this application as its trade mark named PANADO is registered in class 5, the same class as PHARMADOL and both are registered in relation to paracetamol, a pharmaceutical product. That the Applicant is directly affected by the existence on the register of the Applicant's trade mark which is not being used in a bona fide manner by the Respondent.

48. The Applicant averred that in order to sustain a claim under section 31 of the Trade Marks Act, it must be shown that there has been no bona fide use of the trade mark subject of the application. The Applicant submitted that the ***Black Law Dictionary; 8th Edition at page 186***, defines the word 'bona fide' to mean 'in good faith. 1 made in good faith; without fraud or deceit 2 sincere; genuine.' It was submitted that once a trade mark is registered it must be used bona fide by the registered proprietor thereof.



49. Further, that the authors of Black's Dictionary, 8th ed at page 186 describe the words 'Bona fide intent to use' in the following terms:

"A specific, good-faith intention to use a mark in the ordinary course of trade in interstate commerce and not merely to reserve it for later use, as determined by objective circumstantial evidence..."

50. The Applicant further relied on an article written under Roman Law titled **'what constitutes a Bona Fide Trademark use in Commerce?** According to the applicant, Nicole Haff in the article asserts that *"Trademarks are valuable asserts to a company but not all business names, logos and other identifiers are trademarkable. Among the requirements for a valid trademark are that the owner makes bona fide use of the trademark in commerce..."* (Applicant's emphasis).

51. That the said Nicole Haff further asserts that:

'Federal trademark law defines "use in Commerce" as the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. As a result, the trade mark owner must show actual use of the mark, not token or sham use of it. How the mark must be used in commerce varies depending on whether the trade mark is being used for a good or service. Goods must be sold or transported in the ordinary course of trade and the mark generally must be displayed on the items or packaging, unless impracticable, and then on documents associable with the goods or their sale ... ' (Applicant's emphasis)

52. The Applicant referred to paragraph 5 of the Affidavit in Support of the application for expungement, where it was asserted that a market inquiry conducted by the Applicant revealed that there has been no legitimate or



bona fide use of the trade mark named PHARMADOL in Zambia by the Respondent. In this regard, the applicant submitted that it is not sufficient for the Respondent to merely state that it has used or produced goods under the trademark subject of the application. The Respondent should have produced evidence of use of the trade mark in the form of product samples, advertising products and proof of sales of the product. The Applicant argued that the record will show that the Respondent has lamentably failed to produce any evidence that it produces a paracetamol product registered in Class 5 named PHARMADOL.

53. The Applicant relied on the matter of **Re; KURB SIDE**, a matter of determination by the Registrar of Trade Marks of Canada under Registration No. 127,017 of June 26, 1962, filed on October 3, 1958, as S.N 247,655, the Registrar in determining the question of showing use of the trade mark and in considering the Affidavit of the Registrant (Applicant) stated the following;

'An affidavit stating that the mark was in use in Canada does not in my opinion, meet the requirements of the Act. The Affidavit should recite the circumstances of use or non- use of the trade mark in Canada at the date of the notice and, if the mark is in use, a specimen exhibiting the trade mark as used should be submitted with the affidavit.

Invoices and actual labels, containers or displays showing the trade mark as used could be acceptable.'

54. The Applicant submitted that it has demonstrated that there is no evidence of use of the trade mark named PHARMADOL by the Respondent. That through affidavit evidence, the Applicant has shown that the only paracetamol product being produced under the trademark PHARMADOL is that by Yash Life Sciences Limited, a company doing so without registered



assignment, license, transmission or permitted use as required by law. The Applicant claims that the illegal or illegitimate use of trade mark PHARMADOL was only admitted by the Respondent after disclosure of evidence to that effect by the Applicant. The Applicant pointed out that in its initial Counter-statement and Affidavit in Opposition, the Respondent while providing no evidence, claimed that the trade mark has never been licenced or assigned to any third party.

55. The Applicant cited the case of **Westminister Tobacco Co (Cape Town and London) (PTY) Limited V Phillip Morris products S.A., The Registrar of Trade Marks and Philip Morris Brands SARL (925/2015) (2017) ZASCA 10 (16th March 2017)**, stating that the South African Supreme Court of Appeal set the law at paragraph 45 as follows:

*"The concept of bona fide use of a mark has received the attention of our courts on occasions. There is no need to rehearse the jurisprudence in this regard. It Suffices to cite the following passage from the judgment in **AM Moola Group v The Gap**. "The concept of bona fide use has been the subject of a number of judgments also of this Court, and the area need not be traversed again. For present purposes, it suffices to say that "bona fide user",*

"Means a user by the proprietor of his trade mark in connection with the particular goods in respect of which it is registered with the object or intension primarily of protecting, facilitating, and furthering his trading in such goods, and not for some other ulterior object'.

56. Further reference was also made to the case of **Ansul B V v. Ajax Brandbeveiliging BV 2003 (RPC) C-40/01** where the European Court of Justice held as follows:



"Genuine use" must therefore be understood to denote use that is not merely token, serving solely to preserve the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from the other which have another origin..... use of the mark must therefore relate to goods or services already marketed and for which preparations by the undertaking to secure customers are underway, particularly in the form of advertising campaigns.'

57. Further, that in **A M Moolla Group Limited and others V the Gap Inc and others 2005 (6) SA 568 (SCA) paragraphs 5 - 7**, the South African Supreme Court of Appeal held:

'In summary, bona fide use is use of the trade mark in relation to goods of the type in respect of which the mark is registered. The use must be used as a trade mark for the commercial purposes that trade mark registration exists to protect. It must be use in course of trade for the purpose of establishing, creating or promoting trade in the goods to which the mark is attached. The use does not have to be extensive, but, it must be genuine: '

58. The Applicant reiterated that the record, particularly the Affidavit in support filed on behalf of the Applicant, will show that there is no bona fide use of the Respondent's trade mark. The Applicant contended that the question that begs answer is **"does the use of the trade mark PHARMADOL by Yash Life Science Limited constitute bona fide use of the trade mark by the Respondent as required by law?"** It was submitted that on the basis of the authorities cited above, the use of the Respondent's trademark



by Yash Life Sciences Limited being illegal, cannot constitute bona fide use thereof.

59. It was contended that in order to constitute legitimate or bona fide use of a registered trade mark by a third party, there must be proof of compliance with the provisions of Sections 27, 29, 30 and or 33 of the Trade Marks Act. The applicant further contended that whether the use by Yash Life Sciences Limited of the Respondent's trade mark is by way of assignment, transmission or registered/permitted use, it was required that such assignment transmission or registered/permitted use be registered in the Trade Marks Register in order to have the force of law.

60. The Applicant referred to section 33 of the Trade Marks Act in respect of permitted use. It was submitted that the requirement to apply for registration of an assignment, transmission (licence) or permitted use is mandatory as the relevant provisions use the words 'shall' and 'must' in reference to the requirement to apply for registration. To fortify this argument, the Applicant cited the case of **Philip Mutantika, Sheal S. Mulyata v. Kenneth Chipungu; Appeal No. 94 of 2012**, stating that the Supreme Court guided on the effect of provisions of the law couched in mandatory terms such as the proviso to Sections 27(6), 30 and 33(4) of the Trade Marks Act, Cap 401 of the Laws of Zambia. That at page J21 of the judgment in the **Chipungu case** (cited above), the Supreme Court held as follows:

'...Our response is that Rules 70(1) of the SCR and 58(5) as amended by Statutory Instrument No. 26 of 2012 are mandatory. Both provisions are couched in a mandatory manner as each uses the word "shall". The two Rules are therefore, not regulatory as they do not at all give the Court discretionary power



.... Clearly from the above, any breach of Rule 58(5) is fatal to a party's appeal. '

61. The Applicant contended that the failure by the Respondent and Yash Life Sciences Limited to comply with the terms of section 33(4) & (5) of the Trade Marks Act is fatal as there can be no permitted use of a trade mark without registration. That the use of the Respondents mark by the said Yash Life Sciences Limited is therefore illegal, null and void, it cannot therefore constitute bona fide use of the trade mark for purposes of section 31 of the Trade Marks Act.

62. It was further submitted that use of a trade mark is bona fide if it is used to further the commercial interest in the mark of goods identified through evidence as originating from the proprietor of the trade mark. That in the case of **Etraction (PTY) Limited v. Tyrector (Pty) Limited; Case No. 16926/11 and 16926A/11**, the High Court of South Africa in a judgement delivered by Salie-Sameules AJ explaining the basis of the decision to expunge Wechsler's trade mark in the Case of **Broadway Pen Corporation & Another v. Wechsler & Company (Pty) Limited and others (the Everglide case) 1963(3) SA 434 (T)** stated that,

An applicant's claim is only bona fide if he / she/it intends to use the trade mark in respect of his/her/its own goods

The absence of an intention to use the trade mark in respect of its own goods disqualified Wechsler from claiming proprietorship. The phrase "use in respect of its own goods" means that the person must intend to use the trade mark in respect of goods which as a matter of law are regarded as having their origin in him/her/it. This is because the definition of a trade mark in section 2 (1) of the Act requires the person to use the trade mark to distinguish the goods in relation to



which it is used or proposed to be used "or from the same kind of goods...connected in the course of trade with any other person [other than the user]'

There are three forms of trade mark use: affixation to goods, placements of trademarked goods on the market and advertisement of trademarked goods. The relevant use for the establishment of origin is affixation since the affixation of the trademark creates trademarked goods, as a result of which all subsequent users indicate origin in the trade mark proprietor. The Applicant did not affix the trade mark, INFINITY to any goods.

63. The Applicant further cited the case of **Clorox Co. V Salazar, 108 USPQ2d 1083(TTAB 2013)** where it was held that ... “*finding that the applicant had not made bona fide use of its mark in commerce as applicant had not sold or transported goods bearing the mark in commerce as the application filing date.*”

64. In conclusion, the Applicant submitted that there is no product on the Zambian market identifiable as having been produced by the Respondent and bearing the trade mark named PHARMADOL. That the Respondent is therefore not engaging in bona fide use of the said trade mark. Further, that the unlawful use of the Respondent’s trade mark by Yash Life Science Limited is causing confusion in the market with the Applicant’s distinctively identified trade mark named PANADO. The Applicant contends that this is a proper case for this tribunal to invoke its jurisdiction under section 38 of the Trade Marks Act and expunge or remove the Respondent’s trade mark for non-bona fide use and in contravention of sections 27, 29, 30 and or 33 of the Trade Marks Act.



RESPONDENT'S WRITTEN SUBMISSIONS

65. The Respondent's representatives, Tembo Ngulube & Associates, were required to file the Respondent's written submissions within 3 weeks from the date of receipt of the Applicant's submissions. They acknowledged receipt of the Applicant's submissions on the 17th of January, 2023. However, the Respondent's written submissions were not filed within the required timeframe. I will therefore proceed to render my Ruling in this matter based on documents already submitted.

DECISION

66. I have considered the Application for expungement filed by the Applicant and the accompanying Statement of Case, as well as the counterstatement filed by the Respondent. I have further considered the evidence adduced by both parties by way of affidavits filed in support of their respective cases and the submissions filed on behalf of the Applicant.

67. This is a matter in which the Applicant filed an application for removal of trade mark No. 42/1999 'PHARMADOL' in class 5 from the register of trade marks. The Applicant is relying on Section 31 of the Trade Marks Act, Chapter 401 of the Laws of Zambia ("the Act"), which provides as follows:

"Subject to the provisions of section thirty-two, a registered trade mark may be taken off the register in respect of any of the goods in respect of which it is registered on application by any person aggrieved to the High Court or, at the option of the applicant and subject to the provisions of section sixty-four, to the Registrar, on the ground either:



- a) that the trade mark was registered without any bona fide intention on the part of the applicant for registration that it should be used in relation to those goods by him and that there has in fact been no bona fide use of the trade mark in relation to those goods by any proprietor thereof for the time being up to the date one month before the date of the application; or
- b) that up to the date one month before the date of the application a continuous period of five years or longer elapsed during which the trade mark was a registered trade mark and during which there was no bona fide use thereof in relation to those goods by any proprietor thereof for the time being.”

68. Before considering the specific ground(s) for removal of a registered it is important to note that section 31 of the Trade Marks Act requires an Applicant who wishes to challenge a registered mark to show that he/she or it is a person aggrieved. Therefore, I must determine whether the Applicant in this matter has locus standi of being an ‘aggrieved person’ as required by law.

69. In determining whether the Applicant herein is a person aggrieved, I am guided by the English cases of **Apollinaris Company Limited's Application (1891) 8 RPC 137** (“Apollinaris case”) and **Powell's Trade Mark (1894) 11 RPC 4** (“Powell’s case”), where the Courts had occasion to determine who is an aggrieved person for purposes of an application for removal of a trade mark.



70. In the **Apollinaris case**, the court stated that ***“a man in the same trade and who desires to trade in the article in question is prima facie, an aggrieved person...”***

71. In the **Powell case**, Lord Herschell opined that:-

“...whenever it can be shown, as here, that the applicant is in the same trade as the person who has registered the trademark and wherever the trademark if remaining on the register, would, or might, limit the legal rights of the applicant, so that by reason of the existence of the entry on the register he could not lawfully do that which, but for the existence of the mark upon the register, he could lawfully do, it appears to me he has a locus standi to be heard as a person aggrieved.”

72. Further in the said case, Lord Watson observed that:

“any trader is, in the sense of the statute, ‘aggrieved’ whenever the registration of a particular mark operates in the restraint of what would otherwise have been his legal right. Whatever benefit is gained by registration must entail a corresponding disadvantage upon a trader who might possibly have had occasion to use the mark in the course of his business.”

73. Thus, in line with above cited cases the Applicant must show that it is in the same trade as the Respondent and that the Applicant's legal rights may be restricted if the Respondent's trademark remains on the register. As stated in the decision of the Registrar in **Amerex Fire Equipment Zambia Limited v. Universal Fire Fighting Equipment Limited (2018)**, ***“for an applicant to be an aggrieved person “they must show that they have a trading interest in the goods concerned and would therefore suffer damage by the existence of a conflicting mark on the register.”***



74. In the present case, the Applicant has shown in its Affidavit in Support of Application for Expungement, that it is the registered proprietor of the trade mark PANADO, a paracetamol product in class 5 of the NICE Classification of Goods. I have taken note of the certificate of registration for the said mark, exhibited and marked "AM1" in the said Affidavit. Further, the Applicant has asserted in its submissions, that it is a manufacturer and distributor of pharmaceutical products. The Respondent has also asserted in its counterstatement, that it has manufactured and distributed pharmaceutical products in class 5.
75. It is clear from the foregoing that the Applicant is in the same trade as the Respondent, as they both deal in the same goods, namely, pharmaceutical products, among other things.
76. In addition, I have considered the Applicant's affidavit evidence that the packaging of the paracetamol product bearing the trade mark PHAMADOL is packaged in similar red packaging with white labelling like the Applicant's registered trade mark PANADO. The Applicant has exhibited, marked "AM2" the packaging of the PHARMADOL product as well as a purchase receipt. The Applicant has argued that use of the Respondent's trade mark by Yash Life Sciences Limited is illegal and interfering with its business since the paracetamol products being distributed by the said company are packaged in white and red line packages, a descriptive packaging protected as a trade mark under PANADO.
77. I have also considered the averment in the Applicant's application for removal that it applied for registration of the mark 'Pharmado' in class 5, which is an inverted word created by the Applicant by combining the prefix 'Pharma' from the Applicant's name Pharmanova and the suffix 'do' derived from the Applicant's well-known registered trade mark 'Panado'. That the said application for registration was rejected on ground that it conflicts with the Respondents trade mark under contention. I have no doubt therefore



that the Applicant is affected by the existence on the register of the Respondents trade mark.

78. I am alive to the holding in the case of ***Re Arnold D. Palmer (1987) 2 MLJ 681*** that “...*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....*”
79. In the present case however, I am satisfied that the Applicant has a legitimate interest in having the Respondent’s mark removed having demonstrated that there is on the market, a paracetamol product bearing the Respondent’s trade mark, that is packaged and labelled similarly to the packaging and labelling on the Applicant’s registered mark PANADO which may result in the Applicant suffering damage due to confusion in the market. In the ***Apollinaris case*** cited earlier, it was stated that evidence of great and serious damage should not be a condition precedent to the right to apply.
80. In view of the foregoing I find that the Applicant is a person aggrieved and has locus standi to make this application for removal of the Respondent’s trade mark from the register.
81. Having established that the Applicant is a person aggrieved within the meaning of section 31 of the Trade Marks Act, I will now turn to consider the substantive ground of expungement relied upon by the Applicant. According to the Notice of opposition filed by the Applicant, I note that the Applicant is relying specifically on section 31 (b) of the Trade Marks Act, “*that there has been no bona fide use of the said trademark by the registered proprietor in relation to the specification of goods for which it is registered and*



a continuous period of five years or longer has lapsed without such use since the trade mark was registered.”

82. In order for an application made pursuant to section 31 (b) of the Trade Marks Act to succeed, the Applicant must show that up to one month before the date of the application for expungement, there has been no bona fide use of the Respondent’s trade mark for a continuous period of five years or longer from the date of registration of the trade mark. The question is who bears the burden of proof in cases of this nature?

83. In the case of the Court of Justice of the European Union ("CJEU") in **Maxxus Group GmbH v Globus Holding GmbH C-183/21**, the court held as follows regarding the burden of proof in non-use proceedings:-

“the principle under which it is for the proprietor of the mark to prove genuine use of that mark is in reality merely an application of common sense and of a basic requirement of procedural efficacy. It is the proprietor of the mark at issue which is best placed to adduce evidence in support of the assertion that its mark has been put to genuine use”

84. The Court went further and observed as follows:-

It is true that the fact that the applicant, in a given procedure, does not have to bear the burden of proof does not necessarily release that party from the obligation to provide, in its application, a full statement of the facts upon which it bases its claims.”

“However, it is clear from Article 19 of Directive 2015/2436 that an application for revocation of a trade mark on the basis of that provision is founded on the claim that the mark has



not been put to genuine use by its proprietor. Such a claim, by its nature, does not lend itself to a more detailed statement.”

85. The above case clarified that an Applicant for a trademark revocation action on the grounds of non-use is not required to provide evidence of market research concerning possible use of the trademark in question. This ruling was however based on a specific provision of the EU Directive which expressly places the burden of proof on the proprietor. In our case, there are two provisions under the Trade Marks Act, which may render assistance on how this issue may be interpreted. The first one is the proviso to subsection (1) of section 31 which states as follows:

Provided that (except where the applicant has been permitted under subsection (2) of section seventeen to register an identical or nearly resembling trade mark in respect of the goods in question or where the High Court or the Registrar, as the case may be, is of opinion that he might properly be permitted so to register such a trade mark), the High Court or the Registrar may refuse an application made under paragraph (a) or (b) in relation to any goods, if it is shown that there has been, before the relevant date or during the relevant period, as the case may be, bona fide use of the trade mark by any proprietor thereof for the time being in relation to goods of the same description, being goods in respect of which the trade mark is registered. (emphasis mine)

86. The above provision suggests that if evidence of *bona fide use* during the relevant period is available, an application for removal may fail and logically it is the trade mark proprietor who is best placed to procure evidence that a mark was in fact validly used. Furthermore, Regulation 82 of the Trade Marks Regulation provides as follows:-



*“An application to the Registrar under any of the sections thirty-one, thirty-two, thirty-seven or thirty-eight for the making, expunging or varying of any entry in the register shall be made on Form T.M. No. 27, and **shall be accompanied by a statement setting out fully the nature of the applicant's interest, the facts upon which he bases his case and the relief which he seeks...**”*

87. The above provision is consistent with the opinion of the Court of Justice of the European Union in the case above to the effect that an Applicant has an obligation atleast **“to provide, in its application, a full statement of the facts upon which it bases its claims.**
88. In view of the foregoing, my view therefore is that once an Applicant has disclosed its interest and submitted a statement of facts upon which he it bases its claim of non-use, the burden of proving bona fide use shifts to the proprietor. In other words, once the Applicant has established a prima facie case of non bona fide use of the Respondent’s registered trade mark, the evidential burden shifts to the Respondent to adduce evidence of such use.
89. In the present case, the Applicant has submitted through statement of case upon which it bases its claim of non-use. Further, the Applicant has through an affidavit deposed by one Murugappan deposed that premises described in the Counter Statement as the Respondent’s address wherein the alleged manufacturing of the products under the trade mark PHARMADOL is taking place, are in fact under lease and occupied by the Applicant and being used for ware housing. In addition the Applicant’s evidence alleges that the only pharmaceutical product being distributed on the Zambian market bearing the name PHARMADOL is paracetamol purportedly manufactured by YASH LIFE SCIENCES LIMITED. This evidence was not denied by the Respondent. In fact the Respondent appears to admit that YASH LIFE SCIENCES LIMITED is the company that is using



the PHARMADOL trade market. In this respect I find that the Applicant has discharged its obligation to provide a full statement of the facts upon which it bases its claim of non-use. The onus is now on the Respondent to demonstrate that it has made bona fide use of the PHARMADOL trade mark in line with section 31(1).

90. If the Respondent can show me through evidence that there has been during the relevant period, bona fide use of its PHARMADOL trade mark, I may excise my discretion to refuse the Applicant's application as provided in proviso to section 31(1).

91. The question is what constates bona fide use of a mark? In the case of **Ansul BV v Ajax Brandebeveiliging BV, C-40/01**, the mark 'MINIMAX' was registered for fire extinguishers and associated products, however, the owner of the mark had stopped producing and selling fire extinguishers. Ansul only continued to supply components and maintenance services to their customers who had already purchased MINIMAX extinguishers. The Court of Justice of European Union ruled that a mark's use is genuine if it is being used by the proprietor of the mark or a third party with authority to use the mark. The Court went further and opined that *"Genuine use" must therefore be understood to denote use that is not merely token, serving solely to preserve the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from the other which have another origin. use of the mark must therefore relate to goods or services already marketed and for which preparations by the undertaking to secure customers are underway, particularly in the form of advertising campaigns."*



92. The Indian Court in the case of **J N Nicholas Ltd v Rose and Thistle, 1993 (II) CHN 395 (Cal) (DB)** interpreted that ‘use’ does not only mean an actual physical sale; even just an advertisement without actual existence of the goods can be termed as ‘use’ of the mark.

93. I note from the Respondent’s affidavit evidence that the Respondent claims that there has been use of the Respondent’s trade mark for the past 22 years. The Respondent further claims it has permitted Yash Life Sciences Limited to use its trade mark even though such licence or permission has not been registered. That for all intents and purposes, the Respondent remains the duly registered proprietor of the trade mark.

94. I want to agree with the observation made in the Canadian case of **Re; KURB SIDE** cited by the Applicant that “[a]n affidavit stating that the mark was in use in Canada does not in my opinion, meet the requirements of the Act. The Affidavit should recite the circumstances of use or non- use of the trade mark in Canada at the date of the notice and, if the mark is in use, a specimen exhibiting the trade mark as used should be submitted with the affidavit.”

95. In the present case, apart from mere averments that the trade mark PHARMADOL has been in use for over 22 years, no documentary evidence in form of invoices, actual labels or displays showing the trade mark PHARMADOL in use has been presented. However, I have taken note of exhibit “AM2” and statement by the Applicant’s witness that the only pharmaceutical product being distributed on the Zambian market bearing the name PHARMADOL is paracetamol purportedly manufactured by YASH LIFE SCIENCES LIMITED. This evidence was corroborated by the Respondent’s witness who stated the Respondent has permitted Yash Life Sciences Limited to use its trade mark even though such licence or permission of the use of the trade mark has not been registered.



96. Therefore, there is some evidence suggesting that the trade mark PHARMADOL is actually being used. The question is whether such use constitutes bona fide use? The Applicant has argued that such use is illegal and cannot constitute bona fide use. The Applicant further argues that in order to constitute legitimate or bona fide use of a registered trade mark by a third party, there must be proof of compliance with the provisions of Sections 27, 29, 30 and or 33 of the Trade Marks Act. The applicant further contended that whether the use by Yash Life Sciences Limited of the Respondent's trade mark is by way of assignment, transmission or registered/permitted use, it was required that such assignment transmission or registered/permitted use be registered in the Trade Marks Register in order to have the force of law.

97. In the case of **Ansul BV v Ajax Brandbeveiliging BV** cited above, the court observed that a mark's use is genuine if it is being used by the proprietor of the mark or a third party with authority to use the mark.

98. The use of a trademark by a third party with the permission of the proprietor of trademark is described as Permitted use under Trade mark Act. Section 33 (1) of the Trade Marks Act provides that:

“Subject to the provisions of this section, a person other than the proprietor of a trade mark registered in either Part A or Part B of the register may be registered as a registered user thereof in respect of all or any of the goods in respect of which it is registered (otherwise than as a certification or defensive trade mark) and either with or without conditions or restrictions. The use of a trade mark by a registered user thereof in relation to goods with which he is connected in the course of trade and in respect of which for the time being the trade mark remains registered and he is registered as a registered user, being use such as to comply with any conditions or restrictions



to which his registration is subject, **is in this Act referred to as the "permitted use" thereof.** (Emphasis ours)

99. Thus, while Section 33(1) gives a proprietor the choice whether or not to register a third party as a registered user, permitted use only arises where the use of a trade mark by a third party is in relation to goods covered by the registered trade mark and the party is himself registered as a registered user.

100. Further, for purposes of an application for removal of a registered trade mark under section 31, the Act provides as follows under section 33 (2):

“The permitted use of a trade mark shall be deemed to be use by the proprietor thereof and shall be deemed not to be use by a person other than the proprietor for the purposes of section thirty-one and for any other purpose for which such use is material under this Act or at common law”

101. Thus, permitted use by a third party is considered by law to be use by the proprietor of a registered trade mark. In addition section 33 (4) of the Trade Marks Act makes it mandatory for the proprietor of a trade mark and the registered user to apply in writing to the Registrar, for registration of a registered user. It provides that:

Where it is proposed that a person should be registered as a registered user of a trade mark, the proprietor and the proposed registered user must apply in writing to the Registrar in the prescribed manner and must furnish him with an affidavit or a solemn declaration made by the proprietor or by some person authorised to act on his behalf and approved by the Registrar... (Our Emphasis)



102. In the present case the Respondent in its supporting affidavit states that even though it has permitted Yash Life Sciences Limited to use its trademark, such licence or permission has not been registered. In view of foregoing provisions of the Act, it is my considered view that that the use by Yash Life Sciences Limited cannot amount to permitted use as defined under the Act. In other words use by Yash Life Sciences Limited is use by a person other than the proprietor for the purposes of section 31 of the Act and does not therefore constitute bona fide use. I therefore find that the Respondent has failed to prove that it has made bona fide use of PHARMADOL trade mark within the relevant period, that is, for a continuous period of five years up to the date one month before the date of the application for the removal of Respondent's trade mark.

CONCLUSION


103. Consequently, the Application for removal of trade mark No. **42/199 PHAMADOL** in class 5, succeeds. The said trademark is hereby expunged from the register of trademarks on the ground of non-bona fide use as provided under section 31 (b) of the Trademarks Act Chapter 401 of the Laws of Zambia.

104. I also order that the Applicant's trade mark application number 1219/2019 'Pharmado' be re-examined in light of the resulting change on register of trade marks. I am however not able to order the relief sought by the Applicant for an order for the prohibition of the distribution of goods bearing the trade mark PHARMADOL by any other party not being the registered proprietor, as such an order is only available in infringement proceedings before the High Court.



105. Each Party shall bear its own costs. Leave to appeal to the High Court if dissatisfied with this Ruling is hereby granted.

Dated this 29th day of May, 2023



.....
Benson Mpalo
DEPUTY REGISTRAR OF TRADE MARKS

