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DECISION OF THE REGISTRAR OF TRADE MARKS IN THE MATTER OF TRADE MARK OPPOSITION 59/2005 VON EICKEN TRADITIONAL LABEL IN CLASS 34 PURSUANT TO THE TRADE MARKS ACT CAP 401 OF THE LAWS OF ZAMBIA AND TRADE MARKS REGULATIONS THEREUNDER

Between

JOHANN WILHELM VON EICKEN GmbH LTD
APPLICANT

And

BENSON & HEDGES (OVERSEAS) LTD **OPPONENT**

Before Mrs. A.M. Banda-Bobo, Registrar of Trade Marks

For the Applicant : Mr. L. Kalaluka & Ms. F. Kalunga, Ellis & Co.
For the Opponent : Mr. N. Makayi, Christopher, Russel Cook & Co

Cases and Authorities referred to:

Trade Marks Act Cap 401 of the Laws of Zambia
Trade Kings Limited v Unilever & Others (2000) ZLR
Trade Kings Limited v The Attorney General (1999) ZR
Pianotist Company's Application (1906) 23 RPC 774
British Sugar Plc v James Roberson and Sons (1996) RPC 281
Picaro v Picasso (ECJ C-361/04)

This is a matter in which an application for registration of trademark number 59/2005 VON EICKEN TRADITIONAL label in the name of Johann Wilhelm Von Eicken GmbH Ltd (hereinafter referred to as 'the Applicant'), a German

Company, is being contested by Benson & Hedges (Overseas) Limited of the United Kingdom. The Applicant lodged the application on 26th January 2005 and caused it to be advertised on page 234 of the Trade Marks Journal of 25th September 2005. Registration was sought in Class 34 in respect of tobacco and tobacco products, namely, cigarettes, cigars, cigarillos, smoking tobacco as well as other smoker's articles said to be included in Class 34.

In opposing the application, the Opponent contended that it was the registered proprietor of trademarks 169/66 and 137/92 in Class 34 which it had allegedly extensively used in Zambia, through sales, from a date prior to 26th January 2005 when the Applicant filed the application and had thus acquired goodwill. These marks were reproduced in paragraphs 3.1. and 3.2 of the Notice of Opposition filed on 11th April 2006. It was argued in the attached Statement of Case that because of the similarities between the BENSON & HEDGES and the VON EICKEN TRADITIONAL labels, there was likely to be deception and confusion among consumers or the Applicant's trademark would otherwise be disentitled to protection in a court of justice. It was thus the Opponent's case that the Applicant's trademark should be rejected as it is contrary to sections 16 and 17(1) of the Trade Marks Act Cap 401 of the Laws of Zambia.

In response, the Applicant, in a Counter Statement lodged on 14th June 2007, disputed that the two trademarks were similar, contrary to law, morality nor likely to cause confusion. The Applicant averred that the name 'Johann Wilheim Von Eicken' and its crest were clearly depicted on the label and that it was common, in the course of trade, for manufactures of cigarettes and other tobacco products to display their company crests on their packages. A photocopy of the Applicant's label was exhibited as Annexure 'A'. The Applicant added that the VON EICKEN TRADITIONAL label was registered in several countries and the parties' trademarks co-existed in many jurisdictions. A list of 45 countries in which the two marks allegedly co-exist was attached as Annexure 'B'.

The Opponent in turn responded in a Statutory Declaration in Support of Opposition dated 17th December 2007, filed on 21st December 2007, that its trademarks were equally registered in several countries and had been licensed to BAT Zambia which manufactured and sold cigarettes in its packaging. A list of over 86 countries in which the Applicant allegedly uses the mark was attached. The Opponent argued that as a member of the BAT Group of Companies, it had sold and continued to sell the BENSON & HEDGES brand on large scale. An average of 15 billion sticks per annum were allegedly sold globally between 2002 and 2006 while in excess of 13 million sticks were sold in Zambia during the same period.

The Opponent further argued that its advertising and promotional materials had made significant use of the theme of gold associated with a gold pack design. It contended that the Applicant's trademark was similar to its trademark as it used the same colour combination of gold pack with black and red, a similar slightly slanted script and font style for the main name on the pack and that owing to the colour combination and placement, the packs looked alike when viewed from the side containing the barcode.

The Opponent also deposed that registration of the Applicant's trademark in a gold pack with black and red lettering had also been challenged in Nigeria and that if it was registered without limitation on colour, it could be deemed to be registered in respect of all colours and thus used in any colour combination. It was argued that if the mark was used in the manner it had been used in other countries, it would, by reason of the similarities in 'trade dress', deceive or cause confusion in the minds of consumers.

The Opponent also argued that contrary to the Applicant's averments in paragraph 4 of the Counter Statement, the overall configuration, content and appearance of the Applicant's trademark was sufficiently similar to the Opponent's trademark to cause deception and that the Applicant's goods were of

the same character, nature and description as those of the Opponent and would be sold through similar channels.

In reply, the Applicant, in a Statutory Declaration in Support of Application lodged on 4th April 2008, repeated that its products bearing the VON EICKEN TRADITIONAL label co-existed with the Opponent's products bearing the BENSON & HEDGES label. Germany, Djibouti, India, Lebanon, Romania, Somalia and the United Arab Emirates were cited to be among the countries where this was the case. The Applicant argued that its marks were therefore well known internationally. Regarding proceedings in Nigeria, it was contended that they were still pending and save for an interim injunction, no final judgment had been entered. Similarly, no judgment had been delivered in Kenya or India.

The Applicant also argued that besides use of the colour gold, there were no similarities in the 'trade dress' as alleged and that it independently arrived at its label. The Applicant deposed that the golden colour in the background was chosen for purposes of associating the product with exclusivity and that, in any event, there are other cigarette brands that use the colour gold on their packages.

The following were cited as the dissimilarities between the two trademarks: whereas the words BENSON & HEDGES are written in black letters appearing on the top half of the Opponent's package, the Applicant's label is conspicuously written in larger bold red letters in the middle of the pack; the font used in the two trademarks is different; there are no similarities when viewing the respective packages from above or from the side as alleged; and that internationally, the BENSON & HEDGES brand uses different design and colour combinations such as gold and red and gold and blue and that the positioning of the words BENSON & HEDGES is also different.

The Applicant added that the crest on its label was not in any way similar to the Opponent's crest and was differently positioned. It was further argued that use of crests on cigarette packaging was not unique to BENSON & HEDGES. It was thus the Applicant's case that the Opponent's registered trademark did not confer on the Opponent the right to the exclusive use of the colour gold in respect of tobacco and its products.

The Opponent's response in a Statutory Declaration in Reply dated 7th August 2008 and filed on 11th August 2008 was that Mr. Mwenya Lwatula, the Applicant's Counsel, did not produce proof regarding his claim to have received instructions to depose to the Statutory Declaration in Support of Application and that most of his averments and the factual information he deposed to could not possibly have been within his personal knowledge, particularly those in paragraphs 4, 5, 6 and 7 alleging coexistence of the marks in several countries, proceedings in Kenya, sales figures of the VON EICKEN TRADITIONAL label and the background to the Applicant's use of the colour gold. The Opponent consequently prayed that paragraphs 4, 5, 6 and 7 be struck out.

The Opponent also argued that it has opposed the Applicant's trademark in countries where it was able to and that opposition proceedings had been commenced in some of the countries the Applicant claimed to have registered its trademark – that consequently, the marks cannot be said to coexists and, if anything, this is irrelevant to the application. It was also deposed that contrary to the Applicant's contention, the only reasonable inference to be drawn, as deposed in paragraph 17 of the Statutory Declaration in Support of Opposition, is that the VON EICKEN TRADITIONAL label was not arrived at independently but is rather an imitation of the BENSON & HEDGES label. It was thus the Opponent's case that claims of other cigarette brands using gold were irrelevant and not supported by evidence.

The parties also made oral submissions at a hearing held on 14th July, 2009. Both indicated their desire to rely on the affidavits and other documents filed in this matter. Mr. Kalaluka, for the Applicant, reaffirmed that the Applicant's mark was arrived at independently and as such not in anyway similar to the Opponent's mark. He stated that perusal of the Opponent's arguments revealed that the main concern was the use of the colour gold. He submitted that registration of a trademark does not confer exclusive rights to the use of a colour. Consequently, he argued, there was no proprietary interest in the colour gold to which the Opponent could lay claim. He repeated that the two marks were not similar at all and had in fact co-existed in several countries. He thus prayed that the application be granted.

Mr. Makayi, for the Opponent, responded that the Opponent had gone to great lengths, in its affidavit, to show cause why the Applicant's application should be denied. While conceding that exclusive rights could not be acquired in respect of colour, he argued that the appearance or get-up of the Applicant's mark was so similar that it was likely to deceived or cause confusion or otherwise to consumers. He submitted that even if the marks did co-exist in other jurisdictions, this Trade Mark Office had previously held that co-existence in other jurisdictions was not binding upon it. He added that the Opponent had gone to great lengths to show the similarities in get-up and also that its mark had been used in other jurisdictions. He cited use of the colours gold and red as some of the similarities. In Mr. Makayi's view, that is what the Opponent seeks to protect.

He further explained that BENSON & HEDGES had existed since 1926 and was known by the manner of the red packaging. It was thus his submission that given its use of the red and gold, the VON EICKEN TRADITIONAL label was bound to lead to confusion if allowed. Accordingly, he submitted that the application be dismissed. He urged, in the alternative, that this office alter the Applicant's mark in a manner that avoids confusion. He prayed that in the event that the Registrar

allowed the application, due consideration should to be given to certain aspects of the application.

Mr. Kalaluka, in response, submitted that it was clear from Mr. Makayi's submissions that the main concern was the colour gold and red. In view of this, he reiterated that trademark registration did not confer exclusive rights in respect of colour. He referred me to paragraph 7 on page 2 of the Applicant's Statutory Declaration where he said the dissimilarities between the two marks were itemised. Ms. Kalunga, also for the Applicant, further argued in relation to appearance and get-up that there was no likelihood that an average consumer could be confused. She thus opposed the suggested alteration of the Applicant's mark.

On the mode or channel of distribution, Ms. Kalunga submitted that the products in question, cigarettes in general, were usually not displayed on the shelf but sold over the counter. She argued that this being the case, consumers would be expected to request for the preferred brand as opposed to being influenced by colour. She added that sale of cigarettes in individual packets could also not be ruled out. As regards the alleged registration of the Opponent's mark in other jurisdictions, she contended that applications in other countries were inconsequential. Ms. Kalunga maintained that no confusion was likely even if the Applicant's mark was not altered as the two marks were different in every aspect, be it phonetically or conceptually.

I am indebted to Counsel on both sides for their valuable submissions. I must indicate that in addition to affidavit evidence and the oral arguments, we made our own inquiries with BAT Zambia Plc, the licensee of the BENSON & HEDGES brand as well as other relevant players in the Zambian cigarette industry. I will be making reference to our findings in the course of my decision. The issue, in my view, is whether registration of the VON EICKEN TRADITIONAL label would result in an average consumer confusing it with the BENSON & HEDGES label

or would otherwise be disentitled to protection in a court of justice. A subsidiary issue relates to the admission of some of the affidavit evidence and/or facts deposed by the Applicant's advocate.

The Opposition is founded on sections 16 and 17(1) of the Trade Marks Act Cap 401 of the Laws of Zambia. Section 16 provides:
'It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice or would be contrary to law or morality, or any scandalous design'.

Section 17 (1) in turn provides:
'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 same goods or description of goods, or that so nearly resembles such a trade mark as to be likely to deceive or cause confusion.

Undoubtedly, the marks in contention relate to identical goods in Class 34, namely, tobacco and tobacco products. According to registration certificates issued by this office dated 23rd March 1967 and 8th November 1993, the Opponent is the registered proprietor of BENSON & HEDGES labels number 169/66 and 137/92 in respect of '...tobacco whether manufactured or unmanufactured...' and 'cigarettes, tobacco, tobacco products, smoker requisites, lighters and matches', respectively.

It is settled at common law that whereas similarity in the labels is the prime consideration, regard should be had, when determining likelihood of confusion, to all the circumstances of the case. In Pianotist **Company's Application (1906)** 23 RPC 774, Lord Parker held that when determining the similarity of words in

trademarks, consideration should be given to how the words look and sound; the goods to which the marks are to be applied; the nature and kind of customers who would be likely to buy those goods; the surrounding circumstances; and what was likely to happen if each of those trademarks was used in a normal way as trademarks for the goods of the respective owners of the marks.

Similarly, in **British Sugar Plc v James Roberson and Sons (1996)** RPC 281, Jacob J. was of the view that the following factors should be taken into account: the uses of the respective goods; the users of the goods; their physical nature; the trade channels through which the goods are marketed; the respective locations of the goods where the goods are sold in the supermarket; and, whether the two products or goods are rivals in the same market.

Our Supreme Court has equally had the opportunity to provide guidance on the issues to be taken into account. Ngulube CJ, as he then was, in delivering the majority decision in the case of **Trade Kings Ltd vs Unilever and Others**, SCZ Judgment No. 2 of 2000 reported at page 16 of the Zambian Law Report edition of 2000, stated, inter alia:

> 'It would of course be unpardonable for any court to assume that the average Zambian consumer is some kind of a retard as suggested by some of the affidavits. Indeed, in considering issues of get-up for example, a good summary is given in Wadlow's 'The Law of Passing Off' at paragraph 6.54 on page 433-4 which reads-"A comprehensive summary of the issues involved in cases turning on get-up was given by Bryne J. in Clarke v Sharp (3) – "First, it must always be kept in mind that the actual issue is, not whether or not the judge or members of the jury determining it would, or would not, have personally been deceived, but whether or not, after hearing the evidence, comparing the articles, and having had all the similarities and dissimilarities pointed out, the true

conclusion is that the ordinary average customer of the retail dealers is likely to be deceived'.

The Chief Justice then went on to quote with approval the following extract from Wadlow's 'The Law of Passing Off':

'It is necessary to consider the nature of the article sold, the class of customers who buy, to remember that it is a question of likelihood of deceiving the average customer of the class which buys, neither those too clever, nor fools; neither those over careful, nor those over careless. One must bear in mind the points of resemblance and the points of dissimilarity, attaching fair weight and importance to all, but remembering that the ultimate solution is to be arrived at, not by adding up and comparing the results of such matters, but by judging the general effect of the respective wholes...Another matter of vital importance to be considered is whether there is, or is not, some essential point of difference or resemblance which overcomes or establishes the effect of other points of resemblance....but the ultimate decision must be come to, having regard to all considerations, as a matter of judgment on a question of fact'.'

Whereas some of the above cases dealt with word marks, the principles enunciated therein apply to all trademarks. It is evident, in particular, that the nature of consumers of a particular product and how they purchase a particular product are essential. The guidance of the European Court of Justice in the case of **Daimler Chrysler's Application for PICARO vs PICASSO** ECJ C-361/04, though merely persuasive, is insightful on the latter point.

The court held that account must be taken, for purposes of assessing likelihood of confusion, of the level of attention of the average consumer at the time when he prepares and makes his choice between different goods. The estate of Pablo

Picasso, in this case, filed an opposition to Daimler Chrysler's application for the mark PICARO in respect of vehicles, arguing that the mark was confusingly similar and covered goods similar to those of the estate's earlier trademark, PICARO. The opposition was however rejected, leading up to an appeal to the ECJ which also rejected it. The ECJ reasoned that in view of the nature of goods concerned and in particular their high price and technological character, the degree of attention paid by the customer would be vey high, thereby avoiding any likelihood of confusion between the respective marks.

In **Trade Kings Limited v The Attorney General** (1999) ZR p 53, the Zambian High Court appeared to be of the view that consideration should equally be given to the proportion of the relevant consuming public that may be confused. The Appellant in this case appealed against the decision of the Registrar of Trade Marks not to register YEBO as a trademark on grounds that it was confusingly similar with EBU, which was already registered. Silomba J. allowed the appeal and quashed the Registrar's decision on grounds, inter alia, that whereas the pronunciation of 'YEBO' by Ngoni speaking people could result in some confusion, they were a minority and their effect was therefore limited in proportion to the entire Zambian population. The Judge had the following to say: -

> 'The test to be used in deciding the similarities or dissimilarities between two words or marks was whether the ordinary sensible members of the public would be confused by the use of the two marks...YEBO though it is a Ngoni word the manner it is pronounced by the Ngoni would be of no relevance in view of the limited influence the Ngoni language has on the Zambian public. In my view, the key letters in YEBO that are likely to distinguish the mark from EBU are 'Y' at the beginning and 'O' at the end. In this regard the ordinary sensible Zambian would, in his or her pronunciation of the word YEBO, tend to fuse Y and E into 'YEE' and 'B' and 'O' into 'BOO'. The result would be that trademark YEBO would be

pronounced as YEEBOO which is phonetically different from the trademark EBU'.

As I can see, no assertions have been made regarding existence of phonetic similarities. Clearly, it is inconceivable how, phonetically, the VON EICKEN TRADITIONAL label and the BENSON & HEDGES label could lead to confusion or deception of consumers. In apparent recognition of this fact, the Opponent relies on alleged similarities in the overall configuration, content and appearance of the two labels as well as the use of a crest. Specifically, the similarities are said to emanate from use of an identical gold color, slightly slanted script and font style for the main name of the mark and use of the same colour combination of gold, black and red.

Apparently, the prominent feature on the Applicant's label is the word 'TRADITIONAL'. It is probably on account of this that the Opponent constantly referred to the Applicant's trademark as the 'TRADITIONAL' label in its documents. I had occasion to compare the actual labels availed to me by the parties and I must start by pointing out that the Opponent's label is different from the labels it reproduced in paragraphs 3.1 and 3.2 of the Notice of Opposition, which are the registered versions. Whereas the words 'BENSON & HEDGES' are inscribed at the bottom on the labels we registered, they are at the top on the Opponent's cigarette packet. Further, the latter does not contain the words 'B' and 'H' as is the case with the labels registered with us. It would appear, as argued by the Applicant, that the Opponent uses several versions of the label.

I must state that protection is confined to the exact representation of the registered mark. It cannot be altered by the registered proprietor as and when it is deemed fit. Section 40 of the Trade Marks Act is quite clear on the procedure to be followed in altering a mark. Section 40(1), in particular, provides that any alteration must be notified and approved by this office. Only them can it enjoy protection. The said section 41(1) stipulates: -

'The registered proprietor of a trademark may apply in the prescribed manner to the Registrar for leave to add to or alter the trademark in any manner not substantially affecting the identity thereof, and the Registrar may refuse leave or may grant it on such terms and subject to such limitations as he may think fit'.

Our records show that no application was ever made.

Be that as it may, a comparison of the registered labels in our custody and the VON EICKEN TRADITIONAL label reveals that the word 'TRADITIONAL' is inscribed in the middle of the pack and in a font large enough to be visible from a reasonable distance, while the words 'BENSON & HEDGES' are at the bottom. It seems inconsequential that the word 'TRADITIONAL' is slightly slanted and of a font similar to that of the words 'BENSON & HEDGES.'

Further, whereas the 'BENSON & HEDGES' packaging has a crest in the middle and the words 'B' and 'H' at the top end as aforesaid, which letters were in fact disclaimed and thus non-trademark matter, the crest on the VON EICKEN TRADITIONAL label is at the top end. I must add that this crest is somewhat different from that on the Opponent's label. I am not persuaded that use of the crest is bound to lead to confusion. I note in this regard that Counsel for the Opponent did not pursue this argument at the hearing.

Similarly, I doubt that similarities on the sides of the packets would substantially influence consumers as one would expect the front view of the cigarettes packs to face potential consumers. The only other prominent feature on the Applicant's label are the words 'VON EICKEN' and the inscription 'premium virginia blend filter king size cigarettes' in a rather much smaller font than the words 'VON EICKEN'. My view is that confusion between the labels could perhaps only arise from use of a similar background combination of the colour gold.

While I agree with Counsel for the Applicant that exclusive rights can not be acquired in respect of a particular colour, it is possible to claim exclusive rights to colour in combination with some other trademark matter. The issue, as I perceive it, in fact, is the use of the background colour gold in combination with the other trademark matter. I should point out, however, that if the 'BENSON & HEDGES' label that was made available to me is anything to go by, the gold used is not exactly the same as that on the VON EICKEN TRADITIONAL label. There is a slight variation albeit not sufficient to completely avert any possible confusion. One is darker.

But further and perhaps more importantly, neither of the labels that were lodged by the Opponent were in colour. In contrast to trademark 21/67 DUNHILL, for example, which was initially registered in the name of Alfred Dunhill Ltd but currently being marketed by the Opponent's licensee, BAT Zambia, which label was depicted in the colours red and gold, the marks upon which the Opponent relies for this opposition were in 'black and white'. As a matter of fact, the same applies to the Opponent's mark. In relation to the effect of limitation as to colour or absence thereof, section 21 provides: -

'(1) A trade mark may be limited in whole or in part to one or more specified colours, and in any such case the fact that it is so limited shall be taken into consideration by the Registrar, or by the High Court in the event of an appeal from a decision of the Registrar, in deciding on the distinctive character of the trade mark.

(2) If and so far as a trade mark is registered without limitation of colour, it shall be deemed to be registered for all colours'.

It must be noted, to start with, that Part IV under which the above provision falls relates to 'registrability and validity of registration'. Accordingly, it is concerned with qualifications for registration. My interpretation of section 21 is that where no

limitation of colour is made, the assumption, for purposes of assessing the distinctiveness of a mark, is that it is to be used in any colour. Such use does not however confer exclusive rights in respect of the several colours in which it could be used. On the other hand, a specification or limitation on colour signifies an intention to enjoy exclusive rights to the particular colour and it is this fact that ought to be taken into account under subsection 1. It follows from the foregoing that the Opponent has no exclusive rights to the gold background. Consequently, it can not exclude others from its use.

At the risk of appearing academic, let me add that even if the Opponent had exclusive rights to the gold background as depicted in the label it made available to me, similarity in marks, as earlier indicated, does not necessarily entail that the relevant consuming public would confuse the products concerned. The similarity ought to be confusing. As can be distilled from the authorities above, the other circumstances surrounding the marks should be taken into account. The products in question should be looked at in their own merits. Regard should be had to their peculiarities. It is essentially a question of the effect that registration would have on the relevant market or consumers.

In the instant case, therefore, I am obliged to give consideration to the cigarette industry in Zambia and in particular the Benson & Hedges in comparison with the VON EICKEN TRADITIONAL brands. According to Mr. Benedict Mwila, British American Tobacco (Z) Plc Company Secretary and Finance Director, BAT Zambia commands 95% of the legal tobacco market (i.e. excluding counterfeited and smuggled cigarettes) and 80% of the market including illicit trade. Its brands are Pall-Mall Consulate, Peterstyvesant, Safari, Dunhill and Benson & Hedges. There are also a few other competing brands on the market. Pall Mall accounts for approximately 65-70% of its sales, Peterstyvesant 25%, Safari 6% and Dunhill 1.5%. Benson & Hedges has not been sold since 2006. The 2007 BAT Zambia annual report puts the share of Consulate Menthol (Pall Mall Consulate) at 70% and illicit trade at 1% of the total market. The Company has since

completely abandoned production locally and resorted to importation of all its brands.

Our findings reveal that the Zambian cigarette market is segmented. BAT Zambia categorises cigarettes into three, namely, low, medium and premium brands. A 2009 publication by the BAT Group of Companies entitled 'British American Tobacco – About Us 2009' states on pages 9 that its portfolio of around 300 brands is well balanced across price points and distinct consumer segments, namely, international brands, premium, lights and adult smokers aged under 30. The lower and medium brands, according to BAT Zambia, usually have a 'soft cap' (softer packaging material) while the superior brands are packaged in 'hinge-lid' material. The raw material used to make the cigarettes packaged in the latter material is also superior to brands on the lower end. Peterstyvesant, for example, is said to be in two versions, one with a 'soft cap', which is cheaper, and another with a 'hinge-lid'. The recommended price for the different brands increases with the class. At the time of inquiry, the recommended price for Dunhill, a superior brand, was said to be K 400 per cigarette stick, K 300 for Pall-Mall and K 250 for Safari.

Benson & Hedges, it was suggested, would fall somewhere between medium and premium brands. Apparently, it has a hinge-lid. Given its absence from the Zambia market for three consecutive years, it is obvious that it commands a very small market, if at all it retains any. Based on sales percentages for the different brands, I doubt its share would be anything more than 1% of cigarette smokers. It is not a 'mass consumed' product. Unlike Pall Mall Consulate, for example, it is an international brand targeted at a particular class. As a matter of fact, our inquiry revealed that when Benson & Hedges was founded in 1873, it was meant to be producing cigarettes for the then Prince of Wales, Albert Edward and would appear to have retained its superior status. Thus, if it still enjoys a market, it should be a dedicated superior niche market similar to that of Dunhill. In view of

the facts above, I find the Opponent's claims of huge Benson & Hedges sales in Zambia difficult to believe.

Whereas the Tobacco Board of Zambia and the Tobacco Association of Zambia indicated that their primary role ends with tobacco, Mr. Abiton Phiri, Senior Inspector at the Tobacco Board of Zambia was of the view that consumers of tobacco products such as cigarettes are influenced largely by flavor. My inference is that smokers are loyal to brands. The 2009 BAT Group publication referred to above would seem to corroborate this view as it states on page 17 that smokers prefer different tastes and strengths. Arising from the foregoing, it seems reasonable to presume that an average smoker is likely to have personal preferences or accustomed to certain cigarette brands as opposed to relying on the label in choosing a cigarette. In selecting a cigarette, therefore, he or she is likely to be influenced more by the brand name as opposed to the appearance of the packaging.

My view on the loyalty of smokers to cigarette brands would also seem to be corroborated by BAT Zambia Plc Managing Director. He stated on page 8 of the 2007 annual report with regard to the Company's migration from Consulate Menthol brand to Pall Mall Consulate: -

> 'Post the Pall Mall Consulate launch, feedback indicates that the migration and brand name have been accepted by both the consumers and traders. This is so as Pall Mall Consulate has taken on the footprint of Consulate i.e. distribution and sales volumes have remained strong....This is also an indication that we have managed to retain at least 95% of the Consulate brand smokers with the Pall Mall Consulate brand post the migration process'.

Obviously, the company's advertising must have played a role in the retention of Consulate Menthol smokers. The point I wish to underscore,

however, is that loyalty to the Consulate brand arising from its attributes played a principle role.

As observed above, BENSON & HEDGS is neither a local brand nor a mass consumed cigarette. In my view, therefore, its average consumer is more sophisticated than a 'Pall-Mall Consulate' consumer, for instance. These are persons who must be acquainted with it, perhaps from countries where it is consumed en-mas'. Accordingly, irrespective of the mode of sale, I would expect such consumers to be in a position to differentiate it. If anything, unlike Consulate Pall Mall, for example, which could be sold in groceries, public markets and streets, among other places, I would expect it to be sold in a few selected places and, as argued by Counsel for the Applicant, most likely over the counter.

For those sold through self service arrangements such as supermarkets, I would expect, as earlier indicated, that the consumer would be in a position to identify it. Whereas a cigarette smoker may not be as careful when purchasing a cigarette as one buying spares for an aero-plane, for example, the import of the holding in the **Daimler Chrysler Application** is that the question whether the purchase of a product is a conscious decision should be taken into account.

Before concluding, let me address myself to the Opponent's contention regarding the admissibility of some of the evidence or facts deposed by the Applicant's Counsel. I wish to start by indicating that opposition proceedings before the Trade Marks Registrar are less formal than say those before the courts of law. The rules of procedure and evidence, in particular, are somewhat relaxed. Further and more importantly, it is well settled that although, as a general rule, a witness should depose to facts within his/her personal knowledge, there is an exception in respect of information communicated to him which he/she believes to be true and discloses the source.

Thus, notwithstanding the alleged absence of proof, it seems reasonable to assume that Counsel based his Affidavit on representations of his client. In fact, Affidavits filed in opposition matters take a slightly different format from those filed in the courts of law. It is also imperative, in addressing this question, to be alive to the fact that, unlike in court, parties to opposition proceedings have no opportunity to tender oral evidence, be it on oath or otherwise. Thus, it is inevitable that there would be some departure from established procedure.

Having considered both labels in contention, the nature of the Zambian cigarette market, the local market share and target market of the 'BENSON & HEDGES', among others, I am satisfied that even if both labels had the gold background as reflected on the labels submitted by the parties, confusion is unlikely or would be so minimal. But as earlier stated, the Opponent can not claim exclusive rights to the gold background as that was not the representation registered with us. I therefore dismiss the opposition. I nonetheless order each party to bear its cost of and incidental to this opposition. Either party is at liberty to appeal to the High Court if dissatisfied with the decision herein.

DELIVERED THIS 7th DAY OF AUGUST 2009

A.M. Banda-Bobo (Mrs)

REGISTRAR

REPUBLIC OF ZAMBIA
PATENTS AND COMPANIES
REGISTRATION OFFICE
07 AUG 2009
OFFICE OF THE REGISTRAR OF
COMPANIES AND BUSINESS NAMES
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VERBATIM RECORD OF PROCEEDINGS AT THE HEARING IN THE MATTER OF TRADEMARK APPLICATION NO. 59/2005 VON EICKEN TRADITIONAL LABEL IN CLASS 34 IN THE NAME OF JOHANN WILHELM VON EICKEN GmbH AND OPPOSITION THERETO BY BENSON & HEDGES (OVERSEAS) LTD HELD BEFORE MRS. A.M. BANDA-BOBO THE REGISTRAR OF TRADEMARKS ON 14TH JULY 2009

For the Applicant : Mr. L. Kalaluka & Ms. F. Kalunga - Ellis & Co

For the Opponent: Mr. N. Makayi - Christopher, Russel Cook & Co.

The hearing was called to order at 10:17 hours.

Registrar — I would like to welcome you all to this hearing in the matter of trademark application number 59/2005 pertaining to an application by Johann Wilhelm Von Eicken for trademark Von Eicken Traditional label in Class 34 and opposition thereto by Benson & Hedg es Ltd. This matter is before us to hear the opposition.

May I have on record Counsel appearing for the parties...

Mr. Kalaluka — L.Kalaluka from Ellis and Co. appearing with Ms. F. Kalunga, also from Ellis & Co., for the Applicant. We also have a student from ZIALE to observe proceedings.

For the Opponent we have Mr. N. Makayi from Christopher, Russel Cook & Co.

Registrar — As indicated, this matter concerns the Von Eicken Traditional label in Class 34. When the application was lodged with this Office, the necessary processes were followed and an opposition was later filed. Necessary documents were filed and this is what brings us here. I assume parties will speak to the affidavits. If there is need for clarification, we will do so as and when need arises. We are quite flexible as our proceedings are informal...

Mr. Kalaluka — We wish to rely on the statutory declaration and form of counterstatement which were filed by the Applicant. The gist of our application is that the Applicant's mark was arrived at

independently and, as such, it is not in anyway similar to the Opponent's mark. Perusal of the Opponent's arguments clearly indicate that the Opponent takes issue with the Applicant's use of the colour gold. Our submission is that a trademark does not confer any exclusive rights to use of a colour and as such there is no proprietary interest in the colour gold to which the Opponent should lay claim.

Perusal of both parties brand names and packaging clearly show that the two are not similar at all. In fact, the two brand names have been used and have co-existed in several countries.

We therefore pray that this application be granted.

We are obliged.

Registrar — Thank you very much for your submissions. Mr. Makayi?

Mr. Makayi — My lady, the Opponent also filed a statutory declaration and statement of case which gives the gist of the case. The Opponent has gone to great lengths in the affidavit to show cause why the Applicant's application should be denied. Indeed, we do agree that one can not have exclusive rights to a colour. It is nonetheless our submission that the appearance or get-up of the Applicant's mark is so similar that it is likely to deceived or cause confusion or otherwise, to consumers.

My lady, indeed, perhaps, these marks do co-exist elsewhere, but there has been ruling from this office that co-existence in other jurisdictions is not binding. In our affidavit, we have gone to great lengths to show that the Opponent's mark has been used in other jurisdictions and have shown similarities in get-up. The manner in which the gold is used... will ultimately confuse the consumer. That is what we want to protect.

Your honour, Benson & Hedges is a label that has existed since 1926 and is known by the manner of the red packaging. It is thus our submission that if the traditional label is allowed, it would lead to confusion in light of the red and gold of the Benson Hedges label. It is thus our humble submission that the application for registration of trademark 59/2005 be dismissed.

Alternatively, the Trademark Office does have power, for lack of a better term, to adjust a mark to avoid confusion. We therefore

pray that in the event that the Registrar allows the application, due consideration must be given to aspects of the application.

Registrar Any particular aspects of the label you are uncomfortable with...

Mr. Makayi My client does not want to stifle competition, but would like to have the Applicant's mark amended...

Mr. Kalaluka We are grateful that counsel has stated that the main issue is the gold and red. As such, we wish to reiterate that a trademark does not confer exclusive rights on colour. We wish to refer this tribunal to page 2 of the Applicant's statutory declaration, in particular, page 7. Without necessarily reading it, I just want to say, in paragraph 7, we have set out the many dissimilarities between the two marks.

I will end here and ask my colleague if she has anything to add...

Ms. Kalunga In addition, on the argument by the Opponent regarding appearance and get-up, we submit that it is unlikely to confuse the average consumer and therefore we would oppose the alteration of the Applicant's mark. On the mode or channel of distribution, we submit that the products are usually not displayed on the shelf but sold over the counter.

Registrar Let me understand you clearly counsel. Are you referring to sale of the product.. is it generally for all tobacco products...

Mr. Makayi In philosophy we were told that there is nothing general...(Mr. Makayi interjects).

Ms. Kalunga Generally, they are sold over the counter. As such, consumers will ask for the brand as opposed to being influenced by colour. And this should not rule out the possibility of selling cigarettes per stick as opposed to a packet. We further submit that even if the Opponent's mark has been registered in other countries, what happens in other countries does not affect this office. We therefore maintain that if this application is allowed in the form it is, without alteration, there would be no likelihood of confusion with the Opponent's label, as the two trademarks are different in every

aspect. Visually, they are different as explained in the statutory declaration. And there is no similarity in sound nor is there conceptual similarity.

Much obliged.

Registrar — There were questions I was going to ask but most have been answered ... Unless counsel for the Opponent wants to respond...

Mr. Makayi — I think, my lady, the affidavits are quite elaborate.

Registrar — This matter has been outstanding for some time. I am therefore grateful that we have been able to conclude it. It has always been our intention to dispose of it, quickly. We should be able to deliver our decision in 30 days, by 14th August. I must add that either party will have the right to appeal to the High Court under sections 23(6) and (7) of the Trade Marks Act Cap 401 of the Laws of Zambia should they not be satisfied with the decision of the Registrar.

Mr. Kalaluka — I don't know whether the Registrar has the labels (Mr. Kalaluka hands over the Von Eicken Traditional label to the Registrar).

Registrar — I am really grateful and I wish to call this hearing to a close.

Hearing ended at 11: 10 hours.

A.M. Banda-Bobo (Mrs)

REGISTRAR OF TRADEMARKS