

8

DECISION OF THE REGISTRAR OF TRADE MARKS IN THE MATTER OF APPLICATION FOR EXPUNGEMENT FROM THE REGISTER OF TRADEMARKS 775-778/95 CLOVER AND CLOVER LEAF LOGO IN CLASSES 29 AND 32; THE MATTER OF POSSIBLE OPPOSITION TO TRADEMARK APPLICATION NO. 166/07 IN CLASS 30; AND THE MATTER OF APPLICATION FOR EXPUNGEMENT FROM THE REGISTER OF TRADEMARKS 346-7/98 IN CLASSES 4 AND 29 PURSUANT TO THE TRADE MARKS ACT CAP 401 OF THE LAWS OF ZAMBIA AND REGULATIONS THEREUNDER

Between

LEE YEAST LTD

And

CLOVER SA LTD

Before Mr. Anthony Bwembya, Acting Registrar of Trade Marks



APPLICANT

RESPONDENT

For the Applicant : Mr. M. Muchende of Messrs Dindi & Company

For the Opponent : Ms. Amanda Theotis and Mr. Joseph Sianyabo of
Messrs Theotis Mataka & Sampa Legal Practitioners

Cases and Authorities referred to:

Trade Marks Act Cap 401 of the Laws of Zambia

Trade Kings Limited v The Attorney General 1999 ZR 53

Trade Kings Ltd vs Unilever and Others, SCZ Judgment No. 2 of 2000 ZLR 16

British Sugar Plc v James Roberson and Sons (1996) RPC 281

Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd (1978) 2 NZLR 50 (CA)
(New Zealand)

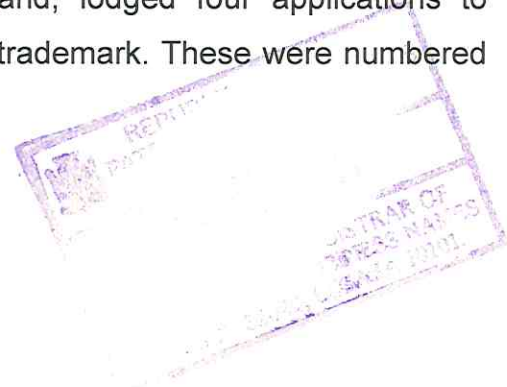
Trademark Opposition 65/2009 Yoyo Foods Limited v Eustace Spaita Bobo
Osborne's Concise Law Dictionary (8th Edition) by Leslie Rutherford and Sheila Bone

A tale of confusion: how tribunals treat the presence and absence of evidence of actual confusion in trade mark matters' (2001) VUWL Rev 5 by Paul G. Scott

This application involves three matters: (i) the application by Lee Yeast Zambia Limited (hereinafter called 'the Applicant'), a Zambian Company, for expungement from the trademarks register of trademarks 775-778/95 CLOVER & CLOVER Leaf Logo registered in the name of Clover S.A. Ltd of South Africa (hereinafter called 'the Respondent'); (ii) an opposition by the Applicant to the registration of trademark 166/07 CLOVER in class 30 in the name of the Respondent; and (iii) an application by the Respondent for expungement from the trademarks register of trademarks 346-347/98 CLOVER BRAND & LEAF Logo registered in classes 4 and 29 in the name of the Applicant.

The facts and sequence of events in this application are that the Applicant lodged an application for registration of the CLOVER Logo as a trademark on 28th October, 1994, which application was numbered 455 of 1994 (455/94). The mark was subsequently registered on 27th October 1999 in class 30 in respect of coffee, tea, cocoa, sugar, rice, coffee substitutes, flour and cereal preparations, bread, biscuits, cakes, pastry, honey, yeast, baking powder, salt, mustard, pepper, vinegar, spices and rice. Evidently, the mark took almost 5 years to be registered.

On 19th December 1995, before the Applicant's 455/94 CLOVER Logo was registered, the Respondent, on the other hand, lodged four applications to register CLOVER & CLOVER Leaf Logo as a trademark. These were numbered

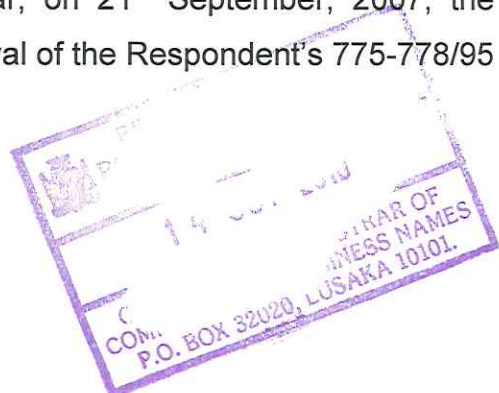


775-778/95 and registered on 3rd and 4th September 1998, respectively. The marks were registered in classes 29 and 32 and covered 'fresh milk, buttermilk, yoghurt, acid milk, cream, butter, cheese, cottage, cheese and all other dairy products; simulates for all the foregoing and powdered dairy products; creamers; eggs; and condensed milk included in class 29' (in class 29) and 'mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages included in class 32' (in class 32).

On 18th June 1998, before its prior mark was registered, the Applicant lodged two further applications for registration of the CLOVER Logo, this time in classes 4 and 29. These were numbered 346-347/98. Trademarks 346-347/98 were subsequently registered on 29th November 1999 in respect of 'edible oils and fats' (in class 29) and 'methylated spirit' (in class 4). On 18th November 2003, however, the Respondent applied to have trademark 346/98 CLOVER Logo removed from the register. A counterstatement was filed in response to the application for expungement but the Respondent never pursued the matter further thereafter.

The Respondent alleged that the Registrar erred in registering the mark in the face of the Respondent's prior 775-8/95 CLOVER & CLOVER Leaf trademarks. The Respondent Company claims that prior to the registration of these marks, it had written and requested the Registrar not to accept them for advertisement. It further claims to have withheld filing a notice to oppose them as it allegedly awaited the Registrar's response.

Years later, on 27th March, 2007, the Respondent also lodged an application for registration of the word CLOVER as a trademark in class 30 (Trade Mark No. 166/2007). This application was nonetheless rejected on examination on account of the Applicant's prior registered trademark 455/94 CLOVER Logo in the same class of goods (class 30). In the same year, on 21st September, 2007, the Applicant filed the instant application for removal of the Respondent's 775-778/95



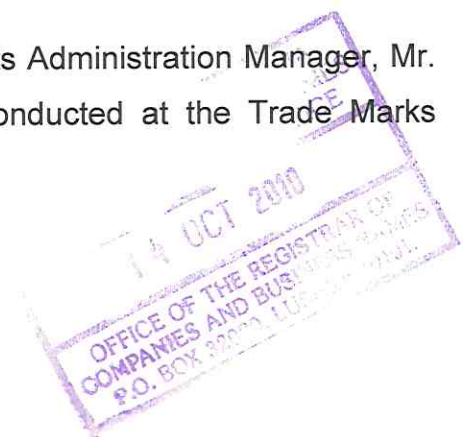
CLOVER & CLOVER Leaf Logo. In the same expungement application, the Applicant also opposed registration of trademark 166/2007 CLOVER.

The Applicant seeks the removal of trademarks 775-8/95 CLOVER & CLOVER Leaf Logo from the register on grounds that they were registered in violation of section 17(1) of the Trade Marks Act Cap 401 of the Laws of Zambia as there was in existence, at the time of the application, a similar valid mark on the register in its name (trademark 455/94 CLOVER BRAND & Device). The Applicant contends to be the first to use the CLOVER BRAND & Clover Leaf label and thus to be its 'authentic owner'.

The Respondent's response in a counterstatement dated 24th July 2008 was that contrary to laid down procedure, the application for expungement did not set out the grounds of removal; did not comply with regulation 46 of the Trade Marks Regulations as it was commenced on Form TM No. 27 instead of Form TM No. 6; did not disclose the journal in which trademark 166/07 CLOVER was advertised; and that the opposition was, if anything, premature. Sections 23(2) and (3) of the Trade Marks Act and regulations 46 and 47 of the Trade Marks Regulations were cited in support thereof.

Further, the Respondent disputed assertions that its marks were identical with the Applicant's CLOVER & CLOVER LEAF Logo and contended that they were registered in respect of different goods. The Respondent contended that the Applicant could not rely on section 17(1). The Respondent argued that section 17(1) dealt with registration which was not in issue in the instant application. It was further argued that even if it were to be found that the marks were confusingly similar, they had co-existed in the market for 14 years without any incidences of confusion.

The Applicant in reply filed an affidavit sworn by its Administration Manager, Mr. Shashikant Shah. He deposed that a search conducted at the Trade Marks

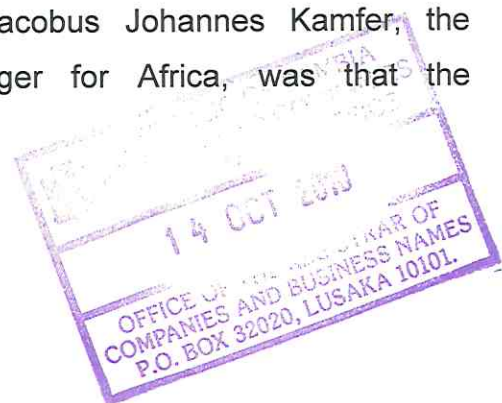


Office on 13th February 1996 revealed that its trademark 455/94 CLOVER & CLOVER LEAF device was cited against registration of the Respondents trademarks 775-778/95 CLOVER & CLOVER Leaf Logo and that the Office issued a letter of rejection dated 27th May, 1996. A copy of this letter was exhibited as 'EXB 2'. Messrs Galloway & Company, the Respondent's advocates, are said to have reacted to the letter of rejection, requesting the Registrar to allow the application to proceed to acceptance with a 'specific requirement to serve specific notice of acceptance' upon the Applicant, to enable the Applicant enter an opposition if so desirous. The letter authored by Messrs Galloway was also exhibited as 'EXB 3'.

The Applicant stated that contrary to its undertaking, Messrs Galloway & Company did not serve the said letter of acceptance on the Applicant resulting in the latter's failure to oppose registration of the mark. As regards allegations of procedural impropriety in the commencement of the action, the Applicant's response was that the application was one for expungement and not opposition. The Applicant further disputed claims of peaceful co-existence of the marks, contending that consumers of 'clover wares', for example, purchased them under the mistaken belief that they were buying the Applicant's product and vice-versa.

According to the Applicant, consumers in the baking business confuse baking fat, baking powder and/or baker's yeast originating from the two parties. The Applicant claimed that existence of confusion and deliberate deception of the Zambia consuming public was confirmed by a market survey it conducted. The Applicant also argued that under the Nice Classification of Goods and Services, certain classes of goods, among them 29 and 30, are associated and deemed to be similar.

The Respondent's evidence in reply deposed in an affidavit in support of the marks remaining on the register by Mr. Jacobus Johannes Kamfer, the Respondent's Business Development Manager for Africa, was that the



Respondent Company was founded in 1898 and was a leading processor and distributor of dairy, dairy related and other food products including fruit juice and dairy blend drinking product with an annual turn-over in 2007 in excess of 4.3 billion South African Rands. That the company supplies about 30% of South Africa's milk and owns and manages 13 factories, with a staff compliment of 6, 500 and that it had operated in Zambia for many years.

Mr. Kamfer's evidence was that over the years, the company had negotiated packing, sales and distribution agreements with several Zambian companies including Shoprite, a leading South African retail chain which imports and distributes Clover products in Zambia. The range of products, according to him includes clover cheese, butter, milk, flavored milk, fruit juices and juice/milk blends. He deposed that from February 2004 to July 2005, sales in Zambia were in excess of 23 million ZAR, supposedly K 23 Million. Further, that prior to establishing Clover Zambia in 2003, one of Clover's Divisions, Clover Exports, exported Clover products to Zambia for over 15 years.

The Business Development Manager also reaffirmed that the opposition to trademark 166/2007 CLOVER was premature and contended that there was no provision in the Trade Marks Act for requesting the Registrar to refuse an application. He equally reaffirmed that the expungement application be dismissed for procedural impropriety and that the Applicant cannot rely on section 17 (1) of the Act. His view was further that regard should be had to the co-existence of the marks over the years and the fact that the Applicant's 455/94 CLOVER BRAND & Leaf mark is registered in class 30 while the Respondent's marks in contention are in classes 29 and 32.

Having received all the affidavit evidence, I heard oral submissions on Friday, 10th September, 2010. Mr. M. Muchende of Messrs Dindi and Company appeared for the Applicant while Ms. Amanda Theotis, assisted by Mr. Joseph Sianyabo, both of Messrs Thoetis Mataka & Sampa Legal Practitioners,



appeared for the Respondent. Representatives of the parties were also in attendance.

However, before the matter could be heard on its merits, Counsel for the Respondent raised a preliminary issue as to whether the matter was properly before me in the light of section 18(1) of the Trade Marks Act. Ms. Theotis argued that in terms of section 18, her client's marks having validly existed for a period exceeding 7 years could only be removed from the register if registration was procured by fraud or offended the provisions of section 16. She thus applied that I dismiss the application with costs to the Respondent.

Mr. Muchende objected to the application, arguing that it was unfair and an ambush on the Applicant as there was no prior notice of intention to raise a preliminary issue. In the premises, Mr. Muchende applied for adjournment of the hearing to another date to enable the Applicant render a researched response. He nonetheless argued that the application was founded on the provisions of section 37 as read with regulation 82 of the Trade Marks Act. Counsel contended that the Act, particularly sections 31, 32, 37 and 38, provided, inter alia, that an application for expungement or varying any entry in the register was to be made on Form TM Number 27. He submitted that the Applicant complied with this requirement and that there was therefore nothing irregular about the application.

Ms. Theotis, in response, argued that the preliminary issue was an argument of law and as such did not require to have been pleaded and that having initiated these proceedings, the onus was on the Applicant to prepare the case as it deemed appropriate. She noted, in this regard, that the Applicant had already filed the application for expungement and pleaded to stand on it. She thus objected to the application for adjournment and submitted that either I hear the application or dismiss it out rightly for failure to comply with section 18. I decided to deal with the issue in the final decision as was the case in **Trademark Opposition 65/2009 Yoyo Foods Limited v Eustace Spaita Bobo**.



The parties nonetheless suggested and I agreed that they file written submissions in lieu of oral arguments. In its written submissions, the Applicant essentially argued one ground, namely that the Respondent's trademarks 775-778/95 CLOVER & CLOVER Leaf Logo are confusingly similar with its registered trademark 455/94 CLOVER BRAND Logo. The rest of the purported grounds were largely in support of this ground. The Applicant Company reaffirmed that the application was premised on section 17 (1). It submitted that it lodged the application for registration of its trademark on 28th October 1994, prior to the Respondent's application on 19th December, 1995. It argued that as the word confusion was not defined in the Act, it must be construed literally or in furtherance of the objectives of the Trade Marks Act. It was further argued that a mark that unfairly oppresses or disturbs the quiet enjoyment of a prior registered mark is confusing.

The Applicant submitted that according to one, David Radack, a renowned intellectual property consultant in the United States of America, there are two tests for determining likelihood of confusion. In this regard, I was referred to the internet address <http://www.tms.org/pubs/journals/jom/matters/matters-0212.html>. The first, it was submitted, is the 'sight, sound and meaning' test. The Applicant argued that the Respondent's marks meet this test as their phonetic and figurative character bear so much resemblance with its mark that confusion is obvious. Further, it was argued, they carry the same meaning of a 'a plant with leaves in three parts'.

The Applicant argued that Exhibit 2 of its affidavit in support of application showed that the Respondent's application was initially rejected on account of the Applicant's prior registered trademark 455/94 CLOVER BRAND Logo. The Applicant argued that the Respondent prevailed on the Registrar to have the marks registered. Exhibit 3, the Respondent's letter to the Registrar, according to the Applicant, did shade light on what the Applicant called the 'tactic' the Respondent employed to prevail over the Registrar. They argued that contrary to



the assurances it gave, the Respondent commenced opposition proceedings to the Applicant's application for 'registration in respect of methylated spirit and edible fats'. Further, that Exhibit 4 showed that the Registrar stood his ground and rejected the application.

The Applicant further argued that the Respondent's application for expungement of trademark 346/98 CLOVER BRAND Logo corroborated its claims of likelihood of confusion. In particular, the Respondent is alleged to have stated thus: -

'(d) continued existence and/or use of two nearly identical trademarks by different proprietors for nearly identical goods in the same class will lead to confusion and/or deception of members of the Zambian public and is contrary to section 17(1) of the Act;

(e) the use by the Respondents (the Applicants herein) is diluting the identical trademarks and their ability to distinguish their goods in the market place and constitutes as such an unfair and/unlawful trading practice'.

In the Applicant's view, the foregoing averments by the Respondent are not only self defeating but also constitute the kernel of confusion and mischief that prompted the Applicant to move the Registrar.

The second test for likelihood of confusion was said to be 'the relatedness test'. Further to this test, the Applicant argued, if goods or services are unrelated, the chance of confusion is minimal, notwithstanding that the marks may be similar or identical. DELTA, a service mark for an airline in the United States of America but which also allegedly serves as a trademark for plumbing, was cited as an example.



The Applicant contended that despite its trademark 455/94 CLOVER Logo and the Respondent's 775-8/95 CLOVER & CLOVER Leaf Logo being in different classes, they both relate to foodstuffs. It was argued that consumers intending to bake confectionaries would confuse the clover brand on the flour, baking powder and/or yeast products belonging to the Applicant with the CLOVER Label on the milk, butter and other dairy products originating from the Respondent Company. The Applicant further argued that regard should be had to the nature of consumers of the concerned products and the fact that they neither have the time nor the inclination to research competing products, thus making the possibility of confusion acute.

The Applicant's conclusion was that the Respondent's marks equally passed the second test for likelihood of confusion. It was argued that in view of the foregoing, section 18 is inconsequential as it does not by any means insulate the Respondent's marks from removal on account of confusion. I was consequently urged to invoke the provisions of section 37 of the Act and cause the removal of trademarks 775-8/95 from the register.

Over and above the application for expungement of trademarks 775-8/95 CLOVER & CLOVER Leaf Logo, the Respondent, in its written submissions, also addressed the Applicant's possible opposition to trademark 166/07 CLOVER as well as its application to expunge trademark 346-347/98 CLOVER BRAND & LEAF Logo from the register. Regarding the opposition, the Respondent reaffirmed its response in paragraph A1 of its counterstatement. The gist of the Respondents' arguments was that further to section 23(1) to (3) and regulations 46 and 47, a trademark can only be opposed after it has been accepted and advertised and that accordingly, the opposition was ill construed, premature and irregular. Further, that in any event, the Applicant appears to have abandoned this opposition as it was not canvassed in its affidavit in support of application, particularly paragraph 8.



According to the Respondent, paragraph 10 thereof confirmed the abandonment of the opposition.

The Respondent further argued that in view of section 18, given that the Respondent's mark had been registered for over 7 years and considering that section 18 provides an exhaustive list of grounds under which a registration can be invalidated, a ground based on section 17 was ill-conceived and not permitted. It was thus submitted that the Applicant had not disclosed a cause of action and/or sound grounds of expungement.

My attention was also drawn to our decision in **Trademark Opposition 65/2009 Yoyo Foods Limited v Eustace Spaita Bobo** where we opined: *'provided no injustice is occasioned to either party in the process, our ability to do justice should not be fettered by procedural rigidities'*. I was also referred to page 17 of the same decision where we observed: *'considering that the Applicant had the opportunity to respond to the additional grounds via the affidavit in support of the opposition and during the hearing, no injustice would seem to have been suffered.'* The Respondent argued that while it did not give notice of intention to raise the preliminary issue prior to the hearing, it did so during the hearing. It was thus argued that the Applicant had the opportunity to deal with the preliminary issue and did not therefore suffer any injustice.

The Respondent further denied as incorrect assertions that the Respondent undertook to serve a specific notice of acceptance on the Applicant. It was argued that the Respondent only undertook to serve it if necessary. That, as it turned out, the Registrar accepted the Respondent's arguments and did not require the Respondent to serve the notice of acceptance. Besides, it was argued, no evidence was adduced supporting claims that the Registrar required such notice to be served on the Applicant. On the contrary, the registry's records allegedly show that there was no such requirement.

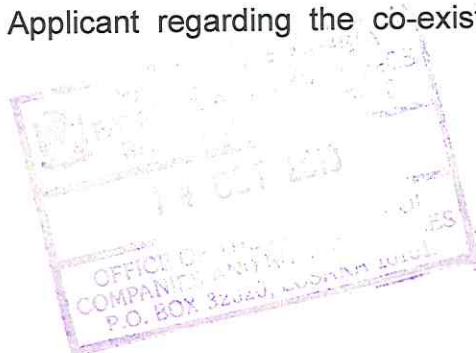


In the event that I dismissed its preliminary application, the Respondent also responded to the arguments relating to section 17. It argued that under section 17(2), the Registrar could register a mark which, though offending the provisions of section 17(1), had been honestly and concurrently used with another registered trademark. The Respondent contended that the CLOVER trademark was chosen in good faith. The Respondent thus relied on section 18 (1) as a defense.

The Respondent argued that given the foregoing, registration was not procured by fraud nor did it offend section 16. That the marks had validly existed on the register since December 1995. The Respondent also repeated that no evidence of incidences of confusion had been adduced. On the merits of the application, it was argued that section 17 only applied where the conflicting mark is applied to goods or description of goods that are identical to the goods covered by the other party's registration. The Respondent contended that its goods in classes 29 and 32 neither resemble nor are they identical or similar to the Applicant's goods in class 30.

It was further argued that the Applicant's reliance on the Nice Classification of Goods and Services was irrelevant as the Act does not make provision for protection in relation to similar goods. In the Respondent's view, a mark is only to be refused registration if it is identical to a registered trademark and proposed to be used in relation to goods identical to those covered by the earlier registration or so nearly resembles the earlier registration as to deceive or cause confusion in trade.

Regarding its application to expunge trademarks 346-347/98 CLOVER BRAND & LEAF Logo, the Respondent conceded that it did not pursue the application to its conclusion, owing allegedly to the failure to reach an amicable settlement with the Applicant regarding the co-existence of the



marks. The Respondent nonetheless attributed the discontinuation of proceedings to the fact that the marks co-existed for many years after the collapse of the negotiations without any incidences of confusion. The Respondent contended that both parties had established goodwill and reputation in relation to their trademarks and the goods covered. Accordingly, it was argued, it is unlikely that a consumer would confuse the Applicant's product with the Respondent's CLOVER products.

The Respondent further characterised the Applicant's claims that it was aggrieved by the registration of the Respondent's 775-778/95 CLOVER & CLOVER Leaf Logo trademarks as unfounded and misconstrued; that if the Applicant was aggrieved or there had been some irregularity, the Applicant would not have taken 9 years to correct the anomaly. The Respondent reaffirmed that I dismiss the application with costs.

I am indebted to both Counsel for their learned submissions and arguments. Before going into the issues raised by this application, however, I wish to quickly point out that given that trademark application 166/07 CLOVER was rejected, it is therefore not an issue to deal with in this ruling. In any case, as the Respondent rightly observed, the opposition would have been premature as it was lodged before the mark was even advertised. Moreover, I doubt that an opposition application can be combined with one for expungement.

The fundamental issue for my determination, as I can see, is whether registration of trademarks 775-778/95 CLOVER & CLOVER Leaf in classes 29 and 32 was, in the light of trademark 455/94 CLOVER BRAND & CLOVER LEAF Logo, in error and as such should be expunged from the register. Similarly, should trademarks 346-347/98 CLOVER BRAND & LEAF Logo in classes 4 and 29 be expunged from the register on account of trademarks 775-778/98 & CLOVER Leaf Logo.



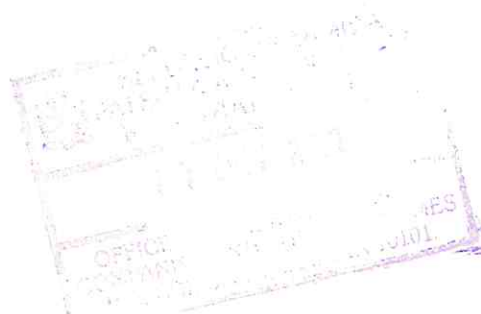
However, whether or not I in fact delve into the above issues depends on the view I take of the procedural and the preliminary issue raised by the Respondent. The Respondent challenged the mode by which the Applicant commenced expungement proceedings and questioned whether in fact the application is tenable in the light of section 18(1) of the Trade Marks Act. It is to be noted that two (2) of the four (4) grounds advanced by the Respondent in its counterstatement to the application for expungement of trademarks 775-778/95 CLOVER & CLOVER Leaf Logo were concerned with trademark 166/2007 CLOVER. Given, as aforesaid, however, that this is no longer an issue, it follows that these two grounds fall off.

In the remaining two (2) grounds, the contention was that the procedure as stipulated in sections 22(2) and 22(3) as read with regulations 46 and 47 was not complied with. It is noteworthy that rectification and correction of the register (expungement) is provided for in Part VIII of the Trade Marks Act. Section 37(1), in particular, provides for expungement of a mark in the following terms: -

'Any person aggrieved by the non-insertion in or omission from the register of any entry, or by any entry made in the register without sufficient cause, or by any entry wrongly remaining on the register, or by any error or defect in any entry in the register, may apply in the prescribed manner to the High Court or, at the option of the applicant and subject to the provisions of section sixty-four, to the Registrar and the High Court or the Registrar may make such order for making, expunging or varying the entry as the High Court or the Registrar may think fit'.

The procedure, in-turn, is prescribed in regulation 82, 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. Where the application is made by a person who is not the registered proprietor of the trade mark in question, it shall be accompanied by a copy of the application and a copy of the statement, and these copies shall be transmitted forthwith by the Registrar to the registered proprietor'.

Quite clearly, an application for expungement ought to be made on Form TM No. 27. Sections 22(2) and 22(3) and regulations 46 and 47 which the Respondent cited, relate to oppositions. The application at hand is one for expungement. Accordingly, the Applicant's procedure cannot be faulted. Further, as this is not an opposition, the Applicant was not required to specify the journal in which a mark was advertised.

As regards the Respondent's preliminary issue, section 18 provides: -

' (1) In all legal proceedings relating to a trade mark registered in Part A of the register (including applications under section thirty-seven), the original registration in Part A of the register of the trade mark shall, after the expiration of seven years from the date of that registration, be taken to be valid in all respects, unless-

- (a) that registration was obtained by fraud; or***
- (b) the trade mark offends against the provisions of section sixteen.***

(2) Nothing in subsection (1) of section ten shall be construed as making applicable to a trade mark, as being a trade mark registered in Part B of the register, the foregoing provisions of this section relating to a trade mark registered in Part A of the register.

Section 37 referred to in the above provision relates to applications for removal of a mark from the register or variation of an entry in the register. Apparently, this is

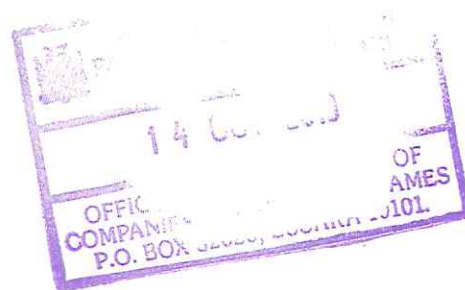


the provision pursuant to which the Applicant's expungement application was made. My interpretation of section 18 is that where a mark has been on the register for 7 years, an application regarding the validity of its registration should only succeed if the Applicant proves either the existence of fraud or violation of the provisions of section 16. In my considered view, however, determination of the existence or otherwise of fraud or violation of the provisions of section 16 by the tribunal is in itself a determination of substantive issues. For the foregoing reason, I will not allow the application to dismiss this matter at preliminary stage.

Copies of the certificates of registration show that trademarks 775,777&778/95 CLOVER & CLOVER Leaf Logo were registered on 3rd September 1998 while trademark 776/95 was registered on 4th September, 1998. Our records further reveal that the application for expungement was lodged on 24th July 2008, that is, at least 9 years after registration. It follows therefore that the proper guide regarding this application is to be found in the provisions of section 18 aforesaid.

Going by the provisions of section 18, the issues for determination therefore are: (i) whether registration of these trademarks was obtained by fraud; and or (ii) whether the trademarks offend the provisions of section 16. Regarding the question of fraud, as alleged by the Applicant, the Respondent's 775-778/98 CLOVER & CLOVER Leaf trademarks were initially rejected on the strength of the Applicant's prior trademark application 455/94 CLOVER BRAND Logo. The letter of rejection was issued on 27th May, 1996. As alleged, also, the Respondent did write the Registrar on 26th August, 1996, arguing that the goods covered by the two marks were different and therefore unlikely to cause confusion or deception. Essentially, the Registrar was invited to review the decision to reject the marks and allow the marks to proceed to registration.

As pointed out by the Applicant, the Registrar appears to have been persuaded as the marks were ultimately registered. The learned author's of Osborne's Concise Law dictionary (8th Edition) define fraud at page 152 as the obtaining of



a material advantage by unfair or wrongful means. They add that it involves obliquity and the making of a false representation knowing, or without belief in its truth, or recklessly. It essentially involves obtaining advantage by cheating or deceit.

Although the Applicant does not expressly accuse the Respondent of fraud, it is argued that the Respondent's letter of 26th August 1996 to the Registrar and the subsequent failure to serve the notice of acceptance on the Applicant was at the very least, irregular. I do not however think the conduct of the Respondent leading up to the registration of the marks could amount to fraud. Firstly, it is not uncommon, notwithstanding the lack of an express provision in the Act, for applicant's to contest the rejection of a mark. As a matter of fact, section 22(5) allows for an applicant to demand that the Registrar states grounds for refusal as well as the material used in arriving at such a decision.

Secondly, I find the Applicant Company's argument that it was deprived of the opportunity to oppose the mark, unsustainable. It can only hold if the mark was never advertised. I take cognizance, in this regard, of the fact that the Applicant does not dispute that the mark was advertised. The mere fact that there was an undertaking on the part of the Respondent to serve the letter of acceptance on the Applicant, did not, in my considered view, absolve the Applicant of the duty to look out for potential infringements of its mark, including marks advertised for registration in the trademark journal.

As long as the mark was advertised, the opportunity availed itself. The **Zambian High Court** in the case of **Trade Kings Limited v The Attorney General** 1999 ZR 53, in clarifying the essence of advertising in the trademark journal, held that advertising was necessary to allow other interested parties to know whether what was being proposed for registration was injurious to their business interests.



Let me now deal with the question whether these registrations offend the provisions of section 16. The said 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'.

The issue becomes whether registration of the marks was likely to cause confusion or deception or should otherwise be disentitled to protection. Our judicature, however, is yet to formulate a definition for confusion. But this notwithstanding, it has adopted the common law position that in determining likelihood of confusion, all factors surrounding the purchase of a product should be taken into account.

In **British Sugar Plc v James Roberson and Sons** (1996) RPC 281, Jacob J. summed up the factors to be taken into account in determining whether confusion is likely as being: the users, physical nature of the respective goods, the trade channels through which they are marketed, the respective locations where the goods are sold in the supermarket and whether the products are rivals in the same market. Similarly, according to Paul G. Scott in '**A TALE OF CONFUSION: HOW TRIBUNALS TREAT THE PRESENCE AND ABSENCE OF EVIDENCE OF ACTUAL CONFUSION IN TRADE MARK MATTERS**' 2001 VUWL Rev 5, the factors in assessing likelihood of confusion include whether the marks look and sound alike; the marks convey the same or similar meaning; the marks appear on the same or similar goods or services; the price of the goods or services on which the marks appear is expensive or cheap; consumers purchase the goods or services carefully or on impulse; the goods or services appear in the same or similar retail outlets; and actual incidences of confusion or deception have occurred.



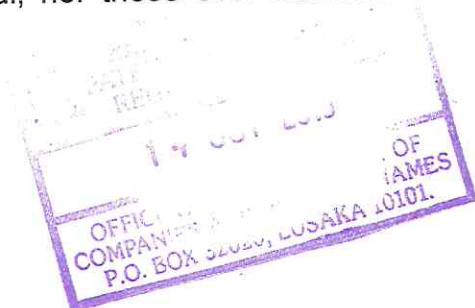
The test for similarity of goods is whether, when similar marks are affixed to such goods, consumers would consider them to be originating from the same source. The following observation of European Court of Justice in **Assembled Investments (PTY) Ltd v OHIM & Waterford Wedgwood Plc Case T 105/05** on the question of similarity of goods is equally insightful: -

'It should be born in mind that, in order to assess the similarity of the goods in question, account must be taken of all the relevant factors which characterize the relationship between those goods, those factors including, in particular, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary'.

Ngulube CJ, as he then was, adopted a similar approach to the question of likelihood of confusion in **Trade Kings Ltd vs Unilever and Others, SCZ Judgment No. 2 of 2000 ZLR** pp 16. He stated:

'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 at 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

.....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.'

Further, in **Trade Kings Limited v The Attorney General (1999) ZR p 53**, the high court held that the test to be employed in determining similarity or dissimilarity between two words or marks is whether the ordinary sensible members of the public would be confused by use of the two marks. This was an appeal against the decision of the Registrar of Trade Marks to deny YEBO, registration as a trademark on ground that it was likely to conflict with EBU, an already registered trademark.

As regards deception, the Court in **Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd (1978) 2 NZLR 50 (CA) (New Zealand)** noted the following: -

'...Deceived implies the creation of an incorrect belief or mental impression and causing confusion may go no further than perplexing or mixing up the minds of the purchasing public....where the deception or confusion alleged is as to the source of the goods, deceived is equivalent to being misled in not thinking that goods bearing the name of the applicant's mark come from some other source and confused to being to wonder whether that might be the case...'

The import of the above authorities is that determination of likelihood of confusion is a question of fact in each case. The issue in the instant case,

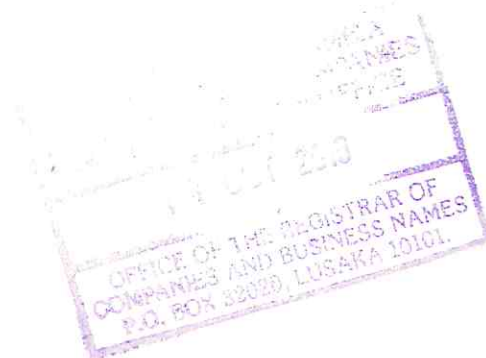


therefore, is whether, having regard to the nature of the products in contention, their channels of distribution and sale, and their consumers, confusion or deception is likely. It is note worthy, in this regard, that while the Applicant's marks (in classes 29 and 32) cover animal products, poultry, water and juices, the Respondent's mark deals with confectionaries.

Taking into account the factors aforesaid, I am not satisfied that confusion or deception is likely. I find it unlikely that a consumer would pick one for the other. They are different products. In my considered view, whereas 'likelihood of association' between the Applicant's and Respondent's products could exist, such confusion would not seem likely to amount to 'likelihood of confusion'. Moreover, no evidence has been adduced of incidences of actual confusion. In the premises, the application for expungement of trademarks 775-778/95 CLOVER & CLOVER Leaf Logo cannot be upheld and is hereby dismissed.

As regards the Respondent's application for expungement of trademarks 346-7/98 CLOVER BRAND Logo, as earlier observed, the process was never completed. I am nonetheless not persuaded by the arguments advanced by the Respondent for the failure to complete the process. In the absence of affidavit evidence, I find it inappropriate to deal with this matter. Moreover, it would be unfair to the Applicant as it may have legitimately labored under the view that the application had been abandoned.

Perhaps more importantly, I wish to point out that further to regulation 83 of the Trade Marks Regulations, the procedure applicable to oppositions applies mutatis mutandis to expungement proceedings, from the stage of filing the counterstatement onwards. Under regulation 50, an applicant may be deemed to have abandoned an application if the applicant fails to file an affidavit in support within two months. In the circumstances, therefore, I also dismiss this application for want of prosecution.



In sum, I dismiss both applications for expungement as well as the possible opposition. In view of the circumstances of this case, I order that each party bears its cost of and incidental to this application.

DELIVERED THIS 14TH DAY OF OCTOBER, 2010



Anthony Bwembya

ACTING REGISTRAR OF TRADEMARKS

