

**DECISION OF THE REGISTRAR OF TRADE MARKS IN THE MATTER OF  
TRADE MARK OPPOSITION NO. 679/2008 SIR LABEL IN CLASS 34  
PURSUANT TO THE TRADE MARKS ACT CAP 401 OF THE LAWS OF  
ZAMBIA AND REGULATIONS THEREUNDER**

**Between**

**KAANE AMERICAN INTERNATIONAL  
TOBACCO COMPANY**

**OPPONENT**

**And**

**BRITISH AMERICAN TOBACCO (ZAMBIA) LIMITED**

**RESPONDENT**

**Before Mr. Anthony Bwembya, Acting Registrar**

**For the Opponent** : Mr. D. Tambulukani of Messrs Musa Mwenye  
Advocates

**For the Respondent** : Ms. N. Mupunda of Messrs Christopher, Russel  
Cook & Company

**Cases and Authorities referred to:**

Trade Marks Act Cap 401 of the Laws of Zambia

Inquires Act Cap 41 of the Laws of Zambia

South African Trade Marks Act Number 194 of 1993

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

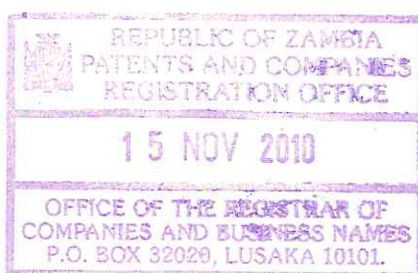
Trade Kings Limited v The Attorney General 1999 ZLR

Smith Kline and French Laboratories Ltd v Sterling-Winthrop Group Ltd  
(1975) 2 ALL ER

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

Cowbell AG v Ics Holdings Ltd 2001(3) SA 941 (SCA)

Plascon-Evans Paints Ltd v Van Riebeeck Paints (PTY) ltd 1984 (3) SA 623(A)



Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd (1978) 2 NZLR 50  
Lloyd Schufabrik Meyer & Co GmbH v Klijsen Handel BV C-342/97 (ECJ)  
Laboratoire Lachartre SA v Armour-Dial Inc 1976(2) SA 744 (T)  
Longman Dictionary of Contemporary English (1978)  
Trademark Opposition 59/2005 Johann Wilhelm Von Eicken GmbH v Benson  
& Hedges (overseas) Ltd

This is an opposition by British American Tobacco (Zambia) Limited, hereinafter referred to as 'the opponent', to registration of SIR label as a trademark by Kaane American International Tobacco Company of the United Arab Emirates, hereinafter referred to 'the respondent'. The facts giving rise to this opposition are that on 19<sup>th</sup> August 2008, the respondent applied for registration of the SIR label under Part A of the trademark register in class 34 in respect of tobacco, smoker's articles and matches. The mark was subsequently accepted and advertised for registration in the trademark journal of 25<sup>th</sup> March 2009, prompting the opponent to file the instant opposition on 21<sup>st</sup> May, 2009.

Registration was opposed on grounds that the mark is confusingly similar with the opponent's registered trademarks 490/2001 ROTHMANS label and 160/2001 ROTHMANS and as such disqualified under sections 16 and 17(1) of the Trade Marks Act Cap 401 of the Laws of Zambia. The opponent contended that the respondent's mark so closely resembles its marks that it is likely to deceive and/or cause confusion between the respective goods, more so that the goods involved are identical.

The opponent's marks are registered in class 34 in respect of cigarettes, tobacco, tobacco products, smoker's articles, lighters and matches. According to the opponent, it has been marketing its products under these marks long before the respondent's application. The marks are thus allegedly 'well-know' both in Zambia and internationally, esteemed and enjoy reputation

and goodwill. The opponent's position is that the respondent has no claim in law or equity to ownership or use of the mark but is rather trying to ride on the goodwill of the opponent's mark. It was argued that in the light of the foregoing, the respondent's mark is not a trademark within the meaning of section 2(1) of the Trade Marks Act and does not therefore qualify for registration under section 22(1).

The said section 22(1) provides: -

**'22. (1) Any person claiming to be the proprietor of a trade mark used or proposed to be used by him who is desirous of registering it must apply in writing to the Registrar in the prescribed manner for registration either in Part A or in Part B of the register'.**

In response to the notice of opposition, the respondent, in its counterstatement, denied that its SIR label resembles the opponent's marks nor likely to confuse or deceive the consuming public nor contrary to law, morality and/or sections 16 and 17. Averments of disqualification under sections 2(1) and 22(1) of the Trade Marks Act were also denied. The respondent averred that the word SIR and the crest are clearly depicted on the label and that it is not uncommon for manufacturers of cigarettes and other tobacco products to display their crests on their packaging. In the respondent's view, the opposition lacks merit and should accordingly be dismissed and the application allowed to proceed to registration.

Mr. Stuart Paul Aitchison, Roth Man's of Pall Mall Limited's 'Authorized Attorney', tendered affidavit evidence on behalf of the opponent. His evidence was that the opponent is wholly owned by the British American Tobacco Group of Companies (the BAT Group) whose core business is the manufacture of cigarettes with annual cigarette production of its over 300 brands in excess of 700 billion cigarettes. BAT Group is the world's most international tobacco group and second largest 'independent manufacturer'. It

has been involved in the tobacco industry since 1902 and owns 49 factories in 41 countries with a labour force of over 50, 000.

Over the last century, BAT has built an international reputation for producing and distributing high quality tobacco products meeting diverse preferences of consumers and consistently delivered premium products in the 180 markets it operates. Among its best known brands are ROTHMANS, LUCKY STRIKE, KENT, PALL MALL, STATE EXPRESS 555, BENSON & HEDGES, PETER STYVESANT, CONSULATE, VICEROY and KOOL. Mr. Aitchison also chronicled the development of the company from its inception to the present.

A list of countries in which the ROTHMANS label is said to be registered was also exhibited as 'A'. He also deposed that the opponent registered the ROTHMANS label in Zambia as 1658/60 ROTHMANS KSF label on 16<sup>th</sup> November 1960, 35/67 ROTHMANS KSF label on 23<sup>rd</sup> January 1967; 386/67 ROTHMANS KSF label on 14<sup>th</sup> July 1967; 652/95 ROTHMANS LIGHTS label on 10<sup>th</sup> November 1995; 160-1/2001 ROTHMANS on 13<sup>th</sup> March 2001; and 490/2001 ROTHMANS on 8<sup>th</sup> August, 2001. Copies of registration certificates were exhibited as 'B'.

Mr. Aitchison's evidence was further that products bearing the ROTHMANS label have been distributed in Zambia since 1969. Between 1996 and 2006, cigarette sales in Zambia were in excess of 5.9 million sticks in 1996; in excess of 6 million sticks in 1997; in excess of 5.5 million sticks in 1998; in excess of 4.8 million sticks in 1999; in excess of 5 million sticks in 2000; in excess of 5.4 million sticks in 2001; in excess of 5.3 million sticks in 2002; in excess of 5.6 million sticks in 2003; in excess of 4.6 million sticks in 2004; in excess of 4.2 million sticks in 2005; and in excess of 8.5 million sticks in 2006.

Globally, sales of ROTHMANS branded cigarettes between 1998 and 2008 were: 22 billion sticks in 1998; 19 billion in 1999; 17 billion in 2000; 17 billion in 2001; 15 billion in 2002; 15 billion in 2003; 14 billion in 2004; 13 billion in 2005; 14 billion in 2006; 14.65 billion in 2007 and 15 billion sticks in 2008. It was further deposed that the ROTHMANS label has been the subject of high profile advertising and promotion in various media including television and internationally well-known print and electronic publications. Photographs of promotional materials bearing the ROTHMANS label were exhibited as 'C'.

According to Mr. Aitchison, the opponent's trademarks have also been promoted through motor sport sponsorship. In particular, ROTHMANS has actively sponsored the championship series of motorsport. From 1982 onwards, ROTHMANS supported the Porsche effort, winning the 1982 24 Hours of Le Mans 1-2-3 with their Porsche 956. Other motor sponsorship deals included Subaru, Honda and Williams Formula One (F1). Photographs were reproduced in paragraphs 21 and 22 of the affidavit in support of motorsports sponsorship claims. Excerpts from selected websites were also exhibited as 'D' in support of these claims. An alleged copy of the Rothmans William Renault F1 team facts magazine for the 1995 season was also exhibited as 'E'.

Mr. Aitchison further deposed that the scope of Formula 1 includes Europe, Brazil, Canada, Japan, China, Singapore, Malaysia and Australia. In his view, given its wide publicity, Formula One commands viewership of millions in 200 countries. An excerpt from the Cable News Network (CNN) was exhibited as 'F' regarding the moneys involved in Formula One. The total budget of the 11 teams involved was said to exceed 2.5 billion US Dollars. His evidence was that the Williams team is one of the most popular teams.

An extract from 'official press' releases from Formula One relating to television statistics during the period ROTHMANS sponsored the Williams

team was exhibited as 'G'. An extract from the 'Voges Tobacco Encyclopedia' was also exhibited as 'H' to the effect that ROTHMANS was an international brand of cigarettes first introduced in 1890. Also exhibited as 'I' was an extract from a book titled the 'World's Greatest Brands,' said to have been published by Inter-Brands, placing ROTHMANS among the top 10 global brands.

He also reaffirmed that the SIR label resembles the ROTHMANS label in appearance and is as such likely, when applied to or used in connection with tobacco products in class 34 or similar or related products, to deceive or mislead the purchasing public into believing that such goods are produced by, originate from or are under the sponsorship of the opponent company. A comparison of cigarette packages bearing the ROTHMANS and SIR labels was exhibited as 'J'. Mr. Aitchison's view was that given that the respondent's goods sold under the SIR label were likely to be mistaken for those originating from the opponent, the opponent risked suffering damage considering that it has no control over the quality of the respondent's goods.

In response to the opponent's affidavit, Mr. Gynendra Raj Mehta, the respondent company's managing director, tendered evidence in support of application. His evidence was that the respondent is by far the largest producer of cigarettes in the United Arab Emirates (UAE). He deposed that the respondent's SIR label had been registered in the name of one, Mul Chand Malu, in Afghanistan, Armenia, Azerbaijan, Belarus, Djibouti, Ethiopia, Iran, Iraq, Great Britain & Northern Island, Greece, Kazakhstan, Kyrgyzstan, Moldova, Morocco, Mozambique, African Intellectual Property Organisation (OAPI) countries, Taiwan, Thailand, Tajikistan, Turkmenistan, Turkey, Ukraine, Uzbekistan, Yemen, North Korea, South Korea and D.R. Congo. Copies of certificates of registration were exhibited as 'B1' to 'B27'.

Mr. Mehta further deposed that the respondent had used and continued to use the SIR label in respect of smoker's articles and matches in Iraq, Chad, Ivory Coast, Gambia, Sierra Leone, Guinea Bissau, Guinea, Benin, Djibouti, Liberia and Togo. Others are Lebanon, Liberia, Georgia and Malawi whose registration certificates were exhibited as 'C1' to 'C5'. He swore that the respondent had spent in excess of US Dollars 9, 862, 347.00 on advertising and promotional activities. SIR was thus said to have acquired international reputation and recognition. Samples of the promotional material were exhibited as 'D'.

Mr. Mehta's view was that the SIR label is distinct from the opponent's marks and thus unlikely to lead to confusion or deception of the consuming public. He listed the following as dissimilarities between the two trademarks: -

- (i) The word 'ROTHMANS' dominantly appears in script letters on the ROTHMANS label whereas the SIR label has the word 'SIR' in small block letters with the phrase 'king size' and 'full flavour' appearing underneath in plain block letters;
- (ii) While the ROTHMANS label is depicted in stylized and slanting script, the SIR label is depicted in upright letters;
- (iii) The prominent insignia on the ROTHMANS label is 'R' enclosed in a shield with a crown on top and symbols of lions standing on two legs on the left and right sides. On the right side, the SIR insignia appears as the word 'SIR' in the center of a shield device above which there are four leaves in a fan-like manner with a crown figure on top (Comparison of the two marks was also made and exhibited as 'E' in response to paragraph 34 of the Opponent's affidavit in support of opposition);
- (iv) While ROTHMANS is elliptical in shape, the SIR label is 'irregularly shaped with angles,'. Further, the sound, spelling and pronunciation of the two marks is different; and,

- (v) Above all else, the nature of consumers is one that would be particular about the type of the product.

His conclusion was that given the above dissimilarities, there was no likelihood of confusion. He further deposed that the African Intellectual Property Organization (OAPI) and the Intellectual Property Office of the Philippines had dismissed similar oppositions by the opponent, holding that the two marks were distinct. Copies of these decisions were annexed as 'F' and 'G'. According to Mr. Mehta, notwithstanding that the opponent's trademarks 490/2001 and 160/2001 were registered in class 34, the opponent does not enjoy monopoly vis-à-vis registration in class 34. The opponent opted not to file an affidavit in reply.

The parties made their oral arguments and submissions at a hearing convened on 2<sup>nd</sup> November 2010. Mr. D. Tambulukani of Musa Mwenye Advocates appeared for the opponent while Ms. N. Mupunda of Christopher Russel, Cook & Company, appeared for the respondent. By and large, both parties repeated their earlier arguments in the notice of opposition, the counterstatement and the affidavits.

Mr. Tambulukani submitted that the opponent's trademarks 490/2001 ROTHMANS and 160/2001 ROTHMANS are distinct, limited to the colours red and blue and had been used to distinguish the opponent's goods. He argued that in terms of section 2 of the Trade Marks Act as read with sections 9 and 10, trademark registration confers on the proprietor or user the exclusive right to use the mark in relation to goods covered in the registration.

He explained that distinctiveness was a prerequisite for trademark registration and that further to section 14(e), a trademark should not be registered unless there is evidence of its distinctiveness. His interpretation of distinctiveness as provided in section 14(2) was that it entitles a registered proprietor or user to



protection against other trademarks or labels lacking distinctiveness or so similar as to cause confusion. This protection, he contended, is provided or contained in sections 16 and 17 (1) of the Trade Marks Act.

According to Mr. Tambulukani, the evidence of Mr. Aitchison, particularly the last page of his affidavit, confirmed that the contested mark so nearly resembles the opponent's mark in shape and design that confusion or deception as to the proprietorship of the associated goods is inevitable. In his view, this is exacerbated by the fact that the goods in issue, as shown in paragraph 7 of the notice of opposition, are identical. He added that over and above the similarity in the marks, there was similarity in the colours on the marks. In this regard, he drew my attention to the provisions of section 21 of the Trade Marks Act.

In support of his arguments, Mr. Tambulukani cited the British case of **Smith Kline and French Laboratories Ltd v Sterling-Winthrop Group Ltd (1975) 2 ALL ER at page 578** wherein, he contended, a colouring system applicable to pharmaceutical capsules was held to be a mark. According to counsel, Lord Diplock held, *inter alia*, that a colouring combination set the business purpose of the trademark by indicating to buyers that the goods were made by SKF and not any other.

My attention was also drawn to the infringement action in **Trade Kings Limited v Unilever & Others (2000) ZLR**. In this case, the respondent claimed that the appellant's GEZA infringed its trademark GEISHA as it was likely, owing to its similarity in pronunciation, flora markings and packaging, to deceive and confuse consumers. Counsel submitted that the court denied GEZA registration on the basis of sections 16 and 17 of the Act. The court, it was argued, held that owing to its flora on the packaging which was very similar to that of GEISHA, GEZA was likely to confuse consumers. In Mr.

Tambulukani's view, it should also follow, given the similarities in the labels and colours, that the respondent's mark be denied registration.

In conclusion, learned counsel submitted that the Paris Convention for the Protection of Industrial Property recognized that the procedure for registration of trademarks was subject to each member state's domestic legislation. Mr. Tambulukani thus argued that the question of similarity between trademarks was to be determined in accordance with Zambian law and standards.

In reply, Ms. Mupunda, learned counsel for the respondent, drew my attention to paragraph 7 of the respondent's affidavit in which it was deposed that Mr. Mul Chand Malu registered the SIR trademark in several countries and that he had since authorised the respondent to use the mark as evidenced by exhibit 'A'. She argued that the respondent was not relying or leaning on the popularity of the opponent's trademark as its SIR trademark had been widely advertised and promoted as shown in paragraphs 9 and 10 of the affidavit.

Ms. Mupunda also referred me to paragraph 12 and exhibit 'E' which she said was the equivalent of the last page of the opponent's affidavit. She highlighted the dissimilarities earlier cited by the respondent. In her view, it is virtually impossible for anyone to contend that SIR and ROTHMANS sound alike. She argued that the differences become more apparent when one considers the nature of the product concerned.

Counsel further submitted that it is most probable that consumers will request for their preferred cigarette brand. She argued that unlike consumers of biscuits, for example, cigarette consumers are likely to be particular about the brand. In her view, smokers tend to develop taste for particular cigarette brands. On the issue of colour, while agreeing that section 21 makes reference to limitations on colour, she submitted that a mark should be examined holistically. Counsel argued that it would be improper for a colour

such as blue to be monopolized. In her view, that would stifle innovation. She thus contended that section 21 should be interpreted in its context as opposed to literally.

Ms. Mupunda's conclusion from her perceived dissimilarities between the marks was that the respondent's mark qualifies for registration under section 22(1). She argued that having been licensed, the respondent was entitled to be registered as proprietor of the SIR label without causing offence to sections 16 and 17(1) of the Trade Marks Act. In her opinion, it is improbable, given the distinctiveness of the respondent's mark's, that consumers would confuse the two labels.

Counsel also drew my attention to decisions of the African Intellectual Property Organization and the Intellectual Property Office of the Philippines wherein the opponent's mark ROTHMANS and the respondent's SIR label were in contention. In both instances, Ms. Mupunda submitted, it was held that there was no risk of confusion to an ordinary observant consumer. She thus contended that the respondent's mark does not ride on the opponent mark's reputation or popularity, bears distinctive features, does not offend sections 16 and 17 and as such should be registered.

Mr. Tambulukani, in reply, argued that the test for similarity was not whether a mark was riding on the goodwill of another but whether it is distinctive and satisfies the provisions of the Trade Marks Act. Regarding the distinguishing features highlighted by the respondent, he submitted that the opponent's protection flowing from registration was in relation to labels without words, as such, the protection is not confined to words but to the entire label and packaging. He further argued that the dissimilarities highlighted by the respondent were not in issue. At issue, in his view, was the label to which the opponent had exclusive rights by virtue of the registrations aforesaid.

As regards the nature of the consuming public, his submission was that respondent counsel's submission was based on assumption, which he said was contrary to the express provisions of the Trade Marks Act. As for colour and the contention that section 21 should be contextualized, his response was that the goods in question were the same type of goods and that where a registered trademark is limited as to colour, the question of monopoly does not arise. Mr. Tambulukani further argued that authorities cited by the respondent were subject to legislation in different jurisdictions while the matter in *casu* should be decided on the basis of Zambian law. I am indebted to both counsel for their valuable submissions.

Several issues have arisen from this opposition and I find it prudent to provide some clarification, where necessary. Let me, at the outset, place on record that trademark protection and intellectual property protection in general, is territorial and therefore subject to municipal law. But as is the case with other branches of law, relevant decisions of superior courts in other jurisdictions, particularly common law jurisdictions, are persuasive. Further, I wish to point out that minimum standards prescribed by international treaties such as the Paris Convention for the Protection of Industrial Property have largely bridged the differences in national laws.

It is common ground that the opponent is the registered proprietor of trademarks 160/2001 ROTHMANS and 490/2001 ROTHMANS label, among others, in relation to goods in class 34, namely, cigarettes, tobacco, tobacco products, smokers articles, lighters and matches. It is also common cause that the two parties' goods are similar or identical. It also seems incontrovertible that the opponent has invested quite substantially in the promotion of its ROTHMANS brand, both locally and internationally.

The question to be decided is whether the respondent's trademark 679/2008 SIR label is confusingly similar with the opponent's 160/2001 ROTHMANS

and/or 490/2001 ROTHMANS and would thus, if it were registered, infringe upon sections 16 and 17(1) of the Trade Marks Act Cap 401 of the Laws of Zambia. The corollary is whether the respondent's SIR label is a trademark within the meaning of section 2(1) of the Act and therefore does not qualify for registration under section 22(1).

It is trite that the primary function of a trademark is that of a badge or an indicator of origin and thus a guarantee of expected quality. A trademark distinguishes goods originating from one source from identical or similar goods from other sources, the sources being the various enterprises that manufacture or offer such goods. According to Lord Diplock in **Smith Kline and French Laboratories Ltd v Sterling-Winthrop Group Ltd (1975) 2 ALL ER at page 583** trademarks, in their origin, were marks applied to goods by their makers so that a buyer, by visual examination of such goods, could tell who made them. He cited maker's marks on silver and gold plates among the earliest examples. Evidently, trademarks are critical to fair competition and the general smooth functioning of market economies.

Under section 2 of the Trade Marks Act, a trademark is defined in the following terms: -

**'...except in relation to a certification trademark, a mark used or proposed to be used in relation to goods for the purpose of indicating, or so as to indicate, a connection in the course of trade between the goods and some person having the right either as proprietor or as registered user to use the mark, whether with or without any indication of the identity of that person, and means, in relation to a certification mark, a mark registered or deemed to have been registered under section forty – two'.**

Consistent with the universally acclaimed function of trademarks, section 2 ascribes to trademarks the function of linking a product to its commercial

origin. Implied in section 2 is the function of distinguishing products in the market place. As argued by opponent's counsel, further to section 9 of the Act, trademark registration confers exclusive rights to use of a mark in relation to goods covered by the registration. According to chief justice Mathew Ngulube, as he then was, in **Trade Kings Ltd vs Unilever and Others, SCZ Judgment No. 2 of 2000 ZLR at page 18**, section 9 creates a statutory monopoly protecting the use of the mark in the course of trade for the goods or services for which the mark is registered.

Apparently, a mark is only capable of performing its distinguishing function if it is inherently distinctive or has acquired distinctiveness through use. It is essentially for this reason that distinctiveness of a mark is a fundamental requirement. Simply stated, the mark should not be generic or common to the trade but inherently different or being distinguishable by virtue of its prior use. In my considered opinion, it is in the context of the foregoing that section 14, particularly sub-section (2), should be approached.

Section 14 provides: -

**'14. (1) In order for a trade mark (other than a certification trade mark) to be registrable in Part A of the register, it must contain or consist of at least one of the following essential particulars: -**

**(a) the name of a company, individual or firm, represented in a special or particular manner;**

**(b) the signature of the applicant for registration or some predecessor in his business;**

**(c) an invented word or invented words;**

**(d) a word or words having no direct reference to the character or quality of the goods and not being, according to its ordinary signification, a geographical name or a surname;**

**(e) any other distinctive mark, but a name, signature or word or words, other than such as fall within the descriptions in the foregoing paragraphs (a), (b), (c) and (d), shall not be registrable under the provisions of this paragraph except upon evidence of its distinctiveness.**

**(2) For the purposes of this section, "distinctive" means adapted, in relation to the goods in respect of which a trade mark is registered or proposed to be registered, to distinguish goods with which the proprietor of the trade mark is or may be connected in the course of trade from goods in the case of which no such connection subsists, either generally or, where the trade mark is registered or proposed to be registered subject to limitations, in relation to use within the extent of the registration.**

**(3) The Registrar, or the High Court in the event of an appeal from a decision of the Registrar, in determining whether a trade mark is adapted to distinguish as aforesaid, may have regard to the extent to which-**

**(a) the trade mark is inherently adapted to distinguish as aforesaid; and**

**(b) by reason of the use of the trade mark or of any other circumstances, the trade mark is, in fact, adapted to distinguish as aforesaid.**

**(4) An appeal shall lie from any decision of the Registrar under this section.**  
***(As amended by Act No. 17 of 1980)***

It follows from section 14 that a trademark that is likely to confuse with another or cause deception is disqualified from registration. To that end, section 16 of the Trade Marks Act Cap 401 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) further provides:

**(1) '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'.**

Unfortunately, however, there appears to be no statutory or judicial definition in our jurisdiction of 'confusing similarity'. Nonetheless, in the South African case of **Cowbell AG v Ics Holdings Ltd 2001(3) SA 941 (SCA)**, the court opined that 'likelihood of confusion' was synonymous with 'reasonable probability'. The learned authors of the **Longman Dictionary of Contemporary English (1978)** define confuse at page 229 as 'to make less clear; make more difficult to understand; to mix up; mislead; or cause to be mistaken'. Similarly, in **Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd (1978) 2 NZLR 50 (CA) (New Zealand)**, the Court had the following to say on the question of causing deception and confusion: -



'...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...'

My inference is that confusing similarity exists where marks and associated goods are so similar that the consumer will mistakenly pick one product for the other. However, whether this is indeed the case depends on whether the product is likely to be sold in a supermarket where there is 'self service' or over the counter. Thus, notwithstanding their importance, similarity in marks and goods are not conclusive but merely some of the factors to be taken into account in determining likelihood of confusion. The position is settled at common law that all factors surrounding the purchase of a product should be taken into account. Our supreme court upheld this approach in **Trade Kings Ltd v Unilever and Others, SCZ Judgment No. 2 of 2000 ZLR** at page 16. Ngulube CJ, put the test for likelihood of confusion in the following manner:

'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'

The chief justice went on to quote the following with approval at page 21: -

'..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.'

Jacob J., in **British Sugar Plc v James Roberson and Sons (1996) RPC 281**, summed up the factors to be taken into account in assessing confusing similarity 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. The import of the above authorities, as justice Ngulube pointed out, is that determination of likelihood of confusion is a question of fact.

Marks may be similar in three respects, namely; visually, phonetically or conceptually. The most important, according to the Supreme Court, is visual. Ngulube CJ had the following to say when addressing the question of confusing similarity in **Trade Kings Ltd v Unilever and Others, SCZ Judgment No. 2 of 2000 ZLR** at page 20 '...it is obvious that the judgment

of the eyesight is a most important, if not the most important element in its determination, so much so that, there are many cases in which it practically determines the case'.

The standard against which the potential confusion should be gauged is that of an average consumer. 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 Zambian consumer would be confused by use of the two marks. This was an appeal against the decision of the Registrar of Trade Marks to reject an application for registration of YEBO as a trademark in relation to soaps on grounds that it conflicted with EBU, an already registered trademark. The court reversed the Registrar's refusal.

What constitutes an 'average consumer' is dependent on the product and the relevant consuming public. For instance, an 'average consumer' for advanced engineering products is arguably more sophisticated than one for ordinary foodstuffs. Further, regarding the manner consumers go about purchasing a product, it is settled that while an average consumer is expected to be reasonably well informed about the product, account should be taken of the fact that a consumer has an imperfect recollection, has no time to critically compare the various marks and the fact that he or she may mispronounce a mark thereby probably also confusing the seller.

But as justice Ngulube cautioned in the **Trade Kings** case at page 20, the average Zambian consumer should not be treated as some kind of a retard. The European Court of Justice in **Lloyd Schufabrik Meyer & Co GmbH v Klijsen Handel BV Case C-342/97 (ECJ)** answered the question of the average consumer in the following terms: -

'For purposes of global appreciation, the average consumer of the category of products is deemed to be reasonably well-informed and reasonably observant and circumspect. However, account should be taken of the fact that the average consumer only rarely has the chance to make a direct comparison between the different marks but must place his trust in the imperfect picture of them that he has in his mind. It should also be born in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question'.

The issue in the instant case, therefore, is whether, having regard to the way cigarettes and other tobacco products are distributed, marketed, sold and the nature of consumers, confusion is likely. The issue, according to the guidance of the Supreme Court in the **Trade Kings** case, is not whether or not I would personally be deceived but whether or not, after hearing the evidence and taking into all the factors, my conclusion is that the ordinary average customer of cigarettes is likely to be deceived.

In the view of the South African Court in **Laboratoire Lachartre SA v Armour-Dial Inc 1976(2) SA 744 (T)**, I have to transport myself notionally to the market place, look at the marks as they would be seen by hypothetical consumers if they are both in fair and normal commercial use. I am not to postulate the consumer of 'phenomenal ignorance or extraordinary intelligence' but rather a person of average intelligence and proper eyesight, buying with ordinary caution.

The opponent's contention is that the marks are visually and to a lesser extent, conceptually similar. Clearly, there is no phonetic similarity between the marks. Mr. Aitchison's evidence was that there is similarity in appearance. The issue therefore is essentially the get-up of the respective cigarette packages. It is to be noted, in this regard, that trademarks 160/2001 ROTHMANS and 490/2001 ROTHMANS, upon which the

opponent relies, are in colour, namely blue and red, respectively. Its other registered trademarks are in 'black and white'. Similarly, the specimen of the respondent's mark filed with us is not in colour.

Section 21 provides as follows regarding the effect of limitation as to colour or absence thereof: -

**'(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'.**

In interpreting section 21, I take cognizance of the fact that it falls under Part IV of the Act which relates to 'registrability and validity of registration', that is, whether a mark satisfies the requirements for registration. I have had occasion to visit the decision of the House of Lords in **Smith Kline and French Laboratories Ltd v Sterling-Winthrop Group Ltd (1975) 2 ALL ER at page 578** which opponent's counsel cited on this point and I must concede that while it clarifies some of the aspects of trademark law, the fundamental issues addressed in that case differ from those at hand.

In the **Smith Kline** case, the issue was whether colour combinations on capsules of small spherical pellets were marks and thus registrable under the Trade Marks Act of the UK of 1938. A rival manufacturer of pharmaceutical products opposed registration on grounds that the mere external appearance of the product was not a mark within section 68(1) of that Act. Perhaps the

only major point to be deciphered from this authority is that colour can constitute trademark matter.

My interpretation of section 21 of our Trade Marks Act is that a mark is deemed to be limited as to colour if represented in a particular colour. Conversely, if it is in 'black and white, it is deemed to be intended to be unlimited as to colour in usage and thus, the assumption, for purposes of assessing its distinctiveness, particularly in relation to prior registered marks, is that it would be used in any colour. Nonetheless, I do not think that the legislature intended that such a mark should enjoy exclusive rights to the various colours in which it could be used. On the contrary, where there is a specification or limitation on colour, as in the case of trademarks 160/2001 and 490/2001, the respective colours form part of the trademark.

However, in contrast with the **South African Trade Marks Act Number 194 of 1993**, for example, colour is not among registrable marks listed in section 2 of our Act. Accordingly, colour *per se*, as argued by the respondent, cannot be monopolized. There is no property in and of itself. It has to be in combination with other trademark matter. It is assessed in the context of the other trademark matter, that is, the get-up of the mark. It therefore follows from the above that the colours red and blue should be taken into account in assessing the get-up of their relevant marks and consequently whether confusion is likely. The question then becomes whether, assuming the respondent used red or blue in its mark, confusion with the opponent's respective marks would be likely.

As regards the manner in which smokers purchase cigarettes, I should first point out that unlike the courts of law, I enjoy wider discretion in terms of the evidence I can rely on in determining likelihood of confusion. Further to section 48(2) of the Trade Marks Act as read with section 13(1) of the Inquiries Act Cap 41 of the Laws of Zambia, I am not bound by rules of

evidence or procedure of any court or tribunal and have the liberty to conduct proceedings in such manner as I think proper and admit any evidence, written or oral, whether or not such evidence would be admissible in civil or criminal proceedings.

The respondent's argument is that cigarette smokers are influenced primarily by the brand as opposed, perhaps, to the appearance or attractiveness of the packaging or the marketing appeal. This view would seem to be corroborated by the view expressed by the Tobacco Association of Zambia in **Trademark Opposition 59/2005 Johann Wilhelm Von Eicken GmbH v Benson & Hedges (overseas) Ltd**. In that matter, the registration of VON EICKEN TRADITIONAL label by Johann Wilhelm Von Eicken GmbH Ltd was contested by Benson & Hedges (Overseas) Limited on grounds of confusing similarity. We observed in the course of that decision: -

'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'.

I see no reason to depart from our earlier position and I accordingly agree with the respondent that cigarette smokers are predisposed to being

influenced by the cigarette brand. Further, a comparison of the respective labels reveals that the dissimilarities cited by the respondent indeed exist. I should nonetheless quickly point out that the respondent's mark exhibited as 'J' in the opponent's affidavit as well as the one reproduced as 'E' in the respondent's affidavit, bears some variations from the representation that accompanied the application for registration.

To start with, as earlier observed, the specimen lodged with us was not in colour but rather in 'black and white'. Secondly, the specimen does not bear an oval shaped depiction below the word SIR nor the words 'finest Virginia' inscribed therein. Similarly, it does not bear the words 'king size' below the word 'SIR' nor the words 'full flavour' below the oval shaped graphical representation. It goes without saying that in the event of it being registered, protection would only go as far as the exact representation of the specimen lodged with us.

But notwithstanding the variations aforesaid, I am persuaded, as I have already indicated, that differences exist between the marks. To that extent, I am equally persuaded by the reasoning of the Intellectual Property Office of the Philippines and OAPI in dismissing similar oppositions. In this regard, I take cognizance of the striking similarity between these oppositions and the instant one in terms of facts, grounds for and against registration, legal provisions and the fact that what was in issue is essentially a question of fact. In a decision dated 11<sup>th</sup> January 2009, OAPI stated:

'considering all predominant phonetics and intellectual differences between the said trademarks, there is no risk of confusion between the distinctive elements for an ordinary observant consumer who is not supposed to have simultaneously both trademarks under his eyes'.



It was held that the two marks could co-exist without any risk of confusion. In the Philippines opposition, the contention was about the respondent's SIR label and the opponent's trademark 161/2001 which bears the words 'ROTHMANS'. The Intellectual Property Office of the Philippines, in a decision of 16<sup>th</sup> December, 2009, noted that two tests had been developed for determining likelihood of confusion of trademarks, namely, the 'dominance test' and the 'holistic or totality' test' (essentially the global appreciation of a mark) . It observed, *inter alia*, on page 9:

'As can be plainly seen from the picture of opposer's registered mark: ROTHMANS (LABEL) under Certificate of Registration No. 4-2001-00-1443 (Exhibit 'D') applied also for goods under class 34, the mark consists of a 'representation of the mark "ROTHMANS" in roman stylized script within an oval shaped figure, with a royal seal with a letter 'R' in its center between two lions above the mark, and a small oval shaped figure at the bottom, all within a rectangular device' and ROTHMANS (WITHOUT WORD)(LABEL) (Exhibit 'E'), under Certificate of Registration No. 4-2001-00144, described as a 'representation of a royal seal in gold with the letter 'R' in its center against a red background between two lions, on top of a blue oval shaped figure, and a small oval shaped figure at the bottom, all within a rectangular device and applied for class 34 namely 'cigarettes, tobacco products, smokers article, lighters, matches,' the most dominant portion of opposer's marks in the word ROTHMAN depicted in a stylized slanting script.

On the other hand, respondent-applicant's mark's most central and predominant feature is the word SIR, depicted in upright letters as seem from a picture of its label (Exhibit 'A'). At a casual glance and more particularly when scrutinized side by side, the marks of the parties are different and distinct from each other. File wrapper shows that respondent – applicant's label are described as "mark consists of the

word SIR in the center of a shield device. Above the shield are four leaves illustrated in a fan-like manner with a crown figure on top". Due to these basic glaring differences, no manner of confusion is likely to result from the contemporaneous use of the marks.

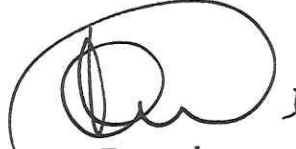
In the light of the foregoing, I am satisfied that, on the evidence, notwithstanding that cigarettes and other tobacco products are likely to be consumed by both the literate and illiterate, regard being had to the overall impression of the respective marks and how cigarettes are purchased, confusing similarity, if any, is minimal. In the absence of phonetic similarity, in particular, I am of the considered opinion that a reasonably well-informed and reasonably observant and circumspect consumer would not confuse the respective cigarette brands. The prominent word 'SIR' on the label, in my view, mitigates any potential for confusion.

But obviously, I can not rule out the possibility of some consumers being confused. The issue, nonetheless, is one of degree or proportion of the consuming public likely to be confused. In **Plascon – Evans Paints Ltd v Van Riebeek Paints (PTY) Ltd 1984 (3) SA 623 (A) South Africa**, the court was of the view that it should not be that no consumer would be confused. It stated: -

'It is not incumbent upon the plaintiff to show that every person or concerned (usually as customer) in the class of goods for which his trademark has been registered would probably be deceived or confused. It is sufficient if the probabilities establish that a substantial number of such persons will be deceived or confused.....it is enough for the plaintiff to show that a substantial number of persons will probably be confused as to the origin of the goods or the existence or non-existence of such a connection'.

I accordingly dismiss the opposition but order each party to bear its cost of and incidental to this application. Leave to appeal if dissatisfied with the decision herein is hereby granted.

DELIVERED THIS 15<sup>TH</sup> DAY OF NOVEMBER, 2010



Anthony Bwembya

**ACTING REGISTRAR OF TRADEMARKS**

