

**DECISION OF THE REGISTRAR OF TRADE MARKS IN THE MATTER OF
TRADE MARK OPPOSITION NO. 972/2008 BAKERS PRIDE LABEL IN
CLASS 30 PURSUANT TO THE TRADE MARKS ACT CAP 401 OF THE
LAWS OF ZAMBIA AND REGULATIONS THEREUNDER**

Between

NATIONAL BRANDS LIMITED

And

NATIONAL MILLING CORPORATION LTD

Before Mr. Anthony Bwembya, Acting Registrar



OPPONENT

RESPONDENT

For the Opponent : Mr. C. Sikazwe from Messrs Christopher, Russel Cook & Company

For the Respondent : Mrs N. Simachela and Mr. A. Hamwela from MNB Legal Practitioners

Cases and Authorities referred to:

Trade Marks Act Cap 401 of the Laws of Zambia

Trade Kings Ltd v Unilever and Others, SCZ Judgment Number 2 of 2000

British Sugar Plc v James Roberson & Sons (1996) RPC

Anglo-Swiss Condensed Milk Co. v Metcalf (1886) 31 Ch. D 454

McCulloch v Lewis A May (Produce Distributors) (1947) 2 ALL ER 845

Sable BV v Purma (ECJ) C-251/95

Arsenal Football Club Plc v Reed (ECJ) C-206/01 (2002) ECR I-10273

Lloyd Schufabrik Meyer & Co GmbH v Klijsen Handel BV (ECJ) C-342/97

Daimler Chrysler's Application for PICARO v PICASSO (ECJ) C-361/04

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

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

Glaxo Group Limited v Synermed Pharmaceuticals Limited (Nairobi MISC. App. No. 792 of 2009)

Japan Taxes on Alcoholic Beverages WTO Case DS8/R, DS10/R or DS11/R

Kerly's Law of Trade Marks and Trade Names (1972) 10th Edition, London, Sweet & Maxwell

Longman Dictionary of Contemporary English (1978) Longman Group

Frank I Schemer, *'The rational basis for trade mark protection'* (1926-7) 40 Harvard LR 813-33. 818 - 19.

This is a trademark opposition by National Brands Limited of South Africa (hereinafter referred to as 'the opponent') against the registration of trademark 972/2008 BAKERS PRIDE Label by National Milling Corporation Ltd (hereinafter referred to as 'the respondent'), a local company. The facts leading to this opposition are that the respondent lodged an application on 25th November 2008 for registration of BAKER'S PRIDE Label as a trademark in class 30. The application was duly examined and the proof of acceptance issued on 2nd March 2009. The mark was subsequently advertised for registration in the trademark journal of 25th June 2009, prompting the opponent to institute these opposition proceedings.

The grounds of opposition are that the respondent's mark is confusingly similar with the opponent's registered trademarks 413/91 BAKERS, 543/94 BAKERS, 134/66 BAKERS LTD-QUALITY and 560/62 BAKERS LTD BISCUIT Label, all in class 30. The opponent contends that the respondent's mark is an imitation or a reproduction, in whole or in part, of its trademarks which are reputable in Zambia. The opponent claims to have continuously used its marks in Zambia prior to the respondent's application and thus to have earned reputation. It was argued that in view of the foregoing, the respondent's mark is incapable of distinguishing its goods, whether inherently, by reason of use or otherwise and therefore falls short of the requirements for registration under Part IV of the Trade Marks Act Cap 401

of the Laws of Zambia. I was accordingly invited to uphold the opposition and order the respondent to bear the cost of and incidental to these proceedings.

The respondent company however denied its trademark being similar to that of the opponent or being contrary to law, morality or likely to deceive, cause confusion or to be otherwise contrary to sections 16 and 17. It further averred in its counterstatement that the word 'BAKERS' is generic and common to the trade and as such cannot be monopolised by the opponent in distinguishing flour which is a raw material for biscuits, pastry, confectionary and other products. The respondent contended that both the wording and image of the chef on its mark are distinct from the opponent's depiction of the baker man as well as the other trademark matter.

Mr. Terrence Rodney Peacock, the opponent company's legal advisor, swore an affidavit on behalf of the opponent. His evidence, tendered in support of opposition, was that the opponent has a wide product range with each product category (biscuits or snacks, for example) having a group of directors who report to him. The opponent company is the successor to L. Bauman & Company which commenced baking and confectionary in Durban, South Africa, in 1895, and is currently one of the oldest, largest and most successful South African producers and marketers of foodstuffs, including biscuits.

According to Mr. Peacock, L. Bauman was later transferred to Bakers Ltd following the latter's incorporation in 1915. Bakers Ltd later expanded and established factories in Isando (Gauteng), Westmead (in Kwazulu Natat) and Butterworth (East Cape), South Africa. In 1948, Bakers South Africa Ltd was formed but changed its name to Avbak Food Holdings Ltd in 1987. It acquired Baker's Ltd in 1991. The baker's business subsequently became the opponent company's biscuits and snack's division in 1996. This division currently manufactures and sells numerous well-known biscuits under the brands: pyotts, baumann's creams, boudoir biscuits, lemo creams, ginger nuts, tennis biscuits,

choc-kits, eet-sum-mor, royal creams, blue label marine biscuits and nuttikrust biscuits.

Mr. Peacock reiterated that the opponent is the registered proprietor in Zambia of trademarks 413/91 BAKERS, 543/94 BAKERS LITTLE NON CORNER & baker man device, 134/66 BAKER LTD-QUALITY & baker man device and 560/62 BAKERS LTD BISCUITS circle trademarks. He deposed that promotion of products under these marks had taken several forms including in-store displays, promotional materials and advertising on radio and the print media. In his view, there has also been spill-over advertising from countries such as South Africa where BAKERS products are marketed. Exhibited as 'TP7' was an extract from the First Lady Magazine edition of 9th June 1971 which the deponent said was an example of the promotional material. Other samples of promotional materials that have allegedly been used in Zambia were exhibited as 'TP8 – 14'.

His evidence was further that the opponent's trademarks 413/91 BAKERS, 543/94 BAKERS LITTLE NON CORNER & baker man device, 134/66 BAKERS LTD-QUALITY & baker man device and BAKERS LTD BISCUITS circle device bear the word BAKERS while trademarks 543/94 and 134/94 depict a baker man with a raised arm. His view was that the respondent's mark is visually and conceptually similar to the foregoing marks. In this regard, he reaffirmed that the respondent's mark wholly incorporates the opponent's trademark 431/91 BAKERS; that both parties marks bear the word BAKER or BAKERS in dominant positions; both depict a baker man with a raised arm; and that if products marketed under the respective marks were advertised on radio, they would be referred to as 'the BAKERS' products.

He added that there is a clear overlap between the goods covered in the respondent's application and those under the opponent's trademarks. His position was that use by the respondent of the word PRIDE after BAKERS is not sufficient to distinguish the mark as it is laudatory. He deposed that members of

the Zambian consuming public, knowing the opponent's BAKERS products, are likely to go out looking for the BAKERS trademark and/or baker man device, thus a likelihood of confusion exists. He also refuted assertions that the opponent's marks are common, descriptive and generic.

In response, Mr. David Bosse, the respondent company's finance director, deposed in an affidavit in support of application that the respondent had been in the business of milling and production of a plethora of products such as maize meal, flour, rice, stock feeds and salt for 30 years. The products aforesaid, he deposed, are branded and marketed as, *inter alia*, 'MOTHER'S PRIDE', 'PEOPLE'S PRIDE' and 'ZAMBIA'S NATIONAL PRIDE' and are registered under numbers 514/2000, 515/2001 and 516/2001.

Mr. Bosse's evidence was that the respondent's mark is not identical and is therefore unlikely to deceive or confuse with the opponent's marks and that it would not be used on similar goods - that whereas the respondent's mark would be used in relation to flour, the opponent's marks, as the opponent itself acknowledged in paragraph 3.4 of its affidavit in support of opposition, is only used on biscuits, thus no overlap in the goods exists.

The finance director went on to catalogue the differences between the respective marks including the fact that the respondent's mark has the word PRIDE at the end and a chef is used in place of the opponent's baker man. He deposed that, in any case, the respondent's chef is very distinct from the opponent's. Contrary to the opponent's baker man, he said, the respondent's chef wears a hat, has a scarf with his arm raised not holding anything and is depicted from the shoulders upwards.

He further deposed that the goods associated with the respective marks are not in direct competition and would as such not be located on the same shelf of a supermarket. That a survey conducted by the respondent in major local

supermarkets revealed that the respondent's flour and the opponent's biscuits are seldom located in the same aisle. Photographs said to have been taken from Shoprite Manda Hill and Spar Arcades were exhibited as 'DB2' as proof thereof. Consequently, he deposed, the consumer would not mistakenly pick one product for the other.

Mr. Peacock deposed a further affidavit in reply to the respondent's affidavit. He deposed that apart from National Milling Corporation being the applicant, the opponent had no knowledge of the facts alleged in paragraphs 1 to 4. He added that Mr. Bosse had failed to provide any evidence of authorization to act on behalf of the respondent nor substantiate allegations that he was familiar with the marks and the respondent's business. His authority to act and knowledge of the respondent's trademarks were denied.

As regards paragraph 6 of the respondent's affidavit, Mr. Peacock refuted assertions that the goods in respect of which the opponent employs the BAKERS marks are not similar to those in respect of which the respondent's mark is to be used and maintained that the respective marks are similar. He equally maintained that there is an obvious similarity between flour and flour based confectionary. He deposed that flour is a necessary ingredient in flour based confectionary and that the distinction between a raw and a finished product is 'not sufficient to divorce one product from the other in the mind of the average consumer'.

He also deposed that purchasers of flour inevitably use it to make bread, rolls, flour confectionary such as biscuits and related goods. According to Mr. Peacock, it follows that trade in flour would not exist in the absence of consumption of bread, rolls, flour, confectionary such as biscuits and related goods. His view was that 'respective trades in baking products such as flour and 'finished' baked goods are thus co-dependent in an economic sense and a strong

conceptual, operational and functional association exists between the two trades in the minds of consumers’.

The opponent further deposed that consumers who purchase flour also purchase baked products, implying in effect, that purchasers of the respective products are the same. The deponent maintained that the products in issue are in indirect competition as consumers choose between purchasing baking products with the intention of baking or simply buying the finished product. He deposed that it was therefore not inconceivable that a consumer would consider the respondent’s mark to form part of the opponent’s business and range of products.

As for paragraph 7, the opponent denied that the differences between the marks constitute ‘significant modifications and additions’ to its BAKERS trademark and reaffirmed that the addition of the word PRIDE was laudatory as the dominant and memorable feature of the respondent’s mark was the word BAKERS which is identical with the opponent’s BAKERS word mark. Mr. Peacock also deposed that the distinction the respondent sought to draw between a ‘baker man’ and a ‘chef’ was artificial. As for paragraph 8, his response was that the respondent overlooked the fact that the opponent’s BAKERS registrations in class 30 cover flour.

The parties made oral submissions at a hearing held on 17th November, 2010. Mr. C. Sikazwe of Messrs Christopher, Russel Cook & Company appeared for the opponent while Mrs. N. Simachela and Mr. A. Hamwela of MNB Legal Practitioners, appeared for the respondent. It had been agreed prior to the hearing that oral arguments would be supplemented by written submissions. Both parties relied on their affidavits, the notice of opposition and counterstatement, respectively.

In his oral arguments, Mr. Sikazwe submitted that the gist of the opposition was that the respondent’s mark offends sections 16 and 17 of the Trade Marks Act

Cap 401 of the Laws of Zambia. In this regard, he drew my attention to paragraphs 12 to 14 of Mr. Peacock's affidavit wherein the similarities were itemised. He contended that the similarities in the marks are very clear and likely to cause confusion and indeed deception as to their proprietorship. From his stand point, the similarities are not only phonetic but visual and conceptual. In his view, it was as if the respondent sought to copy and ride on the well established reputation of the baker's trademark and products.

Counsel cited the Supreme Court decision in **Trade Kings Ltd v Unilever and Others, Supreme Court Judgment Number 2 of 2000**, in which the court laid down general principles applicable to determination of likelihood of confusion. He quoted the following at page 16:

'..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; how much of the matter complained of is common to the world, how much to the trade in other similar articles, and how much to the trade in the specific commodity; colour, shape, form, originality of arrangement – all have to be considered; but the ultimate decision must be come to, having regard to all considerations, as a matter of judgment on a question of fact.'

Learned counsel reiterated that the respondent's BAKER'S PRIDE baker man label was not original in terms of arrangement but wholly incorporated the opponent's trademark 413/91 BAKERS. He argued that a comparison of the respective marks reveals that the respondent's mark lacks originality and is conceptually similar. He repeated that both marks had the word BAKER'S in very prominent positions and depict a 'bakerman' or 'chef'. Counsel further argued that section 9 of the Trade Marks Act stipulates that registration of a mark creates a statutory monopoly on the use of a mark on goods and services covered. This, he said, was underscored in the **Trade Kings** case earlier cited. He also reaffirmed that the opponent's trademark registrations include flour and preparations made from cereal.

According to Mr. Sikazwe, allowing the respondent's mark to be registered would invariably offend section 9 of the Trade Marks Act and negate the opponent's registration. In his view, the respondent's affidavit, its exhibits and the Compact Disc (CD), demonstrate the power and strength of the baker's brand as well as the goodwill and reputation it has acquired in Zambia over the years. He argued that registering the respondent's mark would effectively confer a license on the respondent to ride and feast on the strength of the opponent's brand, a development that he said would fly in the teeth of the letter and spirit of the law established to protect brands and trademarks.

Mrs. Simachela, on her part, concurred that the opposition centered on the provisions of sections 16 and 17 of the Trade Marks Act. The first arm of her arguments focused on likelihood of confusion. On this point, she argued that consumers are deemed to be reasonably well informed and observant. She submitted that given that flour is very different from biscuits which, in her view, is the opponent's main product, a reasonably well informed consumer is unlikely to pick one product for the other. It was her opinion that it may have been a different case had the respondent's mark concerned biscuits. In that case, she argued, there could be a likelihood of confusion.

Learned counsel for the respondent cited the decision of the European Court of Justice in **Sable BV v Purma AG C-251/95** wherein it was held that the mere association the public might make between two marks does not constitute likelihood of confusion. Mrs. Simachela also drew my attention to paragraph 10 of the replying affidavit, arguing that it appeared therefrom that the opponent's concern was that members of the public would believe that the two marks are connected. She submitted that Zambian law does not cover likelihood of association.

As regards similarity of marks, she submitted that for marks to be similar or identical, the latter mark should reproduce, without modification or addition, all the elements constituting a registered mark. In her view, the mark must be the same in all respects. She argued that this was not the case in the matter at hand. Learned counsel also drew my attention to paragraph 7 of the respondent's affidavit wherein the differences between the respective marks were highlighted. As regards determination of similarity in goods, she submitted that regard should be had to the physical nature and users of the concerned goods, in this case flour and biscuits. Further, according to counsel, consideration should be given as to the extent to which the concerned goods are competitive.

Counsel reiterated that flour and biscuits are not in competition as they serve different purposes; as such, the respondent's trademark cannot ride on the baker's brand. Mrs. Simachela contended that flour is raw by nature, yet to be processed, while biscuits are a finished product. She prayed that the opposition be dismissed and the respondent's mark allowed to proceed to registration as there is no violation of sections 16 and 17 of the Trade Marks Act.

Mr. Sikazwe, in reply, was of the view that the opponent had in a sense conceded that its mark could cause ordinary sensible Zambian consumers to associate it with the baker's mark. Mr. Hamweela however denied any such

concession having been made. Mr. Sikazwe nonetheless maintained that the import of the argument relating to the position of Zambian law on likelihood of association was an acknowledgement that the proposed mark might be associated with the opponent. He argued that it is such association or connection that is likely to cause deception and confusion as espoused by section 17 (1) of the Trade Marks Act.

As regards similarity or identical nature of marks, Mr. Sikazwe's reply was that section 17(1) is not confined to identical marks but also precludes mark so nearly resembling registered marks as to be likely to deceive or cause confusion, from registration. On the question of similarity of goods, he argued that notwithstanding that flour might be a raw material or product, it is so connected with biscuits that association cannot be ignored. Learned counsel further repeated that by virtue of trademark registration, the opponent enjoyed a monopoly on goods in class 30 which include flour and preparations made from cereals.

In its written submissions, the opponent alluded to the test for determining likelihood of confusion enunciated in the case of **Trade Kings v Unilever and Others SCZ Judgment No. 2 of 2000**. On the basis of the foregoing test, it was argued, the respondent's mark is conceptually similar with the opponent's 413/91 BAKERS, 543/94 BAKERS & baker man, 134/66 BAKERS LTD-QUALITY & Baker device and 560/62 BAKERS LTD BISCUIT (Circle device). It was argued that whereas BAKER'S PRIDE and BAKERS were not visually identical, they so nearly resemble in style and arrangement that they are likely to cause confusion and/or deception. It was further argued that phonetically, they would both be described on the phone or radio as 'BAKERS'.

It was argued on behalf of the opponent that the learned authors of **Kerly's Law of Trade Marks and Trade Names (1972) 10th Edition, London - Sweet & Maxwell**, posit at pages 456-457 paragraph 17 – 18(a) thus: -

'Two marks, when placed side by side, may exhibit many and various differences, et the main idea left on the mind by both may be the same...Marks are remembered rather by general impressions or by some significant detail than by any photographed recollection of the whole. Moreover, variations in details might well be supported by customers to have been made by the owners of the trademark they are already acquainted with for reasons of their own...A critical comparison of the two marks might disclose numerous points of difference, and yet the idea which would remain with any person seeing them apart at different times might be the same. Thus, it is clear that a mark is infringed if the essential features, or essential particulars of it, are taken...'

It was contended that the general effect and impression created by the marks in contention was that they are associated and originate from the same source, thus likely to create confusion and/or deception. I was also referred to page 460 of **Kerly's Law of Trade Marks** where the learned authors state:

"Cases in which the goods of a particular trade have become known by a name derived from his trademark may be considered as carrying a stage further the concept of the idea of the mark". In these special cases, any other mark which would be likely to suggest the use of the same name for the goods on which it is used, so resembles the former as to be likely to deceive'.

The case of **Anglo- Swiss Condensed milk Co. v Metcalf (1886) 31 Ch. D 454**, was also cited in which the following observation was made: -

'Where a trademark consisting of the full length figure of a milkmaid carrying two pails, one on her head and one in her right hand, with the words 'Milkmaid Brand' above it was registered for condensed milk, coffee and milk, cocoa and milk, chocolate and milk, and essence of

coffee and the goods upon which it was used were known as the 'Milkmaid' or 'Dairymaid' brand, and subsequently another trademark consisting of a half length figure of a woman carrying a pail under her right arm, with the word 'Dairymaid' at the side of the figure was registered for butter and other fatty substances used as food or as ingredients in foods, an order was made to rectify the register by confining the second registration to goods other than those included in the first, and to restrain the use of the second mark upon any of the goods for which the first was registered'.

The opponent concluded its written submissions by reaffirming that on the strength of the Supreme Court decision in the **Trade Kings Case**, the opponent had, on account of its prior registrations, acquired a statutory monopoly and vested rights in the marks which, it was argued, I am obligated to protect. The opponent, it was contended, has natured a very powerful brand and invested substantially in advertising and marketing locally as evidenced in the affidavit and compact disc filed.

The respondent, on the other hand, opined in its written submissions that a mark could only be denied registration under section 17(1) if it concerns the same goods and/or description as those of a prior registered trademark; is identical with a registered mark; or so nearly resembles a registered mark as to be likely to deceive or cause confusion. It was argued that the opponent could only successfully challenge registration if goods covered by its registrations are alike or of the same description.

The respondent submitted that the World Trade Organisation, in the case of **Japan Taxes on Alcoholic Beverages DS8/R, DS10/R or DS11/R**, held that for products to be considered alike, they must have similar physical characteristics and common end use. The respondent reiterated that biscuits and flour have different physical characteristics and uses. The case of **Trade**

Kings v Unilever was distinguished to the extent that both goods involved in that case were similar, that is soaps.

The case of **McCulloch v Lewis A May (Produce Distributors) (1947) 2 ALL ER 845** was also cited on this point. The plaintiff in this case was well-known as a broadcaster over a period of many years in the 'Children Hour' programme of the British Broadcasting Corporation under the name 'Uncle Mac'. Other activities in connection of which the plaintiff was known included the broadcasting of charity appeals, the writing of children's books, the making of gramophone recordings, association with the road 'Safety First' campaign, the National Savings Movement, the giving of lectures and opening of fetes.

In 1944, the defendants began distributing puffed wheat under the name 'Uncle Mac's Puffed Wheat'. In an action for fraudulent passing off, the court is said to have held *inter alia*,:-

'As the plaintiff was not engaged in any degree in producing or marketing puffed wheat, there was no field of activity common to the plaintiff and the defendants, and the defendants in using the fancy name used by the plaintiff could not be said to have invaded any proprietary right of the plaintiff, and therefore, to have passed off the goods or the business of the plaintiff'.

According to the respondent, it follows from the above authority that for trademark rights to be infringement, there must be a common activity between the parties. It was argued that no common activity exists in the instant case as one deals in biscuits and the other in flour. The goods involved, it was repeated, are neither in competition nor likely to cause a reasonably informed consumer to choose one product instead of the other. The respondent contented that the case of **Anglo-Swiss Condensed Milk Company v**

Metcalf Re Metcalf's Trade Mark (1886) 31 Ch D 454, which the opponent cited, also supported these arguments.

In the **Anglo Swiss case**, the plaintiff is said to have registered a trademark in respect of condensed milk and other specified articles in 1876. The mark consisted of a figure representing a milk maid or dairy maid. Its goods subsequently became known as 'Milk Maid' or 'Dairy Maid' brand. In 1883, the defendant registered a mark consisting half the length of a woman carrying a pail under her right arm with words 'Dairy Maid' in respect of 'butterine' and other fatty substances used as food or as ingredients in food'. The court ordered that the registration of the defendant's mark be amended with the addition of the words 'other than condensed milk and other articles specified by plaintiffs'.

The respondent submitted that the principle enunciated in the **Anglo-Swiss Case** is that as long as the opponent deals in different goods from those of the respondent, the respondent's mark must be allowed registration. That the opponent can only exercise exclusive rights if the respondent produces similar goods. The respondent also reiterated that it appeared from paragraph 10 of the affidavit in reply that the opponent's concern is that members of the public would believe that the respondent's mark is associated or connected with the opponent's baker's mark. In this regard, I was referred to the case of **Sabel BV v Puma AG C-251/95** wherein the European Court of Justice held *inter alia*: -

'The mere association which the public might make between the two marks does mean there is a likelihood of confusion'.

The respondent nonetheless clarified that in citing the above authority, it was not in anyway conceding that the public might believe that the two marks are associated but rather was merely making the point that association *per se* is

not a valid ground against registration. On the contrary, it was argued, refusal of registration can only be based on sections 16 and 17 of the Trade Marks Act. The respondent concluded its submissions by contending that its mark be allowed to proceed to registration as the respective goods of the parties are different in nature and thus not likely to confuse.

I am indebted to counsel on both sides for their industry and resourcefulness evidenced by the authorities cited and the learned arguments and submissions. Before delving into the issues arising from this opposition, however, I wish to place on record that it seems to me to have been an oversight on the part of the respondent to have reflected its trademark application 972/2008 BAKERS PRIDE device as being in class 31, considering that flour, which it seeks to market under the mark, falls in class 30 of the Nice Classification of Goods and Services. I also wish to place on record that I have given due consideration to the competence or otherwise of the respondent's deponent to swear to the affidavit and I am satisfied that he is sufficiently competent and I accordingly admit the affidavit into evidence.

The issue as both parties have repeatedly pointed out is whether the respondent's BAKER'S PRIDE device number 972 of 2008 is confusingly and/or deceptively similar with the opponent's registered trademarks and as such disqualified from registration under sections 16 and 17 of the Trade Marks Act. Invariably, determination of this question will broadly be informed by the essence of a trademark and the rationale for trademark registration. It is common cause that a trademark is a symbol employed to individualise and distinguish one's goods in the market place. It is a badge or an indicator of commercial origin and therefore a guarantee of expected quality

Under section 2 of our 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'.

It goes without saying that a trademark is only capable of performing its distinguishing function if it is inherently distinctive or has acquired distinctiveness through use. Simply put, it should be different from other marks, particularly prior registered marks. Because of their distinguishing function, trademarks are also increasingly recognised as marketing tools. I find the following observation by F.I Schemer, in his article entitled **'The rational basis for trade mark protection'** published in the Harvard Law Journal of 1926-7 (40 Harvard LR 813-33. 818-19) to be quite instructive on this point: -

'The true functions of the trademark are, then, to identify a product as satisfactorily and thereby to simulate further purchases by the consuming public. The fact that through his trademark the manufacturer or importer may 'reach over the shoulder of the retailer' and across the latter's counter straight to the consumer cannot be over-emphasised, for there lies the key to any effective scheme of trademark protection. To describe a trademark merely as a symbol of goodwill will, without recognizing in it an agency for the actual creation and perpetuation of goodwill ignores the most potent aspect of the nature of a trademark and that phase most in need of protection. To say that a trademark 'is merely the visible manifestation of the more important business goodwill, which is the "property" to be protected against invasion' or that the 'goodwill is the substance, the trademark merely the shadow', does not accurately state the function of a trademark today and obscures the problem of adequate protection. The

signboard of an inn in stagecoach-days, when the golden lion or the green cockatoo actually symbolized to the hungry and weary traveler a definite smiling host, a tasty meal from a particular cook, a favourite brew and a comfortable bed, was merely 'the visible manifestation' of the goodwill or probability of custom of the house; but today the trademark is not merely the symbol of goodwill but often the most effective agent for the creation of goodwill, imprinting upon the public mind an anonymous and impersonal guaranty of satisfaction, creating a desire for further satisfactions. The mark actually *sells* the goods. And self-evidently, the more distinctive the mark, the more effective is its selling power'.

Similarly, much more recently, the European Court of Justice opined in **Arsenal Football Club Plc v Reed Case C-206/01 (2002) ECR I-10273** (per AG Clomer) thus: -

'It seems to me to be simplistic reductionism to limit the function of a trademark to an indication of trade origin. ...Experience teaches that, in most cases, the user is unaware of who produces the goods he consumes. The trademark acquires a life of its own, making a statement, as I have suggested, about quality, reputation and even, in certain cases, a way of seeing life....The messages it sends out are, moreover, autonomous. A distinct sign can indicate at the same time trade origin, the reputation of its proprietor and the quality of the goods it represents, but there is nothing to prevent the consumer, unaware of who manufactures the goods or provides the services which bear the trademark, from acquiring them because he perceives the mark as an emblem of prestige or a guarantee of quality. When I regard the current functioning of the market and the behavior of the average consumer, I see no reason whatever not to protect those other functions of the trademark and to safeguard only the function of indicating the trade origin of the goods and services'.

Registration confers rights to exclude use of similar marks on similar or identical goods. Section 9 of the Trade Marks Act in this regards provides *inter alia*: -

'9. (1) Subject to the provisions of this section and of sections twelve and thirteen, the registration of a person in Part A of the register as proprietor of a trade mark in respect of any goods shall, if valid, give or be deemed to have given to that person the exclusive right to the use of the trade mark in relation to those goods and, without prejudice to the generality of the foregoing words, that right shall be deemed to be infringed by any person who, not being the proprietor of the trade mark or a registered user thereof using by way of the permitted use, uses a mark identical with it or so nearly resembling it as to be likely to deceive or cause confusion in the course of trade in relation to any goods in respect of which it is registered and in such manner as to render the use of the mark likely to be taken either-

- (a) as being used as a trade mark; or**
- (b) in a case in which the use is use upon the goods or in physical relation thereto or in an advertising circular or other advertisement issued to the public, as referring-**
 - (i) to some person having the right either as proprietor or as registered user to use the trade mark; or**
 - (ii) to goods with which such a person as aforesaid is connected in the course of trade.....'.**

According to Chief Justice Mathew Ngulube in **Trade Kings v Unilever and Others, SCZ Judgment No. 2 of 2000** at page 18, the above section 9 creates a statutory monopoly protecting the use of a mark in the course of trade for the goods or service for which the mark is registered. In my considered opinion, sections 16 and 17, upon which the opponent relies, give meaning to section 9. These provide and I quote:

‘16. 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’

‘17.(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, we do not seem, in our jurisdiction, to have a statutory or judicial definition of what constitutes deception or confusing similarity or likelihood to cause deception and/or confusion. It is fair to say nonetheless that confusion is likely where both the marks and the associated goods are identical or substantially similar. I therefore find the respondent’s interpretation of section 17 to have been generally sound.

The learned authors of **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’. In the South African case of **Cowbell AG v Ics Holdings Ltd 2001(3) SA 941 (SCA)**, the court was of the view that ‘likelihood of confusion’ is synonymous with ‘reasonable probability’. A similar approach was adopted in **Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd (1978) 2 NZLR 50 (CA) (New Zealand)** in which 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...'

In my view, confusing similarity exists where marks and associated goods are so similar that a consumer will more than likely mistakenly pick one product for the other. But as the respondent rightly argued, there is a difference between likelihood of confusion and likelihood of association. To illustrate this difference, assuming for argument's sake, a local company started producing and marketing motor vehicle tyres under a famous brand like 'coca cola' or one nearly resembling the 'coca cola' mark. Evidently, consumers of the coca cola soft drink would not confuse the drink with the tyres but may labour under the mistaken view that the coca cola company has diversified into tyre production. Should the tyres therefore prove to be of inferior quality, the coca cola company's reputation as a producer of premium products may be tarnished.

This is the essence and rationale for protection against likelihood of association. As pointed out by the European Court of Justice in the case of **Sable BV v Puma AG (Case C-251/95)** cited by the respondent, mere association of two marks does not mean there is likelihood of confusion. It follows that the respondent was on firm ground in its view that mere association does not constitute a ground for rejection under sections 16 and 17. However, Zambian law does recognise likelihood of association save that a mark should be registered defensively to enjoy such protection. Section 32(1) in this regard provides: -

'Where a trade mark registered in Part A of the register has become so well known as respects any goods in respect of which it has been used that the use thereof in relation to other goods would be likely to be taken as indicating a connection in the course of trade between those goods and a person entitled to use the trade mark in relation to the first-mentioned

goods, then, notwithstanding that the proprietor registered in respect of the first mentioned goods does not use or propose to use that trade mark in relation to those other goods and notwithstanding anything in section thirty one, the trade mark may, on the application in writing in the prescribed manner of the proprietor registered in respect of the first mentioned goods, be registered in Part D of the register in his name in respect of those other goods as a defensive trade mark and, while so registered, shall not be liable to be taken off the register in respect of those goods under section thirty one’.

The position at common law is that regard should be had to all the surrounding circumstances in determining whether marks are confusingly similar. Apparently, similarity of marks and/or goods, while a primary consideration, is not conclusive. In the leading case of **British Sugar Plc v James Roberson and Sons (1996) RPC 281**, Jacob J. summed up the factors to be taken into account as being the uses, users, physical nature of the respective goods, the trade channels through which the good is marketed, the respective locations where it is sold in the supermarket and whether the goods concerned are rivals in the same market.

Our Supreme Court has since upheld the approach in the British Sugar Case. In **Trade Kings Ltd v Unilever and Others, SCZ Judgment No. 2 of 2000**, Chief Justice Ngulube opined thus: -

‘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 Byrne 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'.

The foregoing would also appear to be consistent with the view of the World Trade Organisation (WTO) in the **Japan Taxes on Alcohol Beverages Case**. The position is equally settled, in so far as the manner consumers purchase products is concerned, that while an average consumer should be expected to be reasonably well informed about a product, allowance should be made of the consumer's imperfect recollection. Similarly, account should be taken of the fact that a consumer rarely has the time to dissect or compare trademarks. The European Court of justice in **Lloyd Schufabrik Meyer & Co GmbH v Klijsen Handel BV Case C-342/97 (ECJ)** noted thus: -

'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'.

Returning to the facts of this opposition, it is not in dispute that the opponent is the registered proprietor of trademarks 413/91 BAKERS, 543/94 BAKERS, 134/66 BAKERS LTD-QUALITY and 560/62 BAKERS LTD BISCUIT. The starting point should be to establish the extent of the opponent's exclusive rights flowing from these registrations. I have had occasion to peruse the registration certificates and it occurs to me that all the marks are registered in class 30 and they all cover more or less the entire spectrum of goods in that class, including flour. They are registered in respect of coffee, tea, cocoa, sugar, rice, tapioca, sago, coffee substitutes, flour and preparations made from cereals, bread, biscuits, cakes, pastry and confectionary, ices; honey, treacle; yeast, baking-powder; salt, mustard; pepper, vinegar, sauces; spices; and ice.

As they also cover flour, the implication is that the opponent also has a legal claim to flour. Whether or not the opponent is in fact using the mark in relation to flour is another matter altogether. I must point out that where a mark is not being used in relation to a particular product, the Registrar or the high court has to be moved under the Act to remove such a mark from the register on grounds of non-use. In the same vain, considering that I cannot expunge from the register, rectify an error or otherwise vary any entry on the register on my own motion, I find it academic to consider whether the word 'baker' is generic and/or common to the trade and should thus not be monopolised. Suffice it to say that no disclaimer was entered in respect of 'bakers'.

It follows from the foregoing that the goods in issue are not necessarily biscuits and flour but flour on the one hand and flour, biscuits and others, on the other. The question then becomes whether confusion with the respondent's mark is

probable if the opponent used its mark on the respective goods covered by registration. To the extent that flour is covered, the concerned goods are identical. The corollary is that the respondent's contention that the marks relate to different goods is not sustainable. In view of the foregoing, it would equally be academic for me to discuss the authorities cited regarding determination of similarity between the goods or the lack of it.

For the same reasons, I do not find it of any help to resolving the issues herein to inquire into whether there is a likelihood of confusion between the respondent's flour and the opponent's biscuits and the rest of the goods excluding flour. Instead, my focus is on what is likely to happen if both parties fairly used their respective marks on flour in the ordinary course of business. The issue then becomes whether, having regard to the nature of consumers of flour, how flour is purchased and sold and the similarities and dissimilarities between the marks, an average consumer is likely to be confused.

The opponent's contention is essentially that the respondent's mark infringes upon trademark 413/91 BAKERS and 543/94 BAKERS LITTLE NON CORNER Label. Needless I point out that the respondent's mark would have to be examined against these two marks individually. Starting with trademark 413/91 BAKERS, it is a word mark. It thus confers exclusive rights on the word BAKERS. Trademark 543/94 BAKERS LITTLE NON CORNER Label, on the other hand, not only bears the word BAKERS but also has some graphical representation. It is a label or device. In my view, it is against trademark 543/94 BAKERS LITTLE NON CORNER Label that allegations of conceptual similarity are leveled. Equally, this mark, in my view, constitutes the basis for this opposition.

As the respondent pointed out, there are dissimilarities between the two marks. The question nonetheless is where the balance lies between the similarities and dissimilarities. The issue is whether the differences are sufficient to avert any potential confusion between the two marks. As earlier observed, in addressing

this question, regard should be had to the fact that, generally, a consumer does not critically examine or compare marks and that a consumer is endowed with an imperfect memory to accurately remember which mark relates to whose product.

A comparison of trademark 543/94 BAKERS LITTLE NON CORNER Label and 972/2008 BAKERS PRIDE Label reveals that aside from bearing the word BAKERS, the latter also has this idea of a chef, or to borrow from the opponent, a 'baker man' raising an arm *albeit* dressed differently and bearing other minor variations such as not holding anything. It is arguable, to the extent that a baker man or chef is used, coupled with the word 'baker,' that conceptual similarities exist. The issue would thus appear to come down to the global appreciation or the overall impression the two marks are likely to have on the consumer. As the learned authors of **Kerly's Law of Trade Marks** posit, it is possible for marks bearing some variations, when placed side by side, to leave the impression of being the same in the mind of a consumer. In the earlier cited case of **Lloyd Schufabrik Meyer & Co GmbH v Klijsen Handel BV Case C-342/97 (ECJ)**, the ECJ also noted thus:-

'In addition, the global appreciation of the likelihood of confusion must, as regards the visual, aural or conceptual similarities of the marks in question, be based on the overall impression created by them, bearing in mind, in particular, their distinctive and dominant components....The average consumer normally perceives a mark as a whole and does not proceed to analyze its various details'.

Further, account should be taken of the degree of care expected to be exercised by the consumer when purchasing a product, in this case, flour. Although merely persuasive, I find the guidance of the European Court of Justice in the case of **Daimler Chrysler's Application for PICARO v PICASSO (ECJ C-361/04)** insightful. The court held:

'...account must be taken, for purposes of assessing the 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'.

In the **Daimler Chrysler's Application**, the estate of Pablo Picasso filed an opposition against Daimler Chrysler's application for the mark PICARO in respect of vehicles on grounds that the mark was confusingly similar and was to be registered in respect of the same or similar goods as the estate's earlier trademark PICARO. The opposition was however rejected, leading to an appeal to the ECJ which also rejected it. The court 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 very high, thereby avoiding any likelihood of confusion.

My conclusion is that it is unlikely, given, among other factors, the price of flour, that a buyer would exercise any exceptional care in buying flour. Flour, in my view, is an ordinary product that calls for ordinary care and caution. Similarly, the average consumer of flour is likely to be ordinary as opposed to sophisticated. In my considered opinion, therefore, notwithstanding the dissimilarities between the marks, it is likely that a consumer walking into a shop would pick one brand of flour for the other more so that a consumer is not likely to remember the exact representation of the chef or baker man but merely the fact that the label bears some chef or baker man.

Further, the fact that the respondent's mark has the word 'bakers' as the dominant feature is prone to lead to confusion arising from phonetics. In this regard, I am persuaded that the opponent's flour would more than likely be referred to as 'bakers flour' while the respondent's as 'bakers pride flour'. I entertain doubts as to whether 'pride' in the respondent's mark would make much difference. Given the phonetic similarities, one can also not be oblivious to the fact that trademarks equally serve as advertising instruments.

Thus, assuming the parties marketed their flour on radio, it seems likely that consumers would be confused. The same is likely for orders placed on phone or indeed purchases over the counter. In **Glaxo Group Limited v Synermed Pharmaceuticals Limited (Nairobi MISC. App. No. 792 of 2009)**, a matter that involved two trademarks ZINACEF and SYNERCEF relating to drugs, the high court of Kenya held that the fact that the two marks related to prescription drugs did not preclude the fact that confusion could be caused when an order was made orally or by telephone even to such professionals as pharmacists or doctors.

In sum, therefore, I find as a fact that the respondent's trademark 972/2008 BAKERS PRIDE Label is confusingly similar with the opponent's trademark 543/94 BAKERS LITTLE NON CORNER Label. I accordingly uphold the opposition but make no order as to costs. Leave to appeal if dissatisfied with the decision herein is hereby granted.

DELIVERED THIS 16TH DAY OF DECEMBER 2010



Anthony Bwembya

ACTING REGISTRAR OF TRADEMARKS



VERBATIM RECORD OF PROCEEDINGS AT THE HEARING HELD ON 17TH NOVEMBER 2010 IN THE MATTER OF TRADEMARK APPLICATION NO. 972/2008 BAKERS PRIDE LABEL IN CLASS 30 IN THE NAME OF NATIONAL MILLING CORPORATION LTD AND OPPOSITION THERETO BY NATIONAL BRANDS LIMITED

For the Opponent : Mr. C. Sikazwe from Messrs Christopher, Russel Cook & Co.

For the Respondent : Mrs N. Simachela appearing with Mr. A. Hamwela from MNB Legal Practitioners

The hearing was called to order at 10:05 hours.

Registrar Good morning, ladies and gentlemen. Welcome to this hearing. Just a quick recap, we agreed that we receive oral submission today 17th November, the opponent files written submissions on 1st December and that counsel for the respondent files in written submission on 8th December, 2010. I also committed myself to rendering the ruling on 22nd December 2010.

The practice is that once oral submissions have been made, I proceed to make a ruling. In this matter we have adopted a different approach. I do not know the extent to which counsel would like to make the submissions. It would not do us much help to go into much detail. My suggestion would be that the issues are put in a nutshell since there will be an opportunity to address them in the written submissions. Are you comfortable with that suggestion?

Ms We are comfortable with that.

Mr. Sikazwe We are also comfortable.

Registrar We can then begin. Counsel for the opponent!

Mr. Sikazwe I am C. K. Sikazwe from Christopher Russel Cook and Co, appearing for the applicant. In making this application, we rely on the notice of opposition and affidavit sworn by Terrence Rodney Peacock and the affidavit in reply sworn by the same.

The gist and core of our application is that the mark that is sought to be registered by National Milling Corporation offends and



submission is that the new mark must reproduce without any modification or addition, all the elements constituting a registered mark. It means the mark must be the same in all respects. We submit that this is not the case in the matter at hand.

We draw the attention of the tribunal to paragraph 7.1 of the affidavit in reply where the opponent states that the two marks are not identical but only resemble and that it is likely to cause confusion or deception. We have addressed the on the likelihood of causing confusion and we rely on those arguments.

We have further gone ahead in paragraph 7 of the affidavit by David Bosse, highlighting the differences and we would invite the registrar to take these into consideration.

Our third point, honorable registrar, is as regards the similarity of the goods. We submit that to look at similarity, we must take cognizance of the physical nature of the goods, in this case being flour and biscuits. We must also look at the respective use or users. The third consideration is the extent to which the goods are competitive.

Our contention is that flour and biscuits are not in competition. They serve two different purposes and as such it is impossible for the proposed trademark to ride on the brand of bakers. This is so because flour is raw by nature, it is yet to be processed whereas biscuits are a finished product.

The totality of the submissions we have made our prayer is that this opposition be refused and the applicant's mark be allowed to proceed to registration because it does not offend section 16 and 17 of the Trade Marks Act.

Registrar

Thank you. Reply?

Mr. Sikazwe

In reply, I wish to state that the opponent or respondent in this application seems to concede that the proposed mark would cause the ordinary sensible Zambian consumer to associate the particular proposed mark to the bakers mark.

Mr. Hamweela

With the greatest respect, Hon. Registrar, we can not allow

Interjects the opponent thrashings down our throats misrepresentations, no such concession has been made.

Registrar My view is that we let counsel proceed as I have on record all the submissions.

Mr. Sikazwe By saying Zambian law does not cover likelihood of association, in my view, is a concession that the proposed mark would cause an association to the marks of the applicant. And I further submit that it is that association, that connection, that is likely to cause deception and confusion as espoused by section 17 sub-section 1 of the Trade Marks Act.

Secondly, reference to the issues raised concerning the identical nature or non identical nature of the marks of the Applicant. I wish to restate that section 17 subsection 1 does not just provide that a mark shall not be registered because it is identical. Oh no, the section goes further to state that a mark that so nearly resembles such a trademark as to be likely to deceive or cause confusion should not be registered. It is not just the issue of being identical.

Thirdly, in terms of the issue of goods, it is our submission that even though flour is said to be a raw material, a raw product, flour is so connected with biscuits that association should not be ignored.

I wish to restate that the applicant made an application for trademark 543/94 to protect its monopoly in the goods and services in class 30 which goods cover flour and preparations made from cereals. I rest my case.

Registrar Very well. I want to thank counsel on both sides for their learned submissions. I want to make a request that you include the marks in your written submission.


Anthony Bwembya
ACTING REGISTRAR

