

**DECISION OF THE REGISTRAR OF TRADE MARKS IN THE MATTER OF  
TRADE MARK OPPOSITION NO. 346/2007 SCORPIO IN CLASS 12  
PURSUANT TO THE TRADE MARKS ACT CAP 401 OF THE LAWS OF  
ZAMBIA AND REGULATIONS THEREUNDER**

**Between**

**PIRELLI TYRE S.P.A.**

**And**

**MAHINDRA & MAHINDRA LTD**

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



**OPPONENT**

**RESPONDENT**

**For the Opponent** : Mr. M. Moono of Sharpe and Howard Legal Practitioners

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

**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**

**Trade Kings Limited v The Attorney General (1999) ZR**

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

**Newsweek Inc v BBC (1979) RPC 441**

**Plascon-Evans Paints Ltd v Van Riebeek Paints (PTY) Ltd 1984 (3) SA 623  
(A) South Africa**

**Leoparding Consultants (Pty) Ltd v Apple Inc (2009) BIP 55 (RTM)**

**Sable BV v Puma AG Case C-251**

**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)**  
**Canon Kabushiki Kaisha v Metro-Goldwyn-Meyer Inc Case C-39/97 (1998)**  
**Intel Corp Ltd v CPM United Kingdom Ltd (2007) RPC 35**  
**Aristoc Ltd v Rysta Ltd (1945) 62 RPC 65**  
**Fisons Plc v Norton Healthcare Ltd (1994) FSR 745 (Ch)**  
**Lloyd Schufabrik Meyer & Co GmbH v Klijsen Handel BV Case C-342/97**  
**Jay v Ladler (1888) 40 Ch. D 649**  
**White, T.A.B. and Jacob, R. (1983), *Kerly's Law of Trade Marks and Trade Names*, 11<sup>th</sup> Edition**  
**Scott, P. G. (2001), *A Tale of Confusion: How Tribunals treat the presence and absence of evidence of actual confusion in Trade Mark Matter*, VUWL Rev 5**  
**Sunro, R. and Badger, C. (2005), '*Infringing use in the course of trade: Trade Mark use and the essential function of a Trade Mark*', in J. Phillips and I. Simon (eds.), (Oxford University Press, 2005)**  
**Cornish, W. R. (1996), *Intellectual Property*, 3<sup>rd</sup> Edition (Reprinted in 2003)**  
**Longman Dictionary of Contemporary English (1978), Longman Group Ltd**

This is a matter in which Pirelli Tyre S.P.A, an Italian company hereinafter called 'the opponent', has opposed an application for registration of the word SCORPIO as a trademark by Mahindra & Mahindra of Mumbai, India, hereinafter called 'the respondent'. The application was lodged pursuant to the Trade Marks Act Cap. 401 of the Laws of Zambia on 13<sup>th</sup> June 2007. The respondent sought registration in respect of apparatus for locomotion by land, air or water; motor land vehicles, cross country 2/4 wheel drive vehicles, utility vehicles, automobiles, tractors, bicycles, tricycles, tires and tubes, parts, fittings and accessories thereof, including implements therefor, accessories and parts used in assembling of motor vehicles and engines for vehicles', all in class 12.

The application was examined and the proof of acceptance issued on 18<sup>th</sup> September 2007. The respondent caused the mark to be advertised in the

patents and trademark journal edition of 25<sup>th</sup> November 2007, resulting in this opposition. The grounds advanced in the notice of opposition and accompanying statement of case were that the opponent is, by virtue of international trademark registration 608474 SCORPION under the Madrid System Concerning the International Registration of Marks, the lawful owner of the trademark SCORPION which is confusingly similar with the respondent's SCORPIO trademark, in Zambia and globally. The said international registration was effected on 3<sup>rd</sup> November 1993 and covers 'disc wheels made of rubber, semi pneumatic, tyres and inner tubes for vehicle wheels' in class 12.

The opponent averred that over and above the international registration, it had long before the instant opposition, registered the mark in several countries. As a consequence, the mark is well-known in Zambia and internationally as distinguishing its goods. The opponent contended that goods covered by the respondent's application were the same or of the same description as those covered by its registration and as such likely to cause confusion or deception, more so given the confusing similarity between the marks of the two parties.

It was argued that in the light of the foregoing, the application is contrary to sections 16 and 17(1) of the Trade Marks Act Cap 401 of the Laws of Zambia and should thus be denied registration. It was further argued that the respondent company has no legal claim, be it in law or equity, and that it made the application fully aware of SCORPION's reputation. The opponent's case was that given the foregoing, the respondent's mark is not a trademark within the meaning of section 2(1) of the Trade Marks Act and as such the respondent is disentitled, in terms of section 22(1) of the Trade Marks Act, from applying for registration thereof.

The respondent's response in a counterstatement to the notice of opposition was that it operated international businesses as manufactures and merchants of, *inter alia*, activities relating to marketing, distribution of vehicles, automobiles,

tractors and spare parts thereof, and services relating to finance, software and information technology. Its range of innovative products were said to be branded and sold in the 'nook and corner of India' and well sought after on account of their exceptional quality.

The respondent company's averments were further that it was established in 1945 to assemble general purpose utility vehicles but had since diversified into manufacture of agricultural tractors and light commercial vehicles. Over the years, the company transformed into a group that caters for Indian and overseas markets vis-a-vis vehicles, farm equipment, information technology, trade and finance related services, and infrastructure development.

Its innovative new products are a result of investment in research and development. These include Bolero, SCORPIO - a new generation sports utility vehicle and the Arjun, a sophisticated agricultural tractor. It acquired the SCORPIO trademark from Messrs Ford-Werke Aktiengesellschaft of Germany (registration dated 29/08/1984 bearing number 426444), said to be the initial registered proprietor of the mark in India in class 12. The mark was acquired for use on the sports utility vehicle, 'SCORPIO'.

The SCORPIO utility vehicle has been publicized in the media and was named 'Car of the Year 2003' by 'BBC Worlds Wheels', 'Business Standard Monitoring' and 'CNBC Autocar', among others, in 2003. A large network of dealers has been established within and outside India which markets and sells the product. As a result, SCORPIO has become a household name. This reputation is in part attributable to prior use by the aforesaid Ford-Werke Aktiengesellschaft.

The respondent also disclosed that it had opposed an application by the opponent to register SCORPION in India while the opponent opposed its application in South Africa - but that settlements were negotiated in both cases and the marks co-exist. The respondent's view was that in the light of the co-

existence of the marks in other jurisdictions, this opposition is ill conceived. The respondent further denied the contents of the notice of opposition and accompanying statement of case and expressed ignorance of the contents of paragraphs 1 and 2.

In response, Mr. Pier Giovanni Giannesi, the opponent company's 'proxy holder', swore an affidavit on behalf of the opponent dated 23<sup>rd</sup> February 2009. His evidence in support of opposition was that he had been in the employ of the opponent company, which he referred to as 'My Company,' since 1<sup>st</sup> September, 1988, and had been its 'proxy holder' from 30<sup>th</sup> March, 1989. He deposed that the opponent company had since 3<sup>rd</sup> November 1993 been the registered proprietor of international trademark registration 608474 SCORPION which designated Zambia. A list of countries where the mark is said to be registered was attached as 'PT1'.

He further deposed that the choice of the mark was inspired by the desert, arising from the opponent's involvement in the Paris Dakar rally. In his view, the mark inspires power, strength, safety and stability. He added that SCORPION branded tyres have been enormously successful. Since 1994, over 39, 500, 000 SCORPION tyres for cars have been sold while in excess of 43, 000, 000 Euros was realised from sales of motorcycles and bicycles between 2003 to 2007. His evidence was further that, in Zambia, SCORPION tyres have been sold since 1997. Sales volumes in Zambia between 2003 and November 2008 were 1, 759 tyres in 2003; 4, 778 in 2004; 5, 043 in 2005; 8, 618 in 2006; and 8, 159 tyres in 2007.

Mr. Giannesi also reaffirmed that use of the mark SCORPIO is likely to deceive, and/or cause confusion with the opponent's goods or cause the public to infer a connection between the respondent's goods on one hand and the opponent's trademark and goods on the other. He swore that the opponent had invested substantially in advertising SCORPION products. Some of the promotional

material was exhibited as 'PT2' to 'PT8'. He added that the opponent had successfully opposed the respondent's mark in Sudan.

The deponent nonetheless conceded that the respondent had equally successfully opposed its application in India, but that settlements had been reached. He was nevertheless of the view that these settlements do not constitute a basis upon which the respondent could extend its rights to Zambia. In his opinion, consent agreements entered in South Africa and India are limited to those jurisdictions. He thus refuted assertions that the opposition was ill conceived.

Ms. Nirmala Gill, Vice President-Legal in the respondent company, deposed in a Solemn Declaration in support of application dated 12<sup>th</sup> June 2009 that she had been in that position since January 2008 and by reason whereof familiar with the respondent's business, particularly use and registration of the respondent's brands or trademarks and the facts relating to this opposition. Her evidence was that the respondent company was incorporated on 2<sup>nd</sup> October 1945 by the Mahindra Brothers, Messrs J.C. Mahindra and K.C. Mahindra, and one, Ghulam Mohamed. Upon India attaining political independence, however, Mr. Mohamed migrated to Pakistan, where he became Finance Minister, resulting in the change of the company name to Mahindra & Mahindra.

The respondent has since grown into a 'multifarious' company involved in various activities around the globe. A catalogue of the respondent's achievements (milestones) from 1945 to 2008 were listed and attached as exhibit 1. Ms. Gill deposed that the respondent is part of the 6.3 billion United States dollars Mahindra Group which she said is one of the top 10 industrial houses in India. The Group is a market leader in utility motor vehicles in India with a leading presence in key sectors of that country's economy. These include financial services, trade, retail, logistics, automotive components, after market, information technology and infrastructure development.

She deposed that the Mahindra Group Automotive Sector is engaged in manufacturing and marketing utility and light commercial motor vehicles, among them 'three wheelers'. Over the years, the respondent has developed a vast product portfolio serving a diverse customer base from rural to semi-urban customers, defense requirements and luxurious urban utility vehicles. The Group's products are also exported to Europe, Africa, South America, South Asia and the Middle East.

Ms. Gill further deposed that Mahindra & Mahindra has ambitious global aspirations and is present in five (5) continents. Forbes, she claimed, ranked the company among the top 200 'World's Most Reputable Companies' and among the top 10 'Most Reputable India Companies'. She also reaffirmed that the trademark SCORPIO was first registered in India on 29<sup>th</sup> August 1984 in class 12 in the name of Messrs Ford-Weke Aktiengesellschaft and that it was currently registered in the name of the respondent. A copy of the extract from the Indian trademark register was exhibited as Exhibit 3.

Her evidence was further that Messrs Ford-Weke Aktiengesellschaft also assigned to the respondent, rights in the mark accruing from registrations in Bangladesh, Bhutan, Myanmar, Nepal, Pakistan, Sri Lanka and the Maldives. She equally reaffirmed that the mark 'SCORPIO' was chosen for the new generation of sports utility motor vehicles. In her view, the mark had been extensively advertised as evidenced by Exhibit 4. She also reiterated that the BBC Worlds Wheeler, Business Standard Motoring and CNBC Autocar had chosen SCORPIO as 'Car of the Year 2003'. Copies of these publications were attached as Exhibits 5 to 7.

She deposed that the respondent had spent in excess of US dollars 4 Million on promoting the SCORPIO trademark internationally and incidentally the mark had become a household name associated with the respondent company's products.

She added that over and above the foregoing, the previous owners of the mark had employed it in several jurisdictions. But she also conceded that the opponent successfully opposed the respondent's mark in South Africa while the respondent opposed its mark in India and that both had been amicably settled and co-exist. Her contention was that Zambia was no exception with regard to possible co-existence of the marks. She reaffirmed that given the settlements in other jurisdictions, the opponent's action is ill conceived. The opponent opted not to adduce evidence in reply.

The parties made oral and written arguments and submissions. Mr. M. Moono of Sharpe and Howard Legal Practitioners appeared for the opponent while Ms. N. Mupunda of Christopher, Russel Cook & Company, represented the respondent. In his oral submissions, Mr. Moono highlighted the provisions of sections 16 and 17 in so far as they relate to confusing similarity and deception. He argued that the likelihood of confusion envisaged under the Act is not that which may occur in the mind of a proprietor or infringer of a trademark but in the mind of the unsuspecting consuming public.

Counsel reiterated that the opponent was the registered proprietor of international trademark 608474 SCORPION, which had been duly renewed and remained valid until 3<sup>rd</sup> November 2013. In his opinion, it is self evident that the goods specified in the respondent's application are the same or of the same description as those covered by the opponent's registration. Mr. Moono argued that the respondent's mark SCORPIO has the same spelling as the opponent's mark, save for the 'n' at the end. In counsel's view, there is no way, whatsoever, that the public would not be confused or deceived by trademarks SCORPIO and SCORPION which relate to the same class and description of goods. Learned counsel thus prayed that the application be rejected for being contrary to sections 16 and 17.



As regards consent agreements negotiated by the parties in other jurisdictions, Mr. Moono's position was that such agreements, if at all they existed, are limited to those particular jurisdictions and have no legal effect in Zambia. He further drew my attention to the case of **Plascon-Evans Paints Ltd v Van Riebeeck Paints (PTY) Ltd 1984 (3) SA 623 (A) (South Africa)**, at page 366, wherein, counsel submitted, the court held that proof that a substantial number of persons would probably be confused as to the origin of the goods or the existence or non-existence of such a connection was a sufficient basis upon which to find likelihood of confusion.

Mr. Moono contended that it is critical to bear in mind that the ordinary purchaser may encounter goods bearing the respondent's mark with an imperfect recollection of the opponent's mark; as such, due allowance must be made for this. He argued that marks are remembered by general impressions as opposed to photographic recollection of the whole. Counsel submitted that it had further been held in other cases that it is usually the first two syllables of a mark that make the initial impact and on which emphasis is laid in pronunciation.

My attention was also drawn to the case of **Leoparding Consultants (Pty) Ltd v Apple Inc 2009 BIP 55 (RTM)**, involving an opposition to the registration of the word mark 'leopardin'. It was submitted that the court in this case held that the marks in issue were confusingly and deceptively similar and that there consequently existed a reasonable likelihood of deception and confusion in the market place if they were allowed to co-exist in relation to similar goods and services. The opposition was allegedly upheld with costs. Learned counsel further reiterated that consent agreements in other jurisdictions were immaterial and would do little or nothing to prevent confusion in the minds of the purchasing public.

Respondent's counsel, on her part, argued that whereas the trademark SCORPIO was largely associated with vehicles, SCORPION concerned disc

wheels made of rubber, semi-pneumatic, tyres and inner tubes for vehicle wheels. In her view, one could not separate a wheel as it is a constituent part of a vehicle. Ms. Mupunda argued that compared to SCORPIO, SCORPION was by far a narrow registration. She submitted that there is a fundamental difference between a vehicle as an end product in and of itself and a mere 'subset' such as a tyre or a wheel.

Learned counsel argued that section 2 of the Trade Marks Act as read with section 14, make capability to distinguish goods produced by one manufacture from those of another, a pre-requisite for registration of a mark as a trademark. She submitted that given the difference between a vehicle and a mere accessory, registration of SCORPIO would not offend sections 16 and 17. She drew my attention to our Supreme Court decision in **Trade Kings v Unilever and Others, Supreme Court Judgment Number 2 of 2000 ZLR**, wherein, counsel submitted, the court opined that the determinant in questions concerning likelihood of confusion is whether an ordinary average consumer is likely to be confused or deceived. The court is further said to have held that the relevant factors to be taken into account are, inter alia, the nature of the article, class of customers and the general effect of the respective whole, judged as a question of fact.

Ms. Mupunda contended that the likelihood of an average consumer of the goods in question being confused was negligible, if at all it existed. She argued that buyers of vehicles are likely to possess a superior degree of sophistication and knowledge sufficient to distinguish marks. Counsel cited the case of **Sable BV v Puma AG Case C-251/95** in which the European Court of Justice (ECJ) took the view that mere association which the public might make between two marks does not constitute likelihood of confusion. While conceding that there may be a likelihood of association, she argued that mere association did not entail confusion.

Learned counsel further argued that SCORPION has a distinctive meaning while SCORPIO is not an English word and has no meaning. This, she argued, was evidence of the originality of SCORPIO, a broad mark covering vehicles and their accessories. She added that SCORPIO was first registered in India in 1984 before SCORPION was first registered internationally. Ms. Mupunda said in as much as trademark registration is territorial, the aforesaid registration shows that SCORPIO is not an imitation of the opponent's mark. As to the issues of international settlements, Ms. Mupunda argued that while trademark law was territorial, if a basis existed for agreement in India and other places, the same should be the case in Zambia. She argued that the opponent needed to be consistent. According to counsel, the opponent's failure to agree, smacked of bad faith and hypocrisy.

Mr. Moono's response was that the respondent did not seem to dispute that the two marks are likely to cause confusion or deception but rather, the crux of its argument was that goods covered by the two trademarks are dissimilar. He argued that on the contrary, the registration of trademark SCORPIO and the arguments by respondent's counsel confirmed that the application covers vehicles and by necessity, any accessory related to it, which would include tyres. He contended that since the opponent's registration related loosely to vehicle wheels and tyres, the respondent's mark would inevitably refer to goods covered by the SCORPION registration. Accordingly, in his view, the goods covered by the two marks are not dissimilar.

In conclusion, counsel reaffirmed that the fact that consent agreements may have been entered into outside Zambia was wholly irrelevant and that the Trade Marks Act Cap 401, which law governs the registration of trademarks in Zambia, does not provide for consideration of trademark agreements subsisting in other jurisdictions and not affected by a trademark registered or applied for in Zambia.

In its written submissions, the opponent reiterated that sections 16 and 17 of the Trade Marks Act are instructive as to the resolution of this matter. The opponent submitted that the applicant had conceded that its application covered goods of the same type as those covered by international registration 608474 SCORPIO. The respondent's contention, according to the opponent, is that SCORPIO and SCORPION are unlikely to cause confusion in the minds of the purchasing public. It was argued, on this point, that given the striking similarity in the names of the two marks, members of the public were bound to infer some connection between the goods of the two parties.

The opponent submitted that the argument that the opponent could not oppose the instant application because of the consent agreements in other jurisdictions was flawed as the Trade Marks Act does not exempt a confusing and deceptive application on account of such agreement. The following was reproduced from the case of **Plascon-Evans Paints (TVL) v Van Riebeeck Paints (Pty) Ltd (53/84) [1984] ZASCA 51; [1984] 2 ALL ER SA 366 (A)**:

'...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. The marks must be viewed as they would be encountered in the market place and against the background of relevant surrounding circumstances. The marks must not only be considered side by side, but also separately. It must be borne in mind that the ordinary purchaser may encounter goods bearing the defendant's mark with an imperfect recollection of the registered mark and due allowance must be made for this ...As it has been put, marks are remembered rather by general impressions or by some significant or striking feature than by a photographic recollection of the whole.....In my opinion, the dominant impression or idea conveyed by each of the marks centers on the word 'mica'. 'Mica' constitutes in each case the first two

syllables of the mark. It is the portion of the mark which makes the initial impact and on which stress is laid in pronunciation’.

The following was also quoted from the case of **Leoparding Consultants (Pty) Ltd v Apple Inc 2009 BIP 55 (RTM)**, which case was said to have relied on the **Plascon Evans case**: -

‘If people, when considering the mark of the applicant, merely wonder the goods have not perhaps been manufactured by the opponent, then the mark applied for is one which is likely to cause confusion...In this regard, the opponents argument is sound in that the alleged subtle difference in pronunciation referred to by the applicant is of no assistance in alleviating this possibility of deception or confusion’.

The opponent submitted that it is arguable that SCORPIO and SCORPION have the same first syllable; both convey the same idea or imagery, as by definition, scorpius and scorpio mean scorpion in Latin; both marks relate to goods within the same class and likely to be found within the same dealerships or associated automobile accessory business and therefore likely to cause consumers to wonder as to their origin. It was argued that by reason of the foregoing, the marks are phonetically, visually and conceptually similar and thus the opposition should be upheld.

The respondent, in its written submissions, refuted assertions that its goods were of the same type as those of the opponent but that the goods covered by the opponent’s SCORPION are merely ancillary to and for that reason covered by the application made in respect of SCORPIO. It was reaffirmed that while SCORPIO is exclusively used and associated with sports utility vehicles, SCORPION, on the other hand, is used in respect of ‘disc wheels made of rubber, semi pneumatic tyres and inner tubes for vehicle wheels’.

The respondent also reiterated that there exists a fundamental difference between the two type of goods; that whereas the respondent's mark relates to vehicles as an end product, the opponent's mark relates to a single component of a vehicle, namely wheels and tyres. The respondent also reaffirmed that there is an inherent difference between a vehicle in and of itself and its component, be it a tyre or a wheel. It was argued that the two are distinguishable by use and as such the likelihood of there being confusion was inconsequential, if any.

The contention was also repeated that further to section 2 of the Trade Marks Act as read with section 14, a trademark must be capable of distinguishing goods of one manufacturer from those of others to qualify for registration. Accordingly, it was submitted, the average consumer must, without difficulty, be able to link the product to its source. In support thereof, the following was quoted from the **Trade Kings Limited v Unilever & Others** case:

'In trade mark matters, it must be kept in mind that the actual issue is not whether or not a judge would or would not have personally been deceived but whether or not having heard the evidence, comparing the articles and having had all similarities pointed out, the true conclusion is that the ordinary average consumer or retail dealer is likely to be deceived'.

The respondent also reiterated that an average consumer for a high powered motor utility vehicle such as scorio would possess a higher degree of sophistication than the average consumer of other more common-place products. Incidentally, it was argued, the likelihood of such a consumer mistaking or confusing a mark associated with a disc wheel or tyre, which is but a mere component of a vehicle, with another mark associated with the utility vehicle itself, is virtually impossible.

The respondent's position was that the cases cited by the opponent are distinguishable in the light of the **Trade Kings** decision. The respondent contended that the mere fact that the words SCORPIO and SCORPION bear similar syllables was not conclusive. Further to the **Trade Kings case**, it was argued, the respective wholes must be taken into account while having regard to the facts of the case. That a finding of deception must be based on the overall effect of the marks as a whole, particularly the visual effect. In that regard, my attention was drawn to the Supreme Court's dictum in the **Trade Kings case** thus: '...the judgment of the eyesight is a most important element in its determination...'.

The case of **Sable BV v Puma AG Case C-251 (95)** was equally called in aid. In this case, the European Court of Justice opined that the mere association which the public might make between two marks does not mean there is a likelihood of confusion. In the respondent's view, it does not therefore follow that merely because a tyre or wheel is associated with a vehicle, the consuming public is bound to confuse the vehicle and its component. Moreover, it was argued, there is no actual similarity between the marks since SCORPIO has a literal dictionary meaning while the word SCORPION has no dictionary meaning. This difference, in the respondent's opinion, enhances the originality of the respondent's mark and thereby discounts allegations of similarity.

As to the relevance of consent settlements, the respondent reaffirmed that in as much as trademark registration is territorial, the existence of consent agreements in other jurisdictions suggested that common ground could be found for the peaceful co-existence of the marks in issue. It was argued that by implication, the consent agreements were an admission on the part of the opponent that the marks were dissimilar, thus raising the question why the same was being rejected in this jurisdiction. Finally, the respondent reiterated that SCORPIO was a well known mark, having been first registered in India in 1984, long before SCORPION was registered, and therefore does not derive its fame nor ride on

the opponent mark's goodwill. On the contrary, it derives its good will from the reputation garnered from wide scale advertising and marketing.

I am indebted to both parties for their learned submissions and arguments. There is no dispute that the opponent is the registered proprietor of international trademark 608474 SCORPION in class 12 in respect of disc wheels made of rubber, semi pneumatic, tyres and inner tubes for vehicle wheels. There is equally no dispute that the marks in contention have been the subject of opposition proceedings in other jurisdictions and settlement agreements settled therein. The issue, as I perceive it, is whether, in light of the goods covered by trademark registration 608474 SCORPION and trademark application 346/2007 SCORPIO, both in class 12, confusion and/or deception of the relevant purchasing public is likely.

The gravamen of the opponent's case is that the goods specified in the respondent's application are the same or of the same description as those covered in its registration and as such there is prone to be confusion and deception in the minds of the purchasing public. The other question is what the implications are on these proceedings of consent agreements entered into by the parties in other jurisdictions in respect of the marks in issue. Whereas the respondent is amenable to co-existence of the marks, the respondent has made its opposition known.

The challenge is founded on sections 16 and 17 (1) of the Trade Marks Act Cap 401 of the Laws of Zambia, which provide, respectively: -

**'(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'.**

Quite clearly, the above provisions preclude registration of marks likely to cause confusion or deception with protected marks. However, as the respondent argued, likelihood of confusion is more than mere likelihood of association. To borrow from Richardson J., in **Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd (1978) 2 NZLR 50 (CA) (New Zealand)**, deception or 'deceived' implies the creation of an incorrect belief or mental impression while causing confusion may go no further than perplexing or mixing up the minds of the purchasing public. He was of the view that 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 **Cowbell AG v Ics Holdings Ltd 2001(3) SA 941 (SCA)**, the court took the view that 'likelihood' is synonymous with 'reasonable probability'.

According to the learned authors of **Longman Dictionary of Contemporary English (1978)**, 'confuse' means (at page 229) 'to make less clear; make more difficult to understand; to mix up; mislead; or cause to be mistaken'. In my view, therefore, likelihood to cause confusion or deception exists where a reasonable probability exists of a consumer being perplexed, misled, mixed-up or made to mistake a product as originating from a particular source when it is not.

But as the opponent pointed out, one need not show that all consumers would be confused or deceived but that a substantial number of potential purchasers are so likely. In **Plascon-Evans Paints Ltd v Van Riebeeck Paints (PTY) Ltd 1984**

(3) **SA 623 (A) South Africa**, cited by the opponent, the court opined that it is not incumbent upon the plaintiff to show that every person concerned (usually as customer) in the class of goods for which the trademark has been registered would probably be deceived or confused. It held that it suffices if the probabilities establish that a substantial number of such persons will be deceived or confused. The court held that 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.

According to Chief Justice Mathew Ngulube in **Trade Kings v Unilever and Others, Supreme Court Judgment Number 2 of 2000**, the question of confusion or deception is essentially one of fact. Silomba J. took a similar view in **Trade Kings Limited v The Attorney General (1999) ZR p 53**. Based on the decision in **Newsweek Inc v BBC (1979) RPC 441**, he held that the test for deciding the similarity or otherwise of two words or marks was whether the ordinary sensible members of the public would be confused by the use of the two marks or words. This was an appeal against the Registrar's decision not to register YEBO as a trademark on grounds that it would conflict with EBU, an already registered trademark.

Thus, as observed by the opponent, marks should be viewed through the prism of the average consumer. The average consumer constitutes the standard against which to gauge likelihood of confusion. It is nonetheless critical to heed Justice Ngulube's caution in the **Trade Kings case** that the average consumer should not be presumed to be a retard or a fool, but yet not too clever or too careful. The average consumer is a hypothetical person of average intelligence, reasonably informed, reasonably observant and circumspect. According to Jacob LJ. in **Intel Corp Ltd v CPM United Kingdom Ltd (2007) RPC 35**, the average consumer is a reasonably sensible individual used to lots of trade marks in different fields – some of which may resemble trademarks in other fields. In my

considered opinion, the average consumer will vary depending on the sophistication of the product concerned.

Further, allowance, as argued by the opponent, should be made of the fact that a consumer has an imperfect memory and can not therefore have a photographic recollection of a mark. Instead, the consumer is much more inclined to remember general impressions of a mark. This was Viscount Maugham's view in **Aristoc Ltd v Rysta Ltd (1945) 62 RPC 65**, which view was upheld by Aldous J. in **Fisons Plc v Norton Healthcare Ltd (1994) FSR 745 (Ch)**, thus:

'...the court must be careful to make allowance for imperfect recollection and the effect of careless pronunciation and speech on the part not only of the person seeking to buy under the trademark but also of the shop assistant ministering to that person's wants'.

The European Court of justice equally took the view in **Lloyd Schufabrik Meyer & Co GmbH v Klijsen Handel BV Case C-342/97 (ECJ)** that:

'...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'.

Guidelines have been developed under case law as to the factors to be taken into account in determining likelihood of confusion. According to the leaned authors of **Kerly's Law of Trade Marks and Trade Names, 11<sup>th</sup> Edition (1983)**, at page 263, regard should be had to all the consequences which are likely to

ensue from the use of a mark. Jacob J. summed up the relevant factors, in **British Sugar Plc v James Roberson and Sons (1996) RPC 281**, as being the users, physical nature of the respective goods, the trade channels through which they are marketed, the respective locations where the goods are sold in the supermarket and whether the products are rivals in the same market.

Similarly, Paul G. Scott posits in an article titled '**A Tale of Confusion: How Tribunals treat the presence and absence of evidence of actual confusion in Trade Mark Matters**' 2001 VUWL Rev 5, that the factors in assessing likelihood of confusion include whether the marks look and sound alike; the marks convey the same or similar meaning; the marks appear on the same or similar goods or services; the price of the goods or services on which the marks appear is expensive or cheap; consumers purchase the goods or services carefully or on impulse; the goods or services appear in the same or similar retail outlets; and actual incidences of confusion or deception that have occurred.

The following dictum by Justice Nguube in **Trade Kings v Unilever** perhaps sums up the test for likelihood of confusion: -

'Indeed, in considering issues of get-up for example, a good summary is given in Wadlow's "The Law of Passing Off" at paragraph 6.54 at page 433-4 which reads-"A comprehensive summary of the issues involved in cases turning on get-up was given by Bryne J. in *Clarke v Sharp* (3) - "First, it must always be kept in mind that the actual issue is, not whether or not the judge or members of the jury determining it would, or would not, have personally been deceived, but whether or not, after hearing the evidence, comparing the articles, and having had all the similarities and dissimilarities pointed out, the true conclusion is that the ordinary average customer of the retail dealers is likely to be deceived ....

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

In my view, however, the weight to be attached to the different factors, or whether in fact any weight should be attached to some of them at all, varies from case to case. The Supreme Court itself was of the view, in the **Trade Kings case**, that depending on the facts of a particular case, certain factors, appearance for instance, may weigh much more than the other factors. The relevant portion of that judgment reads: -

'This being the case, it is obvious that the judgment of the eyesight is a most important, if not the most important element in determination, so much so that, there are many cases in which it practically determines the case, and that, notwithstanding the views of many witnesses and the most careful and elaborate discussion of difference of opinion. On the other hand, there are cases in which the evidence satisfies one that the eyesight, alone and unguarded, misleads'.

Professor Cornish, in **Intellectual Property 3<sup>rd</sup> Edition (Reprinted in 2003)**, at page at page 617, categorises the approach to the question of likelihood of

confusion in four scenarios, two of which seem relevant for purposes of this opposition. The first is where the marks and the associated goods or services are identical. In his view, it is not necessary in such a scenario to demonstrate likelihood of confusion, although he cautions that what amounts to 'identical' marks or goods may be a question for determination. As Professor Cornish puts it, where there is use of an identical sign on identical goods, a likelihood of confusion is presumed. The second is where only similarity in marks and/or goods or services exists. In this case, likelihood of confusion must be shown. I find Professor Cornish's summation an accurate reflection of the approach in determining likelihood of confusion.

Sections 16 and 17(1) of the Trade Marks Act should be read with section 9. Violation of the said sections 16 and 17(1) effectively violates the rights conferred by section 9. Section 9 stipulates the rights accruing from registration and what actions amount to violation of these rights. It 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'.

The Supreme Court held in **Trade Kings v Unilever and Others** that 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. Further to section 9 (1), use of an identical or a mark closely resembling a registered mark as to be likely to cause confusion or deception amounts to infringement and is prohibited.

In the case in *casu*, it seems indisputable that the two marks are almost identical. Short of being identical, this is perhaps as far as similarity in marks can get. Over and above the phonetic similarity between them, subject to how they are represented on the respective products or packaging, they may equally be visually similar. Thus the issue, as observed by counsel for the opponent, would appear to revolve around the goods. The respondent's contention is that the goods in dispute are different, or in the alternative, the scope of goods covered by the opponent's registration is narrower.

Whereas the opponent is registered in respect of disc wheels made of rubber, semi pneumatic, tyres and inner tubes for vehicle wheels, the respondent seeks registration in respect of apparatus for locomotion by land, air or water; motor land vehicles, cross country 2/4 wheel drive vehicles, utility vehicles, automobiles, tractors, bicycles, tricycles, tires and tubes, parts, fittings and accessories thereof, including implements therefor, accessories and parts used

in assembling of motor vehicles and engines for vehicles', all being goods in class 12.

It follows from section 9 that the opponent enjoys exclusive rights in relation to the goods covered in the registration. I am satisfied that given the degree of similarity in the marks, notwithstanding the manner in which the respective goods may be marketed or sold, confusion is inevitable if the respondent marketed the goods covered by the opponent's registration under the proposed mark. The respondent's application can not therefore be accepted in so far it covers goods covered in the opponent's registration. I should place on record, in this regard, that whereas the respondent's specification of goods may not expressly mention some of the goods covered in the opponent's registration, it is evident that the intention was to cover each and every aspect of an automobile, including the automobile itself.

Accordingly, except with the opponent's consent, the respondent cannot market disc wheels made of rubber, semi pneumatic, tyres and inner tubes for vehicle wheels under the mark SCORPIO. Aside from tyres and tubes, the respondent categorized or generalized the goods (as opposed to itemizing the components), which categories may encompass goods covered in the opponent's registrations. A case in point are 'parts', 'fittings' and 'accessories'. Undoubtedly, these terms could mean anything, including goods covered in the opponent's registration.

I therefore hold that the respondent cannot register the mark SCORPIO in respect of any of the goods covered in the opponent's registration. In terms of section 9 of the Trade Marks Act as read with section 17(2), the opponent's exclusive rights in the trademark SCORPION extend to goods of the same description as those in the registration or similar goods. Jacob J. was of the view in **British Sugar Plc v James Robertson & Sons Ltd (1996) RPC 281 (Ch)** that, in effect, registration covers the goods of the specification plus similar



goods. In his view, the import of the foregoing is that however narrow a specification, the actual protection may be wide.

Whether goods are of the same description or similar is a question of fact in each case. In **Canon Kabushiki Kaisha v Metro-Goldwyn-Meyer Inc Case C-39/97 (1998) ECR**, the European Court of Justice was of the view that similarity of goods should be determined taking into account all the relevant factors relating to those goods, including the nature of the goods, their end users, method of use and whether they are in competition with each other or are complementary.

The respondent nonetheless contends that there a difference between a motor vehicles (or final product) and the opponent's goods which are said to be essentially components or accessories. It is argued that in comparison with the respondent, the opponent's scope of goods is narrow. In addressing this question, it is critical not to lose sight of the fact that the issue is whether there would be confusion in the purchasing public. The issue incidentally becomes whether there is a reasonable probability that a vehicle, tractor or other automobile, as the case may be, would be confused with a component thereof, that is, whether there is confusing similarity. Put another way, can disc wheels made of rubber, semi pneumatic, tyres and inner tubes for vehicle wheels or goods of similar description be confused with a SCORPIO motor vehicle, tractor or other automobile.

It goes without saying that an end product, a motor vehicle in this case, is the summation of its constituent parts. Thus, invariably, a tractor, bicycle, tricycle and other automobiles the respondent seeks to protect under this application would incorporate some of the goods covered in the opponent's registration. A tyre is a case in point. Further and more importantly, the end product and its component are generally marketed under the same label. For instance, a disc wheel of a SCORPIO motor vehicle will more than likely be marketed as a SCORPIO wheel disc.

But be that as it may, if the respondent marketed a SCORPIO motor vehicle or other automobile, notwithstanding the use of the same mark, I do not foresee any confusion being caused with any of the components in respect of which the opponent is registered. In this regard, I should repeat my earlier observation that likelihood of association does not amount to likelihood of confusion. In my view, whether or not a component is likely to cause confusion with its end product depends on the degree to which the component is the dominant feature of the product. If the component is to all intents and purposes, the product itself, then it is more than likely that confusion would occur as it would effectively be the product. In other words, the respondent cannot market the affected components in their own right but can market SCORPIO motor vehicles on the Zambia market in spite of them incorporating some of the goods covered in the opponent's registration.

Undoubtedly, however, the foregoing may cause practical challenges. The irony is that naturally, any automobile, bicycle, tricycle or tractor, breaks down and requires replacement of components. The implication is that, unless the respondent marketed the respective goods under a name other than SCORPIO, local consumers would have to source the affected spare parts directly from abroad. Whereas there may be substitutes for tyres locally, the same may not be the case for the other spares.

Given these potential challenges, I have given due consideration to the possibility of extending the opponent's monopoly to all the spares of the SCORPIO motor vehicle. As pointed out by Jacob J. in the **British Sugar case**, it is possible to enjoy a wider scope of protection than expressly stated in the registration. But clearly, in the instant case, that would be grossly disproportionate. The opponent's range of products only extends to four or so of the hundreds, if not thousands of components that make up a motor vehicle.

Further, it would extend protection beyond goods of a description similar to those covered in the registration, that is to those not registered at all. In **Jay v Ladler (1888) 40 Ch. D 649**, the court was of the view that an infringement action cannot be sustained in respect of goods for which a mark is not registered. The court however took the view that the plaintiff may sue to restrain passing off if he can make the case for it. A balance has to be struck. As **R. Sunro and C. Badger** note in "Infringing use in the course of trade: Trade Mark use and the essential function of a trade mark" in **J. Phillips and I. Simon (eds.), Trade Mark Use (Oxford University Press, 2005) pp 179-80**, the grant of monopoly has to be earned.

Jacob J. himself cautioned in the **British Sugar case** that the widening of protection must be approached with caution. He cited the example of a trademark proprietor who only applies for registration on the basis of actual distinctiveness for a narrow class of goods. In his view, it would be wrong that such applicant should in practice get protection for a wider range of goods. He observed that if a man wants wide protection, he can always ask for it and will get it if his claim is justified.

I have digressed to make the point that I am under no illusion that, in the light of the respondent's mark being registered in respect of bicycles, tricycles, tractors, motor vehicles and other automobiles, the opponent's rights risk being encroached upon by the respondent. I am nonetheless alive to the fact that trademark rights, like other intellectual property rights, are private rights and as such enforceable by the beholder. In the circumstances, the respondent could explore a possible settlement with the opponent that could possibly avert some of the foreseeable challenges.


As regards allegations that these proceedings are, in the light of settlements in other jurisdictions, ill conceived, as observed by the opponent, these agreements have no binding effect on these proceedings. Further, as I earlier observed, the

opponent is averse to co-existence of the marks and I am reluctant to impose it on the parties. I am equally reluctant to read much into such agreements. At the very least, I am not privy to the terms, conditions and circumstances that gave rise to these agreements.

In sum, I hold that there is likelihood of confusion between the goods covered in the opponent's registration and the respondent's goods of the same nature and/or description. Accordingly, the opposition partially succeeds in so far as the respondent's specification includes goods covered in the opponent's registration. For the avoidance of doubt, tractors, bicycles, tricycles, automobiles and other components thereof not covered in the opponent's registration may be registered as they are unlikely to cause confusion with the opponent's registered goods.

On the other hand, those accessories, parts and fittings covered in the opponent's registration should be excluded from such registration. The respondent, if still desirous of prosecuting the application, should furnish me with an appropriately amended specification of goods. Each party shall bear its cost of and incidental to this application. Leave to appeal to the high court if dissatisfied with the decision herein is hereby granted.

**DELIVERED THIS 4<sup>TH</sup> DAY OF FEBRUARY, 2011**

  
 Anthony Bwemba  
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