

**DECISION OF THE REGISTRAR OF TRADE MARKS IN THE  
MATTER OF TRADE MARK OPPOSITION 206/2007 IDEAL IN  
CLASS 5 PURSUANT TO THE TRADE MARKS ACT CAP 401 OF  
THE LAWS OF ZAMBIA AND TRADE MARKS REGULATIONS  
THEREUNDER**

**Between**

**KINGDOM INVESTMENTS LTD**

**APPLICANT**

**And**

**SOCIETE' DES PRODUITS NESTLE' SA**

**OPPONENT**

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

**For the Applicant** : Mr. B. Moshala, Chilupe & Co

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

**Cases and Authorities referred to:**

Trade Marks Act Cap 401 of the Laws of Zambia

Trade Mark Opposition 111/2005 DAILY

Zambia Sugar Plc v Fellow Nanzaluka Appeal No. 82/2001

Paris Convention for the Protection of Industrial Property of 1883

WTO Agreement on Trade Related Aspects of Intellectual Property Rights of 1995

Intellectual Property (3rd Edition) by Professor W.R. Cornish

This is a matter in which Societe' des Produits Nestle' SA, a Company incorporated under the laws of Switzerland (hereinafter called 'the Opponent') is contesting the registration of trademark 206/2007 IDEAL in Class 5 in the name



of Kingdom Investments Ltd (hereinafter called 'the Applicant'), a Zambian incorporated Company.

The application was lodged on 17<sup>th</sup> April 2007 and advertised on page 233 of the trademarks journal of 25<sup>th</sup> August 2007. The Applicant sought registration in respect of pharmaceutical and veterinary preparations; sanitary preparations for medical purposes; dietetic substances adapted for medical use and food for babies; plasters and materials for dressings; material for stopping teeth and dental wax; disinfectants; preparations for destroying vermin; fungicides and herbicides.

The grounds of opposition as outlined in the Notice of Opposition dated 20<sup>th</sup> December 2007 were, inter alia, that the Opponent is the registered proprietor in Zambia of trademark 755/59 IDEAL label in Class 29 in respect of condensed milk and has made extensive use of the mark and several others, in Zambia, through sales, advertising and promotion of milk and milk based products from a date prior to 17<sup>th</sup> April 2007 when the Applicant lodged the application. A copy of the label was reproduced on page 3 of the Notice of Opposition in support thereof.

The Opponent further argued that as a result of the foregoing, it had acquired reputation and goodwill in Zambia and that consequently its mark was entitled to protection as a 'well known mark' pursuant to Article 6 *bis* of the Paris Convention for the Protection of Industrial Property of 1883 as well as Article 16 of the World Trade Organisation's (WTO) Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs Agreement). It was contended that the Applicant's mark and the goods in respect of which registration was sought, particularly 'dietetic substances adapted for medical use' and 'food for babies' were so similar, identical or so nearly resembled those of the Opponent as to be likely to cause confusion or deception. The Opponent thus argued that the application violated sections 16 and 17(1) of the Trade Marks Act Cap 401 of the

Laws of Zambia or was otherwise liable to be disentitled to protection in a court of justice or was contrary to law or morality and should therefore be refused with costs under section 22(3) of the Trade Marks Act.

The Applicant responded in a Counter Statement filed on 4<sup>th</sup> April 2007 that the marks in issue were not confusingly similar as alleged and that the Opponent had no registered rights in respect of goods for which it had applied for the IDEAL mark. Further, that the Opponent did not prove possession of any vested rights in any mark identical with the Applicant's mark nor the corresponding goods it sought to protect through this opposition. The Applicant argued that there was no relationship between pharmaceutical/medical products on one hand and dairy products on the other which were allegedly being marketed by the Opponent and that consequently, the Applicant's mark did not violate the Trade Marks Act.

Mr. Frank Arthur Richard Millward, Company Secretary of Nestle South Africa (Pty), an affiliate or subsidiary of the Opponent Company, and before that legal advisor of the same Company since 1989 whose key responsibilities allegedly included control and management of trademarks in South Africa and the East African region, including Zambia, deposed in an Affidavit in Support of Opposition dated 11<sup>th</sup> September 2008 that Nestle South Africa is the licensed and authorised distributor of the Opponent's products in the sub-region.

He swore that the Applicant's trademark was very similar and in fact almost identical with the Opponent's 755/59 IDEAL label registered in Class 29 and renewed in 2007. The renewal certificate was exhibited as 'FM2'. In his view, the goods in respect of which the Applicant sought registration, particularly 'dietetic substances adapted for medicinal use' and 'food for babies,' were very similar to the Opponent's goods and were thus 'the same goods or description of goods'.

According to Mr. Millward, use of the Applicant's mark was bound to give rise to significant consumer deception and/or confusion as the Applicant's goods were

likely to be erroneously associated with or assumed to have some connection with the Opponents trademark and/or products. He deposed that such confusion or deception carried potential public health and safety risks in hospitals, pediatric and home environments where they were utilised. He added that inquiries about trade in Zambia did not reveal any use of the IDEAL trademark by the Applicant in connection with the listed goods or at all, save in relation to cooking oil. He contended that the Applicant could have interest in soaps, washing powder and detergents but not any foodstuffs and certainly not 'dietetic substances adapted for medical use' or 'food for babies'.

Accordingly, Mr. Millward argued that the Applicant had no bonafide intention to use the IDEAL mark in relation to the stated goods and was therefore in contravention of section 22 of the Trade Marks Act. Regarding the background to the Opponent Company, his evidence was that the Opponent Company manufactured and distributed a wide range of food stuffs, milk products and confectionary in several countries including Zambia. He explained that the International Nestle Group had its origin in Switzerland from which one of its predecessors in title, Anglo-Swiss Condensed Milk, was formed in 1866. The said Anglo Swiss allegedly produced condensed milk for export to European countries, among them the United Kingdom, under the IDEAL trademark. A copy of a poster allegedly dating from about the turn of the century was exhibited as 'FM3'. Also exhibited as 'FM4' was a copy of an advertisement for IDEAL milk, among other products, which allegedly appeared in the British Colonial Government Official Handbook of 1895.

His evidence was also that the Opponent had over the years advertised and promoted the IDEAL mark in Zambia and other countries in Southern and Eastern Africa through magazines, among other channels. An extract from an advertising magazine said to have been circulated in Zambia was exhibited as 'FM11. Mr. Millward nonetheless conceded that the IDEAL label had undergone changes over the years to modernize and refresh its appeal to consumers but

argued that the word IDEAL had remained the dominant feature and continued being prominently and eye-catchingly depicted. Various IDEAL labels were exhibited as examples from 'FM5' to 'FM10'.

Mr. Jacobus Nicolaas Weideman, Export Manager in the Sales Division of Nestle South Africa and before that Sales Staff Training Manager and Regional Sales Manager (Food and Nutritional Products) since 1975 also swore an Affidavit in Support of Opposition dated 11<sup>th</sup> September 2008. He deposed that IDEAL milk products have been exported to Zambia since 1930. His evidence was that until Zambia's independence, there existed in the then Northern Rhodesia, a subsidiary of the Nestle Group which dealt directly with the importation and marketing of IDEAL milk products in Zambia.

He argued that, in any event, to his personal knowledge, IDEAL milk products had been exported to Zambia by Nestle South Africa either directly to Zambian importers/wholesalers or through South African retailers operating in Zambia such as Spur, Shoprite Checkers and Metcash. Other distributors of Nestle' products in Zambia allegedly included: L&A Distributors, Proto Trading, Innscore Zambia, Game Stores, Gatbro Exporters, Inter Africa, Mama Africa and Katmilz. A copy of an invoice to Proto Trading from Little Rock Trading, an alleged intermediary in the supply of various Nestle products, was exhibited in support of the alleged exports to Zambia.

Mr. Weideman further deposed that records under his control revealed that Nestle South Africa exported to Zambia products worth SAR 284, 000 in 2004, SAR 81, 085 in 2005, SAR 82, 399 in 2006 and SAR 143 068 in 2007, which figures were said not to include sales to large South African retailers who may have exported some of their purchases to Zambia. He added that from his personal experience and interaction with wholesalers and retailers in Zambia, the IDEAL trademark had become well known as products under the brand had been sold in the country for many decades.

The Applicant Company's Managing Director, Mr. Mahabub Patel, responded in an Affidavit in Support of Application dated 25<sup>th</sup> November 2008 that as was indicated in the Counter Statement, the marks in contention were not confusingly similar and as earlier indicated, also, the Opponent did not possess any registered rights in respect of goods for which the Applicant sought registration of the IDEAL mark. He argued that consequently, the Opponent's claims were misplaced and lacked merit. He further repeated that the Opponent had not proved it had vested rights in any mark that was identical with the Applicant's mark and the corresponding goods it intended to protect through the opposition. He added that as indicated in the Opponent's affidavit filed on 19<sup>th</sup> September 2008, the Opponent did not deal in pharmaceutical products.

Mr. Patel also accused the Opponent of raising several irrelevant issues and contended that sections 16, 17 and 22 of the Trade Marks Act did not prohibit any interested party from reserving a name for future use as long as it did not exceed a continuous period of five (5) years of non-use from the date of registration. His view was that this position was supported by section 31 of the Trade Marks Act. He argued that Section 17 of the Act only applied where the mark was identical or confusingly similar in relation to the same Class of goods or goods falling in the same Class. He observed that in the instant case, the Classes were different.

He further deposed that a search conducted at the Trade Marks Registry revealed that the mark upon which the Opponent relies for this opposition was erroneously renewed. He claimed that a copy of the certificate of payment of renewal fees No. 10073B stamped on 13<sup>th</sup> February 2007 showed that the mark was renewed four years after the due date for renewal contrary to sections 25(1) to (5) of the Trade Marks Act which provided for only one year after the expiration date. He deposed that the Applicant was thus at a loss as to how and pursuant to which law the said renewal was effected.

He added that the Opponent could not dictate the nature of business the Applicant could venture into. In his view, the Applicant's business and its product diversification programme was not for public consumption. He concluded by denying allegations that the Applicant's mark offended sections 16, 17 and 22 of the Trade Marks Act, claiming that all procedures stipulated by the said Act were followed.

The affidavit evidence was supplemented by oral arguments at a hearing held on 15<sup>th</sup> July 2009. Mr. Masha, for the Applicant, submitted that the Class and range of goods in respect of which the Applicant sought registration were different from those of the Opponent. He thus argued that the marks were not identical or confusingly similar. He contended that from what he had gathered, the Opponent essentially manufactured powdered milk which basically was a dairy product. It was his view that the goods listed in paragraph 2 of the Applicant's affidavit were miles apart from those of the Opponent. As such, he argued, registration could not in any way cause confusion. He added that as stated in paragraph 8 of the said affidavit, the renewal was effected outside the period stipulated in section 25(1). He reaffirmed that a search at the trademarks registry showed that the renewal came four (4) years too late.

Mr. Makayi, for the Opponent, submitted that whereas it was obvious that the two parties' goods were in different Classes, it was possible for a mark in one Class to affect rights of a mark in another as Classes were designed merely for purposes of guidance. He submitted that it was essential to bear in mind that the aim of registration under the Trade Marks Act or the Patent Act, was to protect the rights and interests vested in the Applicant and indeed the consumer. In response to the Applicant's argument on unlikelihood of confusion, Mr. Makayi submitted that sections 17(1) or indeed 17 was wide enough to deal with conflicting marks in different classes.

He recounted that Mr. Frank Arthur's affidavit demonstrated that the IDEAL label had been used in Zambia and had existed in Europe since 1883. He argued that

trademarks such as IDEAL that had attracted goodwill globally are entitled to be recognised and protected in Zambia pursuant to the international conventions to which Zambia is party. He cited Article 6 of the Paris Convention and the World Trade Organization Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs) in support thereof. He argued that the Applicant was speculating by applying for registration in Classes 5 to 35 but omitting Class 29.

Mr. Makayi further argued that if the Applicant's mark was allowed registration and the Applicant permitted to market dietetic substances and food for babies under the mark, it is possible that consumers would be confused between the parties' products. He submitted that the Opponent was apprehensive that consumers or the general public may confuse the parties' products. On the question of renewal, he argued had there been something patently or manifestly defective, the Trade Marks Office would not have renewed it. His submission was that since renewal had been effected, there should be no issue raised with it.

In response to Mr. Makayi's submissions, Mr. Mosha submitted that any person wishing to register a trademark was at liberty to do so if he deemed it fit. He observed that as pointed out by Mr. Makayi, IDEAL is a trademark that had existence since the 19<sup>th</sup> Century. Accordingly, if the Opponent Company saw it fit to apply for registration in other Classes, it would have done so. The failure to do so, he argued, meant that the Classes covered by the Applicant's mark were deliberately left open. Regarding renewal of the Opponent's trademark, he argued that sections 21(1) to (5) were very clear. He submitted that there is a specific time frame stipulated by an Act of Parliament within which renewal should be made. His contention was that the fact that renewal may have been made inadvertently did not amend the law. In his view, if a mistake is realised as in the instant case, to simply ignore it would amount to rewriting the law. It was thus his submission that the renewal was void or voidable.



I am indebted to both Counsel for their learned submissions. The critical issue, in my view, is whether the Opponent's trademark 755/59 IDEAL is valid and thus whether the Opponent has a basis upon which to challenge registration of the Applicant's trademark. Further, if valid, can goods in two different Classes be confusingly similar? Specifically, are 'dietetic substances adapted for medical use' and 'food for babies' in Class 5 and condensed milk in Class 29, confusingly similar? Alternatively, irrespective of whether the mark is valid, is the Opponent's mark entitled to protection as a 'well known mark' pursuant to Article 6 *bis* of the Paris Convention and Article 16 of the TRIPs Agreement?

I have found it prudent to start with the question surrounding the validity of the Opponent's trademark 755/59 IDEAL. Perusal of the register reveals that the Opponent's mark is one of the 'early marks'. It is a product of consolidation of trademarks 631/53, N.R. 3241 and NY 2113, resulting in the first renewal having been made on 9<sup>th</sup> January 1961. One of the marks had initially been registered on 7<sup>th</sup> October 1953. The consolidated mark was subsequently renewed on 9<sup>th</sup> January 1975, 1989 and fell for renewal on 9<sup>th</sup> January 2003. The exhibited renewal certificate however shows that it was only renewed on 13<sup>th</sup> February 2007. Whereas the lodgment schedule that accompanied the renewal fees could not be traced, records suggest that the fees were paid either on 30<sup>th</sup> January or 1<sup>st</sup> February, 2007.

Section 25(1) as read with section 25(2) of the Trade Marks Act stipulates that a trademark shall be valid for an initial period of seven years and thereafter renewable every fourteen years. Further to section 25(3), the Registrar may remove a non-renewed trademark from the register, subject to restoration. Under section 25(5), however, a removed mark is to be treated as still remaining on the register for purposes of any application one year after such removal.

My interpretation of the statute and regulations thereunder is that a non-renewed mark is renewable within one year of its expiration, subject to payment

of late and restoration fees, as the case may be. I therefore agree with Mr. Mosha that renewal should not be possible one year after expiration of the registration period. But despite the possibility of renewal, a non-renewed mark is not valid during the one year grace period until and unless it is renewed. The import of section 25(1) is that after expiration of the registration period, a trademark is not deemed to be registered.

The said section 25(1) provides:

***'The registration of a trademark shall be for a period of seven years, but may be renewed from time to time in accordance with the provisions of this section.'***

It follows that a proprietor of a non-renewed trademark can not rely on section 16 and 17(1) as these provisions presuppose the existence of a registered mark. Whereas section 16 does not expressly make reference to a mark being on the register, it seems obvious when read in the context of the other provisions such as 17(1), 7 and 9, that it envisages a trademark registered under the Trade Marks Act. As we observed in **Trade Mark Opposition 111/2005 DAILY**, only by reading it with these provisions does the spirit, intent and thus the complete picture of the essence of section 16 and the mischief it is intended to address, become clear.

Section 9(1), in particular, makes it clear that exclusive rights to a trademark are an incidence of registration. It provides: -

***'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 upon the goods or in physical relation thereto or in advertising circular or other advertisement issued to the public....’.***

Accordingly, a proprietor of a mark whose term has expired, as is the case with unregistered trademarks, lacks the basis upon which to prevent registration of another mark on grounds of potential confusion. In the instant case, it is obvious that the renewal fell due in 2003 but was only effected four years later in 2007. Whereas this office erroneously renewed the mark, it was first the fault of the Opponent in filing for renewal far out of time. If the fees were paid in time but the renewal delayed by this office, the situation could probably be different. Under the circumstances, the renewal is declared null and void and I accordingly hold that the Opponent lacks the basis to challenge registration under sections 16 and 17(1). In the premises, it would be academic for me to consider whether sections 16 and 17(1) also cover confusion arising from goods in different classes.

The Opponent however contends that notwithstanding the foregoing, its mark is entitled to protection as a ‘well known’ mark under the Paris Convention for the Protection of Industrial Property as well the WTO TRIPs Agreement.

Article 6 *bis* of the Paris Convention reads, inter alia: -

***‘(1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration***

*or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith'.*

Article 16 of the TRIPs Agreement in turn provides: -

*'(3) Article 6 bis of the Paris Convention (1967) shall apply, mutatis mutandis, to goods and services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be demanded by such use'.*

The irony, however, is that Zambia has not domesticated international law on 'well known marks'. The Zambian Trade Marks Act instead provides for defensive registration. It provides in section 32(1): -

*'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 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'.***

Apparently, the concept of 'defensive marks' was imported from the English legal system. According to Professor W.R. Cornish (Intellectual Property, Third Edition, pp 614), the concept has its roots in calls in England to expand the rights stemming from trademark registration 'so that it may give protection to some at least of the more controversial elements of value in marks'. The British Parliament, in response, created a special category of 'defensive registrations' designed to prevent 'dilution'. These were confined to 'invented' words that had become so well known as to deserve protection against use on other goods than those traded in by the registered proprietor. Professor Cornish adds, however, that judges proved unwilling to allow that additional penumbra of goods to extend very far, thus few marks were ever registered defensively. Only 100 had allegedly been registered by 1974.

However, whereas the trademarks Act in the United Kingdom may have been revised to provide 'well known' marks with the recognition and protection provided in relevant intellectual property treaties, the Zambian Trade Marks Act, as aforesaid, still requires 'well known' marks to be registered as 'defensive marks' if they are to be afforded the kind of protection available to 'well known' marks under international law. In fact, contrary to international law where 'well known' do not require any form of registration, Zambian law, as can be seen from section 32(1), requires a mark to have at least been registered in one Class before qualifying for registration as a 'defensive mark'.

Whereas the position is less clear in so far as customary international law is concerned, it seems well settled that as Zambia espouses the doctrine of dualism as opposed to monism and given that international instruments are not self executing, international treaty law is only enforceable by Zambian courts after Parliament has passed the relevant legislation. For instance, the Zambian

Supreme Court, in the case of **Zambia Sugar Plc v Fellow Nanzaluka** Appeal No. 82/2001, declined to give effect to the provisions of the International Labour Convention No. 158 of 1982.

The court opined that international instruments on any law, although ratified and assented to by the state, cannot be applied unless domesticated. This was a matter in which the employer's actions in dismissing an employee were contrary to the said convention. Ipso facto, the Opponent cannot rely on the TRIPs and the Paris Convention. In any case, it remains open to doubt whether the Opponent's mark would in fact qualify as a 'well known' mark. I must add that our view has been quite consistent on this question of 'well known' marks. In this regard, I wish to quote what I said on page 15 of our decision in the matter of **Trade Mark Opposition No. 111/2005 DAILY:**

'One of the exceptions relates to what are termed 'well known' marks, that is, marks that are considered to be so well known by competent authorities in particular territories that they need not be registered to be protected. As Zambia has not yet domesticated the relevant international law, however, 'well known' marks are not recognized in Zambia. In stead, our statute provides for 'defensive registration' of 'well known' marks. Again, as Mr. Himir argued, we have been quite consistent on this point as can be seen from what we stated on page 7 in the **SUPAKILL** matter, thus:

'It is claimed by the opponents that SUPERKILL is a well known trade mark throughout Africa. Unfortunately, the Trade Mark Act as it exists in Zambia today, does not provide for the protection of well-known unregistered trade marks and therefore, such a claim cannot be sustained...'

Having said that, I wish to state that I do not agree with the Applicant that sections 16 and 17(1) allow for reservation of a name for future use as long as it does not exceed a continuous period of five years of non-use from the date of registration as well as the argument that this position is supported by section 31. Clearly, this is using provisions of the statute for purposes they were never intended. On the contrary, the said section 31 was intended to give guidance in terms of circumstances that may warrant removal of a mark from the register. 'Reservation of a name' is certainly an abuse of the Act.

The upshot of the view I take, therefore, is that the Opponent's mark is not entitled to protection as a 'well known' mark. For this and the reasons earlier given, the Opposition fails. Leave is granted to either party to appeal to the High Court if dissatisfied with the decision herein. Each part shall bear the cost of and incidental to this opposition.

**DELIVERED THIS 5<sup>th</sup> DAY OF AUGUST 2009**



**A.M. Banda-Bobo (Mrs)**

**REGISTRAR**

