REPUBLIC OF KENYA

IN THE HIGH COURT OF KENYA AT NAIROBI

COMMERCIAL & ADMIRALTY DIVISION

CIVIL APPEAL NO.376 OF 2015

Formerly **CIVIL SUIT NO. 71 OF 2017**

SONY CORPORATION.....APPELLANT

VERSUS

SONY HOLDING LIMITED.....RESPONDENT

JUDGEMENT

1. This is an Appeal against the Decision of The Registrar of Trademarks in relation to a Trade Mark Opposition proceedings filed by Sony Corporation (The Appellant).

2. The Jurisdiction of the High Court to entertain and determine an Appeal from the Decision of The Registrar in respect to an Opposition to Registration of a Trade Mark is found in subsections 6 to 10 of Section 21 of The Trade Marks Act;

> **"(6) The decision of the Registrar shall be subject to appeal to the court.**
>
> **(7) An appeal under this section shall be made in the prescribed manner, and on the appeal the court shall, if required, hear the parties and the Registrar, and shall make an order determining whether, and subject to what conditions or limitations, if any, registration is to be permitted.**
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> **(8) On the hearing of an appeal under this section any party may, either in the manner prescribed or by special leave of the court, bring forward further material for the consideration of the court.**
>
> **(9) On an appeal under this section no further grounds of objection to the registration of a trade mark shall be allowed to be taken by the opponent or the Registrar, other than those so stated by the opponent, except by leave of the court; and, where any further grounds of objection are taken, the applicant shall be entitled to withdraw his application without payment of the costs of the opponent on giving notice as prescribed.**
>
> **(10) On an appeal under this section the court may, after hearing the Registrar, permit the trade mark proposed to be registered to be modified in any manner not substantially affecting the identity thereof, but in any such case the trade mark as so modified shall be advertised in the prescribed manner before being registered".**

3. Important as to nature and scope of the intervention of the High Court in an Appeal is Section 52 which provides:-

> **"In any Appeal from a decision of the Registrar to the Court under this Act, the Court shall have and exercise the same discretionary powers as under this Act are conferred upon the Registrar"**

It has to be remembered that the Registrar of Trademarks is a specialized quasi-Judicial Tribunal and so the Courts discretionary Jurisdiction must be circumscribed so that some deference is given to the decision of the Tribunal. One object of setting up specialized Tribunals is that they will be constituted by persons who have technical competence in their areas and a good appreciation of matters that come before them. Ordinarily therefore, short of a compelling cause, their appreciation of a dispute ought to be respected.

4. I accept the proposal by Counsel for the Respondent that the Singaporian Decision of Future Enterprises Pte Ltd vs. McDonald's Corp [2007]2 SLR 845; 2007 SGCA properly prescribes what my role as an Appellant Court in this matter should be;

> **"The smorgasbord of trade mark cases which has reached the appellate courts demonstrates the innumerable (and**

subjectively perceived) similarities and differences that can be conjured up and persuasively articulated by an imaginative and inventive legal mind. Expert and experienced judges, such as Laddie J, have described trade mark infringement as "more a matter of feel than science". (in Wagamamu Ltd vs. City Centre Restaurants plc [1995] FSR 713 at 732), and Chao Hick Tin JA (as he then was) similarly alluded to it as a matter of "perception" (in The Polo/Lauren subjective nature of assessing similarity and the likelihood of confusion. We agree with the approach that an appellate court should not disturb the findings of fact of a trade mark tribunal unless there is a material error of principle".

In my discretionary jurisdiction, I will only fault the Registrars' decision if it is demonstrated the Decision was wrong in a material way or that the exercise of Discretion was so unreasonable that no reasonable Tribunal could have arrived at that Decision. To be emphasized as well is that the Appeal is not in the nature of a rehearing where the facts have to be reevaluated in the detail and manner of a Trial Jurisdiction.

5. With that in mind, the Court turns its attention to the facts that gave rise to this Appeal. On 8th May 2009, the Respondent sought to register its name Sony Holdings Limited as a Trade Mark. It filed two Applications for Trademarks Registration. TMA No.0065981 Sony Holdings (words and Device) and TMA No.0065902 Sony Holdings (word mark). As required by the Act, the Marks were advertised in the Industrial Property Journal on 31st May 2011.

6. On 28th February 2012, the Appellant filed a Notice of Opposition against the Registration of the Marks on the basis that, inter alia, it is the registered proprietor of existing Trade Marks in clauses 9,35,36,37,39,40,41, and 42.

7. After hearing the parties, the Assistant Registrar gave her Ruling on 5th June 2015 in which she dismissed the Opposition proceedings with costs and allowed the Respondent Marks to proceed to Registration. Being dissatisfied with that Decision, the Appellant has filed this Appeal.

8. The Appeal raises the following grounds:-

1. The Registrar of Trade Marks did not consider the evidence of the Appellant provided in its Statutory Declarations nor did she deal with it.

2. The Registrar of Trade Marks misdirected herself in law in interpreting the provisions of sections 14,15,15A and 20(1) of the Trade Marks Act as well as the Agreement on Trade Related Aspects of Intellectual Property Rights ("TRIPS Agreement").

3. The Registrar of Trade Marks erred in law and in fact in failing to hold that the Appellant's "SONY" mark was a well-known trademark.

4. The Registrar of Trade Marks misdirected herself in law as to the criteria for establishing whether the Appellant's "SONY" mark was well-known.

5. The Registrar of Trade Marks erred in not finding and should have found, that the Respondent's Mark "SONY HOLDING" was so identical to or nearly resembled the Appellant's 'SONY' mark and was likely to deceive and/or cause confusion between the Appellant's and the Respondent's goods and services.

6. The Registrar of Trade Marks erred in not finding and should have found that the Respondent had adopted and applied for a mark confusingly and/or deceptively similar to the Appellant's own "SONY" mark.

7. The Registrar of Trade Marks erred in not finding and should have found that the "SONY" mark was exclusively associated with the Appellant's goods and services.

8. The Registrar of Trade Marks erred in law in finding that the Appellant ought to have submitted evidence on the degree, knowledge and/or recognition of its "SONY" mark among persons dealing in electronic products.

9. The Registrar of Trade Marks misdirected herself in law in holding that the Appellant ought to have submitted evidence to show successful enforcement of its rights in the "SONY" mark.

10. The Registrar of Trade Marks misdirected herself in law and in fact in holding that the Appellant ought to have filed opposition and/or rectification proceedings in respect of other marks entered onto the register of trademarks, and bearing the "SONY" mark.

11. The Registrar of Trade Marks misdirected herself n law an in fact in holding that incorporation of the Respondent meant that it had been using its marks honestly in the Kenyan market.

12. The Registrar of Trade Marks erred in law and in fact in holding that the Appellant had acquiesced to the use of the marks by the Respondent.

13. The Registrar of Trade Marks erred in fact in finding that the Appellants had not promoted its trademark "SONY" in Kenya.

14. The Registrar of Trade Marks erred in law and in fact in arriving at the decision that the Respondent's marks "SONY HOLDINGS" (WORD & DEVICE) and 65982 "SONY HOLDINGS" (WORDS), should proceed to registration, having found that the Appellant's and the Respondent's marks were similar.

15. The Registrar of Trade Marks erred in law in finding that the Respondent was entitled to costs in the circumstances.

9. Emerging from the Opposition proceedings, the Decision of the Assistant Registrar and the submissions filed by Counsel, the grounds of Appeal can conveniently be discussed within the issues framed by the Registrar one of which I have expanded for reasons that will be apparent shortly. These are;

a) is the Appellants' Trade Mark a well Known mark in Kenya and therefore deserving protection under the provisions of section 15A of the Act?

b) Are the Respondents' marks "SONY HOLDINGS"(WORDS &DEVICE)and "SONY HOLDINGS"(WORD) so similar to the Appellant's' Trade Mark "SONY"(WORD &DEVICE) as to cause a likelihood of confusion in Contravention of the provisions of sections 14 and 15(1) of the Trade Mark Act?

c) Did the Respondent have a valid and legal claim to the Trade Mark "SONY HOLDINGS"(WORD & DEVICE) and "SONY HOLDINGS"(WORDS) before applying to register the marks as provided for under section 20(1) of the Trade Marks Act?

10. The Appellant had argued that its existing Trade Marks are well known Marks in Kenya and deserve the protection accorded by Section 15A(1) of The Trade Mark Act which provides:-

References in this Act to a trade mark which is entitled to protection under the Paris Convention or the WTO Agreement as a well known trade mark, are to a mark which is well known in Kenya as being the mark of a person who—

(a) is a national of a convention country; or

(b) is domiciled in, or has a real and effective industrial or commercial establishment in, a convention country, whether or not that person carries on business or has any goodwill in Kenya. (my emphasis)

11. There is a convergence by the parties that in answering the question whether the Trade mark '**Sony**' is well-known in Kenya, the Registrar ought to be guided by the criteria provided by the Joint Recommendation Concerning Provisions on the Protection of well-known Marks. These Joint Recommendations are a guideline developed by the World Intellectual Property Organization (WIPO). The factors for consideration are:-

a. The degree of knowledge or recognition of the mark in the relevant sector of the public;

b. The duration, extent and geographical area of any use of the mark;

c. The duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;

d. The duration and geographical area of any registrations, and/or any applications for registration, of the mark, to the extent that they reflect use or recognition of the mark;

e. The record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well known by competent authorities;

f. The value associated with the mark.

12. As correctly submitted by the Appellant the determination of each case must turn on the particular circumstances of the case and so what is relevant differs from case to case. The Joint Recommendation itself contemplates this in Article 2(a) which reads:-

(a) In determining whether a mark is a well-known mark, the competent authority shall take into account any circumstances from which it may be inferred that the mark is well known.

13. The Registrar was of the view that the following factors were relevant to the matter at hand:-

(a) The duration, extent and geographical area of the use of the Trade Mark 'Sony'.

(b) The duration and geographical area of the Registration of the Mark 'Sony'.

(c) Promotion of the Trade Mark 'Sony'.

(d) Degree of recognition of the Trade Mark 'Sony' in Kenya.

(e) Enforcement of the Trade Mark 'Sony'.

Having considered those factors, the Registrar came to a conclusion that the Appellant had not furnished sufficient evidence to prove that their Trade mark 'Sony' is well known to Kenya. The Appellants grievance is on three fronts. First that the Registrar failed to consider the evidence it adduced in proof of certain factors. Second the Registrar considered certain irrelevant facts and lastly that the Registrar failed to consider the value associated with the Mark.

14. As a forerunner to interrogating these grievances, a brief discussion of the background and intent of Section 15 A (1) is necessary. Kenya is a signatory to the Paris Convention (1967) which offers certain protection to Trade Marks in the following terms:-

A.

(1) Every trademark duly registered in the country of origin shall be accepted for filing and protected as is in the other countries of the Union, subject to the reservations indicated in this Article. Such countries may, before proceeding to final registration, require the production of a certificate of registration in the country of origin, issued by the competent authority. No authentication shall be required for this certificate.

(2) Shall be considered the country of origin the country of the Union where the applicant has a real and effective industrial or commercial establishment, or, if he has no such establishment within the Union, the country of the Union where he has his domicile, or, if he has no domicile within the Union but is a national of a country of the Union, the country of which he is a national.

B. Trademarks covered by this Article may be neither denied registration nor invalidated except in the following cases:

(i) when they are of such a nature as to infringe rights acquired by third parties in the country where protection is claimed;

(ii) when they are devoid of any distinctive character, or consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, place of origin, of the goods, or the time of production, or have become customary in the current language or in the bona fide and established practices of the trade of the country where protection is claimed;

(iii) when they are contrary to morality or public order and, in particular, of such a nature as to deceive the public. It is understood that a mark may not be considered contrary to public order for the sole reason that it does not conform to a provision of the legislation on marks, except if such provision itself relates to public order.

This provision is subject, however, to the application of Article 10*bis*.

C.

(1) In determining whether a mark is eligible for protection, all the factual circumstances must be taken into consideration, particularly the length of time the mark has been in use.

(2) No trademark shall be refused in the other countries of the Union for the sole reason that it differs from the mark protected in the country of origin only in respect of elements that do not alter its distinctive character and do not affect its identity in the form in which it has been registered in the said country of origin.

D. No person may benefit from the provisions of this Article if the mark for which he claims protection is not registered in the country of origin.

E. However, in no case shall the renewal of the registration of the mark in the country of origin involve an obligation to renew the registration in the other countries of the Union in which the mark has been registered.

F. The benefit of priority shall remain unaffected for applications for the registration of marks filed within the period fixed by Article 4, even if registration in the country of origin is effected after the expiration of such period.

15. In the absence of Section 15A (1), a Foreign owner of a well-known "Trade Mark" would have to rely on the common law of passing off for protection. But as observed by Justice E.M Grosskpf JA in the Decision of Supreme Court of South African Case No. 547195 In the Matters between Mcdonald's Corporation and Joburgers Drive-inn Restaurant (PTY) Ltd (cited to me by the Appellant's in support of other arguments), the Protection offered by the Law of Passing off was limited because of the requirement that the owner of the Mark had to establish a goodwill in the Country. As a general proposition one characteristic of goodwill is the attribute of locality. For that reason the owner of a well-known Trade mark who did not carry out business or had no goodwill in Kenya was unlikely to succeed in an action for Protection. The object of Section 15(A) and this is very apparent in its subsection 1(1)(A) was to provide an effective Protection of the owner of well-known Trade Marks who was yet to have a business or goodwill in Kenya.

16. There does not seem to be a controversy that the following four factors were and are relevant factors:-

(i) The duration, extent and geographic area of the use of the Mark 'Sony'.

(ii) The duration and geographic area of any Registration of the Mark 'Sony'.

(iii) The duration, extent and geographic area of any promotion of the Mark.

(iv) The degree of recognition of the Mark 'Sony' in Kenya.

17. As the Court turns to consider this first set of factors, it may be needless to restate that he who asserts must prove and the undoubted onus was on the Appellant to furnish favorable evidence. This burden was neither taken away or eased by the following findings by the Registrar:-

> **"The opponents have attached evidence to indicate that their Trade Mark 'Sony' has been in the globally since 1958. The Trade mark has been internationally recognized as a top ranking brand in terms of Sales Revenue and is a Leader in the manufacture of Electronic Goods. The ranking has been carried out by globally recognized findings like Inter-brand and Harris Interactive, whose findings are quite reliable and dependable".**

This is because it is not argued by the Appellants that the principle of territoriality was to be overlooked. The Respondent had pressed that what mattered is that the Trademark is well-known to a particular section of the Kenyan market and it is irrelevant that the Mark is well known in another Jurisdiction other than Kenya. Counsel sought to rely on the Decision of Nicholas JA of the Supreme Court of South Africa in the matter between Victoria's Secret Inc and Edgars Stores Limited in which the Judge approved the English decision in the Mourgale judgement Mr. Trollip stated that,

> ***"… a trade mark is purely a territorial concept; it is legally operative or effective only within the territory in which it is used and for which it is to be registered. Hence, use of a trade mark mentioned in S.20(1) are all premised by the subsection to be within the R.S.A".***

The Judge then proceeded to hold,

> ***"However well-known the Mark ….may be in the USA, there is no evidence that it was well-known in South Africa".***

The wording of Section 15A(1) itself is to offer Protection to a well-known Trade Mark which is well known in Kenya.

18. The Appellant submitted that in a bid to prove the Duration, extent and geographical area of the use of the Mark Sony it provided evidence of having sponsored numerous sports and other International events accessible through free to Air TV that was accessed by millions of Kenyans in technology entertainment and Electronics. This Court has looked at that evidence (on pages 23 and 257 of volume 1 of 3 of The Record of Appeal). The evidence is that the Appellant and Fifa had concluded a contract for Partnership, and that it had also sponsored other global events. There is therefore an assumption that these events are accessed by millions of Kenyans through free to Air TV. That may be so but in order to apply her quasi-judicial mind, some evidence needed to be placed before the Assistant Registrar that indeed some Kenyans had accessed these events. In the alternative, the Appellant needed to invite the Assistant Registrar and this Court to find that the fact of access was of such general or local notoriety that it was to be accepted as a fact by dint of the provisions on Judicial Notice set out in Section 60 of The Evidence Act. As there was no such invitation, and therefore an opportunity for a reaction from the Respondents, I am unable to find that the contention of 6th June, 2018 did not require proof. It was not enough for the Appellant to ride on the evidence that '*The mark had been internationally recognized as a top ranking brand in terms of sale revenue and is a leader in the manufacture of electronic goods'* as proof that global use of the Mark 'Sony' inevitably extended to Kenya. Some evidence in respect to Kenya needed to be adduced.

19. In regard to the Duration and Geographical area of the registrations of the Mark 'Sony', the Assistant Registrar had held,

> ***'To prove the veracity of this assertion, the Opponents ought to have furnished the Registry of Trade Marks with documentary evidence that would be comprised of copies of certificates of registration or any other appropriate document to indicate that registration of their trade marks in the 200 jurisdictions is valid. I hold that the internally generated list of the jurisdictions where the Opponents' trade mark has been registered that was furnished by the Opponents is not sufficient prove that the trade mark "SONY" has been registered anywhere in the world".***

The Assistant Registrar was addressing the assertion that, in addition to registrations in Kenya, the Appellant's Trade Marks had, for over half a century, been registered and remained in force in about 200 Countries and Territories throughout the world.

20. This Court was pressed upon to find that the Assistant Registrar committed an error as this information could easily have been verified by the Assistant Registrar given her capacity to do so as the competent authority. That in any case it was improper for the Assistant Registrar to find that the Appellant ought to have produced the foreign Registration Certificates when the Respondent did not object to the existence of any of the Appellant's Global Registration from the list provided by the Appellant.

21. Because of the strictures of The Law of Evidence, a Court of Law would require a party who asserts to prove any matter that is not admitted. If the issue of the Foreign Registration Certificates was a matter before an ordinary Court then, the Appellant ought to have provided proof of those certificates because the Respondent had not expressly admitted to their existence. This is because, I repeat, the Appellant who had asserted the existence of those Registration had the duty of proving it. This is why, even in Formal Proof proceedings where no Defence has been filed, the Plaintiff still bears the burden of proving the essential elements of his case. Yet I may not be able to say the same about Opposition Proceedings before an Assistant Registrar where the matter requiring proof is not controversial. It must be borne in mind that the Assistant Registrar constitutes a specialized Tribunal and exercises a quasi-judicial mandate. Where a matter is not contested and it is convenient and inexpensive, for the Assistant Registrar to verify it, then he/she should do so. In the Opposition proceedings it is

granted that while the Respondent had not expressly admitted the existence of the Certificates it did not object. It would seem that the issue of Global Certificates was therefore not controversial and it may not have disagreeable for the Assistant Registrar to verify their existence. However, the Appellant has not demonstrated to this Court that the verification was within the easy and inexpensive reach of the Assistant Registrar. Had this been done then the Court would have found that the Assistant Registrar was under a duty to carry out some self-verification. In the Circumstances the Appellant cannot pass its failure to provide succinct proof of the existence of the Certificates to the Assistant Registrar. Yet still even if this Court were to find that Sony indeed enjoyed Global Registrations of Trade Marks,that in itself is not sufficient to establish well knowness in Kenya.

22. It can hardly be disputed that sponsorship of global events where a Trade Mark is prominently displayed is an actual promotion of a Trademark at the global theatre. But this Court had early held that the Assistant Registrar was correct in holding that the Appellant had not proved that Kenyans had accessed the Global events. Some pointed evidence like disposition of some of the people who had accessed the global events was desirable. The Appellants could not therefore place reliance on global sponsorship to support its case that there was promotion of the Trade Mark in Kenya. This Court cannot fault the Assistant Registrar's finding that,

> **"*I am of the view that this evidence is not sufficient to indicate that the Trade Mark has been promoted and advertised in such proportions that would render the Trade mark 'Sony' to be deemed to be a well-known Mark in Kenya*".**

The Appellants had cited the case of McDonalds Corporation *(supra)* in support of its argument in relation to promotion. This Court has read that decision. Unlike here, the Court had found that there was evidence of substantial publicity of the well-known Mark through, inter alia, the following evidence,

a) Market survey

b) Publicity in the Local media

c) Numerous requests from prospective franchisees and ordinary members of the Public for advice as to how to become McDonald's franchisees.

23. In relation to the Degree of recognition of the Trade Mark 'Sony' in Kenya, the Appellant asserts that it submitted a list of various products available for sale all over Kenya and revenue of sales from its Financial Statements. In holding that the Appellants had not submitted any evidence on the Degree of knowledge or recognition, the Assistant Registrar observed,

> **"*The opponents have not submitted any evidence on the Degree of knowledge or recognition of the Mark in the relevant Sector of the Public, which in these Opposition proceedings would be persons dealing in electronic production that the Opponents specialize in. Such persons would include customers or distributors of the goods bearing the Trade mark 'Sony'*.**

24. It is true that in the Appellant's Statutory Declaration [page 21 (volume 1 of 3], set out the various products available for sale in Kenya. These are over 20 different products. But, there is no specific evidence to back this Statement. It remained an assertion. On the volume of sales, the Appellant produced an Annual Report 2012. In that Report (page 133 of volume 1 0f 3) there is a table of the Total Sales (in revenue) and distribution by geographic region for the year 2009. The geographic regions specifically mentioned are Japan, United States and Europe. There is a fourth category of "other areas". Kenya would presumably fall under this fourth category. That said, no specific information in respect to the Sales in Kenya is given. How then can the Assistant Registrar be faulted when she says that the Appellant did not submit any evidence on Degree of knowledge or recognition of the Mark by the relevant Sector in Kenya?

25. It is common ground that the Opposition proceedings which ended in this Appeal is the first attempt by the Appellant to enforce the Trade mark 'Sony'. In the impugned decision, the Assistant Registrar sets out the Trade Marks already entered in the Register which the Respondent argued comprised of the Element 'Sony' or Trademarks that are similar to the Trademark "Sony". Yet the Respondent did not establish that those Trade Marks could be said to have infringed on the Appellant's mark 'Sony'. Let me take Trade mark NO.799973 owned by South Nyanza Sugar Company. The Trade mark is "Sony Sugar simply the Best" (words and device) and is in respect to Sugar and Sugar cane. There is no allegation that the Appellant deals with Sugar and Sugar cane and it was not argued with any conviction that the Trade mark infringes the Appellants mark "Sony". This Court is ready to accept that the history of successful enforcement of the rights in the Mark in Kenya was not a relevant factor in the circumstances of this case as it was not successfully demonstrated that the other existing marks had infringed on the Appellant's 'marks' and that the Appellant had been complacent.

26. During the hearing of the Opposition proceedings, the Appellant had submitted that the value associated with its Trademark was a factor that needed to be taken into account in reaching a Decision that its existing Trademark was well-known. The Assistant Registrar however did not consider this specifically in making her determination. This appears to be a failing because the Registrar had made a finding that, on the basis of a Ranking carried out by Interbrand and Harris Interactive, the Trade Mark was internationally recognized as a top Ranking Brand in terms of Sales Revenue and a Leader in the Manufacture of electronic goods. This value of Trade Mark is a significant feature of the Trade mark and is a factor that should have been taken into account in considering whether the Trade Mark was indeed well known.

27. That said, the value associated with the Mark could not on its own be a decisive factor. This was a factor to be taken into account with the other relevant factors identified in the preceding parts of this decision. Indeed the Appellant recognizes this when it submitted as follows before the Assistant Registrar,

> **"We submit that the Opponents Trade Mark value further enhances its Status as a well-known Trade Mark. Under Section 15A of the Trademarks Act". (*my emphasis*)**

Having failed to establish that the other factors were on its side, the value of the Trade Mark alone could not have tilted the Decision of the

Assistant Registrar in favour of the Appellant.

28. The conclusion by the Assistant Registrar, and now upheld by this Court, that the Appellant had failed to prove that "SONY" is a well-known Trade Mark in Kenya may be a shock to many. Is it not obvious to the Assistant Registrar and the Judge that "SONY' is a Global Brand and well-known to many Kenyans, it can be asked? The trouble however is that in the absence of proof presented by the parties or matters which the Court can take judicial notice, the Assistant Registrar and this Court cannot draw a conclusion from its own personal perception. The factors for consideration in determining whether a Mark is a well-known Mark are clearly spelt out and known. A person asserting well-knowness of a Mark bears the responsibility of submitting information (evidence) in respect to factors from which the competent authority may infer that the Mark is indeed well known. This is not left to the perception or personal inclination of the competent authority.

29. Another observation needs to be made. The Assistant Registrar made a finding that in appearance and suggestion, the Marks of the parties are similar having held that the word "Holding" in the Mark of the Respondent did not aid in distinguishing the Respondent's Trade Mark and that in both Trade Marks the element "Sony" is the dominant one. It is the view of this Court that because of this finding the Appellants Opposition may as well have been an open and shut case if it had proved that the Trade Mark was well-known. Even the argument by the Respondent that there is a substantial difference between the products and services of the two disputants would have in all probability crumbled. This is in view of the provisions of Subsection (4) of Section 15A which reads,

> "**A Trade Mark shall not be registered if that Trade Mark, or an essential part thereof, is likely to impair, interfere with or take unfair of the distinctive character of the well-known Trade Mark".**

It would be inimical to the spirit of Trade Mark Laws to protect a person who deliberately sets out to benefit from the reputation of a well-known Trade Mark with reference to goods, even those not associated with the owner of the well-known Trade Mark.

30. The Courts attention now turns to the provisions of Section 15 of The Act and its implication, if any, to this dispute. Section 15(1) reads:-

> "**(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 or nearly resembles a mark belonging to a different proprietor and already on the register in respect of the same goods or description of goods, or in respect of services, is identical with or nearly resembles a mark belonging to a different proprietor and already on the register in respect of the same services or description of services".**

31. The Tenor of the Appellant's case under Section 15(1) of The Act, is that it is entitled to the exclusive use of the Mark 'Sony' in respect of the Goods and services for which its Trade Marks are registered in Kenya.

32. Whilst the Respondents had made some submissions to guide the Court in assessing the similarity of Marks in appearance and suggestions, this may not be an issue in contest in this Appeal. The Assistant Registrar had expressed herself as follows on the issue,

> "***The Applicant Trade Mark 'Sony Holding' while the opponents Trade mark 'Sony'. I agree with the opponents that the term 'Holding' that has been added to the Applicant's Trade Mark does not aid in distinguishing the Applicant's Trade Mark from the opponent's trade mark. In both Trade Marks, the element 'Sony' is the dominant one. It is therefore my view that with respect to the issue of similarity in appearance and suggestion, the two Trade Marks are similar".***

32. Neither of the parties say that the Assistant Registrar was wrong in that holding and I see no reason to depart from it. The area of disagreement is therefore narrowed considerably.

33. From the wording of Section 15(1) it was necessary for the Assistant Registrar to determine whether the goods or description of goods or services for the Respondents Mark was in respect to the same goods or description of goods or services for the Appellant's Mark. The Appellant pressed that Trade Mark Registration is class specific and it only sought to enforce exclusivity in respect of the classes in which it is registered and not all classes in the Nice classification. The Respondent stood its ground by arguing that the Appellant deals in Electronics while it deals in Construction and Real Estate and the Goods offered by the two are not sold or accessed side by side and there will be no likelihood of confusion.

34. For a start, it is a correct statement of the law that, generally, 'nothing prevents the use of similar or identical Trade Marks by different proprietors provided that the respective goods or services are of a different description. The only property in a Trade mark is the business or Trade in connection with which the Trade mark is used' (page 18 of the Decision of the Assistant Registrar of Trade mark).

35. It is a common fact that the Appellant is the owner of The Trade Mark 'Sony for classes 9,35,36,37,38,39,40,41 and 42 while Respondent had filed Marks in classes 12,16,25,35,36,37,39 and 45. There is therefore an overlap in classes 35,36,37 and 39. What is critical is that because of this state of affairs there is actual confusion or likelihood of confusion.

36. There is some convergence by the parties that the well regarded decision in Case No. 251/95; Sabel BV vs Puma AG, Rudolf Dassler Sport provides an invaluable guide on how the question of likelihood of confusion should be approached. The Court held,

> "*The likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the circumstances of the case. That global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The wording of Article 4(1)(b) of the Directive – "..there exists a likelihood of confusion on the part of the public…" – shows that the perception of marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its*

various details".

37. In addition, the Appellant proposed that the global appreciation entertains certain interdependence between the factors taken into account. Emphasized, is the similarity between the Trade Marks and between the goods and services covered. (See case 347/97 Lloyd Schuhfabrik Meyer & Co Gmbtt vs. Klissen Handel BV, where the Court held,

> **"That global assessment implies some interdependence between the relevant factors, and in particular similarity between the Trade Marks and between the goods or services covered. Accordingly, a lesser degree of similarity between those goods or services may be offset by a greater degree of similarity between the marks, and vice versa".**

38. As to who should be considered in deciding whether this is a likelihood of confusion, the Court must assume the position of the Notional consumer. In this regard, the following passage in Reed Executive PLC vs. Reed Business Information Limited(2004) EWCA Civ 159 is helpful,

> **"the Court stated that the person to be considered is the ordinary consumer, "neither too careful nor too careless, but reasonably circumspect, well informed and observant". An allowance for defective recollection must be considered and this varies depending on the goods concerned. The Court further stated that "a fifty pence purchase in the station kiosk will involve different considerations from a once-in-a-lifetime expenditure of £50000".**

39. Apparent from the Decision of the Assistant Registrar is that it does not make specific reference to Section 14 of The Act yet this had been cited by the Appellant in its Notice of Opposition. In the submissions before the Assistant Registrar, the Appellant had lumped its arguments in respect to Section 14 and 15(1) of The Trade Marks Act together. Perhaps an indication that certain principles of Law are common to both statutory provisions. Therefore, in examining the decision of the Assistant Registrar, one must look at the substance to see whether it also addressed the issues raised under Section 14.

40. Having come to the Decision that the two Trade Marks are similar in appearance and suggestion, Registration of the Marks in classes 35,36,37 and 39 in favour of the Respondent would have offended the provisions of Section 15(1) of the Act because they cover services identical to the services covered by the Appellant's Trade Mark registrations in the same classes unless there was honest concurrent use or some special circumstances that would permit their registration (section 15(2)). Necessarily the Court must examine whether these four classes deserve the exemption of Section 15(2). The Court shall return to this presently.

41. In respect to the other classes, the Assistant Registrar found that the goods and services of the two protagonists were not of similar description. One was for services related to Electronic goods and the other to Real Estate Development and management. The Assistant Registrar concluded that the goods and services of the parties could not be offered for sale in the same channels of Trade. It has not been demonstrated to me that the conclusion reached was erroneous.

42. Yet it may be argued that because there is a great degree of similarity of the Marks, it offsets the dissimilarity of the goods and services and confusion would still be likely.

43. So as to address that issue the Registrar assumed the position of a notional consumer. The Assistant Registrar observed,

> **"In the Registrar of Trade Marks v. Woolworths Limited, the Court stated that the circumstances in which the respective marks are used, the goods or services are bought and sold and the character of the respective purchasers of the goods or services should all be considered. In Australian Woolen Mills ltd v. F.S Walton & Co. ltd, the Court stated that the relevant person is the average consumer and the usual manner in which that average consumer will behave in the market place should be "the test of what confusion or deception may be expected". In Reed Executive PLC v Reed Business Information Ltd, the Court stated that the person to be considered is the ordinary consumer, "neither too careful nor too careless, but reasonably circumspect, well informed and observant". An allowance for defective recollection must be considered and this varies depending on the goods concerned. The Court further stated that "a fifty pence purchase in the station kiosk will involve different considerations from a once-in-a-lifetime expenditure of £50000. The Applicants have averred they deal with real estate development and management services which would be compared to "a once-in-a-life-time expenditure of £50000." This is not an expenditure that would be incurred by "unusually stupid people, fools or idiots, or a moron in a hurry". On the other hand, the Opponents deal with electronic goods. These are goods that while not as expensive as the services that the Applicants deal with, they are not every day goods that would be purchased by children, for instance, who would be likely to be deceived. It is my view that they are bought with deliberation and care. The upshot of this is that confusion would not be likely to occur. The respective purchasers of the Opponents' goods and eh Applicants' services are deemed to be knowledgeable persons and would not be likely to be deceived".**

44. A notional consumer may differ from one market or channel of Trade with another and more so when the dissimilarity in the services and goods are profound. The Registrar found that the Applicants deal with Real Estate Development and Management Services which are almost a once in a life time expenditure and 'that is not an expenditure that would be incurred by unusually stupid people, fools or idiots, or moron in a hurry". In respect to the Applicant the Registrar found the Goods are bought with deliberation and care. These findings have neither been criticized nor faulted. Paying some deference to this holding by the Assistant Registrar, I find that the notional consumer for both parties is sufficiently discerning and is unlikely to be confused by the similarity of Marks.

45. It is plain that, in addition to testing the impugned Marks against the prohibition of Section 15(1), the Assistant Registrar discussed whether the Marks were likely to deceive or cause confusion. When she did so she was considering the Appellant's objection from the lens of Section 14. In the end, however this Court is unable to agree with the Decision in respect to Marks in classes 35,36,37 and 39.

46. Section 20(1) of The Act provides:-

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

It was asserted by the Appellant during the course of the Opposition proceedings, as it does now, that from the reading of Section 20 of The Act, an application to register a Trade Mark can only be made by a person who is the legitimate proprietor of The Trade Mark and who has been using or proposes to use the Mark which is being applied for Registration.

47. The Decision in Vitamins Trade Marks case [1956]RPCI discussed ways in which a proprietary Right in a Mark sought to be registered can be obtained. At page 12 Lloyd Jacob J. states,

> ***"A proprietary Right in a Mark sought to be registered can be obtained in a number of ways. The Mark can be originated by a person or can be acquired, but in all cases it is necessary that the person putting forward the application should be in a possession of some proprietary right which, if questioned, can be substantiated".***

As an essential, an Applicant should, if challenged, be able to demonstrate proprietorship.

48. In the counterstatement by the Respondent it contended that it had been trading in its name "Sony Holdings Limited" since incorporation on 13th November 2003. The Appellant however argued that without proof of goodwill or reputation, the Assistant Registrar erred in finding that the Respondent was a Proprietor of the impugned Mark. The Appellant cited the decision in Civil case No.840 of 2010 Agility Logistics Limited & 2 others vs. Agility Logistics Kenya Limited [2012] eKLR in support of this proposition in which Mutava J. held,

> ***"Further, it is also pertinently clear that the protection extended by a trademark transcends the face value of a name and inheres in the name a distinctiveness that is associated with the reputation and goodwill that the proprietor of the mark has invested and earned through creation of value, quality and trust. So much so that a consumer or user of the service needs only see the mark and associate itself with certain expectations and standards"***

49. On my part, I am unable to agree that, for purposes of Section 20(1), the Applicant must prove reputation and goodwill so as to establish proprietorship. The decision in Agility Logistics (*supra)* was in respect to an alleged infringement of a Trade Mark and not opposition to registration of a Mark. Section 20(1) itself envisages that the Applicant is a proprietor of a Mark which is either used or which is proposed to be used. It is not easy to see how an unused Mark will have reputation or goodwill.

50. But in contrast, if an opponent shows that it enjoys existing reputation in the Mark applied for in relation to the relevant goods and services, then the Applicant cannot successfully assert proprietorship of the Mark for the relevant goods and services for purposes of Section 20(1) of the Act. (See the Hong Kong Decision of Application NO.25140 of 2000 – In the matter of an application by Shiram Pistons & Kings Limited and in the matter of an Opposition by the Jay Engineering). Now, it is not contested that the Appellant is the Proprietor of some registered Trade Marks and by virtue thereof would enjoy proprietorship rights in the Trade Mark 'Sony' in Kenya. The Appellant finds support in section 7(i) of the Act which reads;

> **"(1) Subject to the provisions of this section, and of sections 10 and 11, the registration (whether before or after 1st January, 1957) of a person in Part A of the register as the proprietor of a trade mark if valid gives to that person the exclusive right to the use of the trade mark in relation to those goods or in connection with the provision of any services and without prejudice to the generality of the foregoing that right is infringed by any person who, not being the proprietor of the trade mark or a registered user thereof using by way of permitted use, uses a mark identical with or so nearly resembling it as to be likely to deceive or cause confusion in the course of trade or in connection with the provision of any services in respect of which it is registered, and in such manner as to render the use of the mark likely to—**
>
> **(a) be taken either as being used as a trade mark;**
>
> **(b) be taken in a case in which the use is upon the goods or in physical relation thereto or in an advertising circular or other advertisement issued to the public, as importing a reference to some person having the right either as proprietor or as licensee to use the trade mark or goods with which such a person is connected in the course of trade;**
>
> **(c) be taken in a case where the use is use at or near the place where the services are available for acceptance or performed or in an advertising circular or other advertisement issued to the public or any part thereof, as importing a reference to some person having the right either as proprietor or as licensee to use the trade mark or to services with the provision of which such a person as aforesaid is connected in the course of business;**
>
> **(d) cause injury or prejudice to the proprietor or licensee of the trade mark.**

However, from the vantage of the opposing party what is critical is that the proprietorship is in respect to the goods and services for which those Trade Marks are registered and in which it enjoys a reputation. The Appellant does not claim to have Trade Marks or reputation in respect to services related to Real Estate Development and Management which is the mainstay of the Respondent.

51. I take it that, for purposes of Section 20(1) a proprietorship Right in a Mark sought to be registered can be obtained in many different ways (Vitamins Ltd (*supra*)). It is common ground that the Respondent's Mark 'Sony Holding' was comprised in the name of the Respondent since its incorporation in 2003. It seems a fair and reasonable deduction that the Respondent has had ownership in that Mark in relation to the services it offered over the years and certainly at the point of application. This may however not cover the Marks in classes 35,36,37 and 39 (See earlier part of this decision) in which the Appellant is already registered.

52. The Assistant Registrar had made a further finding that the Respondents had enjoyed an honest concurrent use in respect to Trade Marks of the Appellant and the Appellant did not raise an issue with the use and that amounted to acquiescence on its part. The concept of Honest concurrent use is legislated in Section 15(2) of the Act which reads:-

> **"(2) In case of honest concurrent use, or of other special circumstances which in the opinion of the court or the Registrar make it proper so to do, the court or the Registrar may permit the registration of trade marks that are identical or nearly resemble each other in respect of the same goods or description of goods by more than one proprietor subject to such conditions and limitations, if any, as the court or the Registrar may think it right to impose".**

The Court was asked to find that the Assistant Registrar erred in reaching this conclusion for two reasons:-

> (i) The Appellant did not consider the Respondent's use of its Mark to be use in the ordinary course of Trade, and that would denote an identity of origin between the Respondent and the goods and services in the Market.
>
> (ii) Even if the use of the Respondents Mark had been established, such use had not been acquiesced to by the Appellant and further, no such acquiescence was demonstrated by the Respondent.

53. It is accepted by both sides of the divide, the Assistant Registrar as well as this Court that the decision of Lord Tomlin in the Matter of an application by Alex Pirie and Sons Ltd to Register a Trade Mark (1933) 50 RPC 147 lay down the matters to be taken into account in determining Honest Concurrent use of two Trade Marks. These are the guidelines in applying the provisions of Section 15(2) of the Trade Marks Act and include:-

The extent of use in time and quantity and area of trade;

- The degree of confusion likely to ensue from the resemblance of the marks, which is, to a large extent, indicative of the measure of public inconvenience;
- The honesty of the concurrent use;
- Whether any instances of confusion have been proved;
- The relative inconvenience which would be caused if the mark in suit was registered, subject in necessary to any conditions and limitations.

54. The Respondent, in supporting the finding of the Assistant Registrar, argued that the contested Marks have been in the Market since 2003, presumably when it was incorporated. In support of its assertion that the Marks had co-existed for a decade, the Respondent had made the following deposition in a Statutory Declaration sworn on 24th February 2014:-

> **"28. THAT the Applicant has been actively in the market carrying out among other businesses, being the Proprietor and Manager of Westgate mall, a large shopping mall in the Westlands area of Nairobi City, which was the subject of the September 2013 terror attacks.**
>
> **29. THAT the Applicant has been actively involved in Corporate Social Responsibility projects which include, but not limited, to improvement of walk ways within Nairobi in the photographs produced herein."**

Two photographs are reproduced. One of picture of the walkway and another of the signage on the construction of the walkway. In respect to the management and ownership of Westgate Mall no documentary evidence was given. This court is of the view that this evidence was far too tenuous to show concurrent use and I very much doubt the correctness of the Assistant Registrar's Decision that User, let alone, Honest user had been established. If there was no User, then acquiescence cannot arise.

55. In the end, this Court can only fault the Assistant Registrar's final determination in regards to Marks under classes 35,36,37 and 39. Consequently the Decision of the Assistant Registrar of Trade Marks dated 5th June 2015 under these classes is set aside. The Marks under classes 35,36,37 and 39 shall not proceed to Registration. As the Appeal has only partially succeeded, I make an Order that each party bears its own costs in the Appeal.

Dated, Signed and Delivered in Court at Nairobi this 29th day of May,2018.

F. TUIYOTT

JUDGE

PRESENT;

Omondi for Mwanzo for Appellant

Mwangi for Respondent

Nixon - Court Assistant