LA Group (Pty) Ltd v Lifestyle Equities C.V (Civil Appeal E026 of 2020)
[2023] KEHC 17351 (KLR) (Commercial and Tax) (12 May 2023) (Judgment)

Neutral citation: [2023] KEHC 17351 (KLR)

REPUBLIC OF KENYA

IN THE HIGH COURT AT NAIROBI (MILIMANI COMMERCIAL COURTS)

COMMERCIAL AND TAX

CIVIL APPEAL E026 OF 2020

FG MUGAMBI, J

MAY 12, 2023

BETWEEN

LA GROUP (PTY) LTD ..... APPELLANT

AND

LIFESTYLE EQUITIES C.V ..... RESPONDENT

(Being an appeal from the judgment dated 22nd May 2020 by the Assistant Registrar of Trade Marks in the matter of the application for expungement of trade mark registration No 1085110 'Beverly Hills Polo Club' (words & device) between LA Group (Pty) Ltd and Lifestyle Equities C.V.)

JUDGMENT

Introduction and Background

1. The appellant herein is a private company incorporated and having its principal place of business in Cape Town, South Africa. It is the proprietor of Single and Double Polo Pony device and Polo trade mark numbers IR 55535, 55887, 55878, 75518 and 77874 registered in Kenya (hereinafter the 'appellant's marks'). The respondent is a company registered in Amsterdam, Netherlands and is the trademark proprietor of trade mark number IR 1085110 Beverly Hills Polo Club also registered in Kenya (hereinafter 'the respondent's mark').

2. The background to this appeal is an application to the Registrar for the expungement, cancellation and removal of the respondent's mark from the Register of Trade Marks, which was filed by the applicant then, who is the appellant. The main ground for the application was that the applicant was the registered proprietor of its specific marks in Kenya and it continued to use the marks in respect of goods covered by the registration in Kenya and other jurisdictions for over 10 years. The applicant's case was that the respondent's mark registered in Kenya is so strikingly similar to those of the applicant in such a way that it easily caused confusion amongst consumers in the Kenyan market.

3. The Assistant Registrar rendered a decision dated May 22, 2020, dismissing the application. Dissatisfied with the decision, the appellants brought this appeal dated July 21, 2020, stating 18 grounds of appeal. The appellant also filed its submissions to the appeal dated April 20, 2022 and dealt with the grounds in the following seven (7) limbs:

    i. Whether the appellant is an "aggrieved person" in terms of section 35 of the Act;

    ii. Whether the appellant's marks are well-known in Kenya and enjoy a reputation and goodwill, and whether material and relevant evidence in this regard was considered by the Assistant Registrar in rendering her ruling;

    iii. Whether the appellant's marks are descriptive of its goods and services, and hence, non-distinctive of them, and whether the Assistant Registrar erred in relying on inadmissible evidence and facts not pleaded or submitted by either party;

    iv. Whether the respondent's mark is confusingly similar to the appellant's marks and is, consequently, contrary to the provisions of section 15(1) of the Act;

    v. Whether the respondent's mark is, in use, likely to cause deception or confusion in Kenya as a result of the reputation and goodwill attaching to the appellant's marks and is, in consequence, contrary to the provisions of section 14(1) of the Act;

    vi. Whether the Respondent's Mark, or an essential part or essential parts of it, is or are likely to impair, interfere with or take unfair advantage of the distinctive character of the appellant's mark and is, in consequence, contrary to the provisions of section 15A (4) of the Act; and

    vii. Whether there has been any honest and current use of the appellant's and respondent's marks in the Kenyan market.

Analysis

4. In dealing with these grounds and competing submissions and authorities by the parties, I am cognisant that the appellate jurisdiction of this Court from the decision of the Registrar is sanctioned by section 21(6) to 21(10) of the Act. It provides that: -

    (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.

    (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.

5. Section 52 of the Act in turn provides for the latitude that this Court enjoys in an appeal from the Registrar, providing that the Court shall have and exercise the same discretionary powers as are conferred upon the Registrar. I however remain cognisant of the fact that the Registrar is a specialized quasi-judicial Tribunal, and the call for the Court to grant some deference to the Registrar's decision unless there is a compelling cause to depart.

6. In this regard the Singapore decision in *Future Enterprises Pte Ltd v Mcdonald's Corp* [2007] 2 SLR-845;2007 SGEA is relevant and particularly the observation of the Court that: -

> " 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."

7. A similar view was espoused in *South Cone Incorporated v Jack Bessant & others* [2001] EWHC Ch 420, in which his Lordship stated -

> " My approach will be as follows. Findings of primary fact will not be disturbed unless the hearing officer made an error of principle or was plainly wrong on the evidence. His inferences from the primary facts may be reconsidered but, weight will be given to his experience. No question of the exercise of a discretion arises. In this way, error will be corrected, but a different appreciation will not be substituted for that of the hearing officer if he has arrived at his conclusion without error".

8. Having said that, I will now proceed to deal with the issues that have been raised in the appeal. Other than clarifying whether the Deputy Registrar erred in finding that the appellant herein is not an aggrieved party within the provisions of section 35 of the Act, the key issue for determination is whether the mark registered by the respondent is so strikingly similar to those of the appellant in a way that is likely to cause confusion and deception in the public and whether this may result to impairment, interference or unfair advantage of the respondent's mark over the registered marks belonging to the appellant.

9. The appellant submits that the Assistant Registrar erred in her interpretation of the meaning of an aggrieved person and in finding that the appellant was not an aggrieved person for purposes of section 35 of the Act. The appellant took issue with the fact that the Assistant Registrar chose to first determine the expungement application and then based on that finding, proceeded to hold that the appellant was not an aggrieved person. This according to the appellant resulted to an absurdity. The appellant reiterated the reasons why it fell under the ambit of a person aggrieved which were that: -

   a. the appellant's marks were entered in the Register of Trade Marks earlier than the respondent's mark;

   b. the appellant has used and continues to use its registered marks in respect of the goods covered by registration in various jurisdictions including Kenya for more than 10 years;

   c. the appellant has marketed and advertised its marks in the Kenyan market as a result of which the marks have gained reputation and goodwill among the Kenyan public;

   d. the respondent's mark is, at the very least, very arguably confusingly similar to the appellant's marks since both marks consist of the same dominant elements, namely, the word "Polo" and the image of a Polo Player on a horse, and both are registered for goods of the same description. The respondent's mark is, hence, contrary to section 15(1) of the Act;

e. the rights of the appellant in its marks will be substantially damaged and undermined by the presence of the respondent's marks; and

f. the appellants substantial (and real) interest in expunging the respondent's mark also arises from its rights (and the damage to them), which are protected by the provisions of sections 14(1) and 15A (4) of the Act.

10. The Assistant Registrar did not agree with the appellant and instead held that a person can only be an aggrieved person under section 35 if the proprietor of the respective trade mark has gained an advantage that he was not entitled to with the registration of the mark. Having found that the respondents had sufficiently justified the entry of their trade mark in the Registrar of Trade Marks, the Assistant Registrar found that the appellant was not an aggrieved person under the Act.

11. While the Act does not define who an aggrieved person is, it provides under section 35 that:

> " Any person aggrieved by the non-insertion in or omission from the register of an entry, or by any entry made in the register without sufficient cause, or by any entry wrongly remaining on the register, or by any error or defect in any entry in the register, may apply in the prescribed manner ... and the court or the Registrar may make such order for making, expunging or varying the entry as the court or the Registrar may think fit".

12. The appellant referred this Court to a passage in *Kerly's Law of Trade Marks and Trade Names* (11th Edition) on the definition where it was stated that: -

> The persons who are aggrieved are, it is held, all persons who are in some way or other substantially interested in having the mark removed – where it is a question of removal – from the Register; including all persons who would be substantially damaged if the mark remained, and all trade rivals over whom an advantage was gained by a trader who was getting the benefit of a registered trade mark to which he was not entitled.

13. Further reference was made to *Saudi Arabia Airlines Corporation v Saudia Kenya Enterprises Limited* (1986) eKLR in which an aggrieved person was held to be a person substantially interested in having a mark removed from the Register of Trade Marks in Kenya and whose interests would be damaged were the trade marks to remain on the Register. The appellant also referred to *Powell v Birmingham Vinegar Brewery Co. Ltd* (1894) AC 8 which made reference to any person who may have his legal rights limited due to the fact that a mark that ought not be registered remains on the Register and finally the case of *Valentino Globe B.V. v Phillips and Another* (1983 3 SA 775 (SCA), where the court stated:

> "The onus rests upon the applicant for removal to establish, as a reasonable possibility, that he is a person aggrieved. For this purpose, it is assumed that the trade mark is wrongly on the register. A wide and liberal interpretation is given to the term "person aggrieved". The applicant must have a substantial interest in the mark or must substantially be damaged by its remaining on the register."

14. Finally, the online *Black's Law Dictionary* defines an aggrieved person as a person who feels he has been treated wrongly in a court action with their legal rights damaged.

15. From these discourses, it follows that the statutory phase 'aggrieved person' as commonly used is a question of fact. The test for an aggrieved person is whether a party has sufficient and justifiable interest to bring forward a claim. Having said so, these are words of wide import and should not be subjected to a conservative and restrictive interpretation. The appellant stated the grounds on which it

felt aggrieved. All that the Assistant Registrar should have satisfied themselves as to is that the interests presented by the appellant were sufficient and justifiable to bring a claim.

16. On this account and following a strict interpretation of section 35 of the Act, I must agree with the appellant that the Assistant Registrar put the cart ahead of the horse. This was erroneous and had the Registrar correctly applied a strict interpretation of the law, they would have found that indeed, the appellant was an aggrieved person for purposes of section 35 of the Act, as I hereby find.

17. The claim for breach of rights of the appellant in its marks is founded on the predated registration of its marks in Kenya. It is the appellant's case that its marks had become well-known in Kenya, and have continued to enjoy a reputation and goodwill over the period that they had been registered. In order to substantiate this, the appellant provided evidence including

    a. A tabulated summary of sales by Hans Apparels for the period between 2007 and 2010 of goods branded with the Polo marks in Kenya

    b. A list of clothing stores selling the Polo brands in Kenya

    c. A tabulated summary of sales of Polo and Polo Pony marks by Manix Ltd, a clothing store in Kenya for the period 2012 to 2017

    d. Tax invoices for sales relating to the Polo marks.

    e. A tabulated summary of advertising expenditure for Polo marks throughout Africa including Kenya, for the period between 2007 and 2017

    f. Advertisement posts and pages carried online

    g. Advertisement posts and photographs carried on magazine pages, and a letter showing that the magazines are sold in Kenya

18. The respondent contended that this evidence was not sufficient and could not prove that the marks registered by the appellant had attained the status of well-known marks in Kenya. There is convergence between the parties that the determination on whether the appellant's marks are well known in Kenya should be guided by the WIPO *Joint Recommendation Concerning Provisions on the Protection of Well-known Marks*. The factors for consideration are: -

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

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

    iii. 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;

    iv. 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;

    v. 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;

    vi. The value associated with the mark.

19. This Court therefore needs to determine whether the appellant had established that their marks were well known and enjoyed the goodwill within the Kenyan locality for purposes of succeeding in an action for protection under section 15A(1) of the *Trade Marks Act* (hereinafter the Act). Such

protection would be accorded based on the distinctiveness, trust and reputation that had been invested into a mark so that a customer only needed to see the brand and associate it with certain standards and expectations of quality. Section 15A(1) of the Act provides that:-

> 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.

20. The evidence that would be required for a successful claim of a well-known mark was conversed widely in *Sony Corporation v Sony Holding Limited* [2018] eKLR where this Court held that;-

> '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"

21. The Court in the same matter proceeded to assess the trade mark in question alongside these parameters and the Judge in the end had this to say; -

> " 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".

22. In arriving at that conclusion, the Court emphasized on the need for evidence to be provided so as to substantiate figures provided by a trade mark proprietor and evidence to prove accessibility of the related product by the local market. In the absence of this, the Court held that such averments by a proprietor remained assertions. Further, it was the observation of the Court that the value associated with the mark in itself was not sufficient to establish that a mark was well known in Kenya.

23. I agree with the Learned Judge's findings. Further, in applying the parameters set out in the WIPO guidelines, I find great difficulty in holding that the appellant's marks were well known marks in Kenya for various reasons. While there is a tabulation of the sales under the appellant's registered marks, these numbers are not supported by primary documents such as financial statements, invoices or stock movement registers. The same fate befalls the table indicating the advertising expenses in Africa. It is not clear how much of this was spent in Kenya but even more, data on the accessibility of the various channels and geographical coverage of the advertisements in Kenya is not clear.

24. Regarding, the online and magazine advertisements of the appellant's marks and a list of stores where the magazines are retailed, it is my view that this was not sufficient to prove the actual circulation of these magazines in the market. It is not clear how many people actually get to read them and therefore access the brands. Finally, there was no evidence to prove how many people accessed the Polo brands in the various activities that were sponsored by the appellant. In response to similar circumstances the Court in the *Sony Corporation* case stated that;-

> 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.

25. The Court further observed that;-

> 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".

26. The bottom line is that to prove that a mark is well known, there must be evidence of knowledge of the appellant's marks in the minds of the consumers. In the absence of such proof, I am inclined to agree with the submission that the incontestable status of a mark does not automatically confer strength or a status of being well known to a mark. For these reasons I am not convinced from the evidence provided that the appellant's marks are well-known in Kenya.

27. Be that as it may, for the avoidance of any doubt, I will delve into the issue of the similarity of the marks owned by the parties. The appellant submits that the respondent's mark nearly resembles the appellant's marks and is confusingly similar to them. In its view, a side by side analysis of the respective marks indicates that the word Polo together with the depictions of the polo player, seated on a horse with a raised polo mallet at play are dominant in both marks and therefore distinctly similar. The appellant further submits that the words "Beverley Hills" and "Club" in the respondent's mark do not detract from the prominence of the word Polo so as to reduce the likelihood of confusion. Moreover, the appellant avers that the words Beverly Hills are not distinctive and not essential to the mark.

28. The respondent on his part submitted that it's mark was duly and validly entered in the Register of Trade Marks having complied with the requirements of section 12 of the *Act*. As such, the respondent submitted that it does not qualify for expungement under Section 35 of the Act as prayed by the appellant. The respondent denied the allegation that the words Beverly Hills are not distinctive and not essential on the mark. The respondent avers that trademarks which include a geographical name are automatically descriptive and are therefore not prohibited from registration by Section 12 of the *Act*, adding that the respondent's mark performs its trademark function as it creates memorable connotations.

29. In this regard the respondent avers that the trademark has been used by the respondent since 1982 and has been a successful brand in the US, having been deliberately chosen due to its association with the glamorous suburb, Beverly Hills in Los Angeles. Consequently, the respondent avers that its mark does not fail to be distinctive merely because it contains a geographical name.

30. The respondent also objects to the comparison made by the applicant of the two trademarks based largely on the polo players on the horse backs and argues that the trademarks should be considered

as wholes. It is also the respondent's case that its mark is registered as a unitary composite mark and should be considered as such. If a proper comparison were to be done, the respondent submits that as a whole the two trademarks are not strikingly similar as suggested by the applicant.

31. The respondent further submits that it is not possible for the applicant to monopolize the use of the word Polo which is a generic name, or a polo player on a horse back which bears a common artistic expression of the game of polo. The respondent points this Court to examples where the same impression has been used by international brands including Ralph Laurent and US Polo Association as well as local associations such as the Nairobi Polo Club.

32. While both parties agree on the need for visual, phonetic and conceptual comparison of the marks, there is disagreement on the outcome of such comparison. The appellant invites this Court to consider the striking similarity by looking at the prominence of the word Polo and the polo player on the back of the horse holding a mallet. The respondent on the other side would like the court to consider its composite mark alongside the marks of the appellant. The respondent submits that its mark is a composite sign comprising of the words Beverly Hills a downward facing semi-circle, capitalized and in bold font; a rider on the back of a galloping horse with a raised arm holding a long-handled mallet at the middle; and the words Polo Club below the horse in a slight line, bolded and capitalized.

33. Section 15(1) of the *Act* is relevant here. It states that:-

    (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.

34. The appellant has referred this court to the decision in *LA Group (Pty) Ltd v Lifestyle Equities* C.V, 029/18/OAPI/CSR, involving the parties in the present appeal, where the appellant was successful in its application against the respondent, in South Africa. In its decision, the OAPI Court of Appeal determined that the respondent's mark was confusingly and deceptively similar to the appellant's marks and held as follows:

> "It would be just to cancel registration no.78652 of the mark Beverly Hills Polo Club + Logo belonging to Lifestyle Equities in classes 14, 18 and 25; assessment of the signs in issue should be done at the visual, audio and conceptual levels; Firstly, there are visual similarities between the two marks; the dominant elements are the word POLO and the figurative elements constituted by the riders both holding mallets, and the horses; These are the dramatic characteristics of the conflicting signs; The applicant goes much further by raising, amongst others, the differences in the angles of the horses, the posture of the riders, the manner in which they hold their mallets and the characters of the transcription of the marks;
>
> Considering however that the signs are not simultaneously present to the average consumer; that they appear after a sufficiently long interval of time; thus the average consumer will not be able to recall the posture of the riders or how they hold their mallets least of all the angles of the horses without forgetting the written characters; he will certainly remember the riders and the horses but not how they are riding; The risk of confusion must be appreciated as a whole taking into account all the pertinent factors; taking into account the mark in the market, the association that may be made with the sign used or registered, the degree of

similarity between the mark and the posterior sign and between the designated products or services; Under these conditions the overall evaluation with regard to the similarity between the marks, must be based on the overall impression created by them; Thus, the minuscule differences highlighted by the applicant are meaningless;

Secondly, there are phonetic similarities in the conflicting signs; the word Polo stands out as much in the applicant's mark as it does in the Polo N°71782 mark of the respondent; the word is pronounced in the same way; that even if the applicant has added the words Beverly Hills and Club, there is indeed a similarity; in fact the added verbal elements do not have a distinctive character and do not change the meaning nor the perception of the word Polo in the OAPI space where all clothes that are manufactured as tee-shirts are generally known as Polo; the addition is ineffective in this case;

Thirdly, in conceptual terms the signs are similar, the manner in which the signs are conceived highlights the riders on their horses holding mallets; The risk of confusion cannot be interpreted in a narrow way, in the sense that there is a risk that the concerned public literally confuses the litigious sign and mark and takes the goods and services identified by one as being those of the other; There is a risk that the public may believe that the goods or services come from the same enterprise or as the case may be from enterprises commercially linked to each other; In reality, in order for a mark to fulfil its role of guaranteeing its identity of origin, it should guarantee that all the goods and services so identified were manufactured or rendered under the control of a sole enterprise to which the responsibility for their quality can be attributed; Thus, in casu, the consumer in the OAPI space is confronted with three types of risk which makes it impossible for the marks in issue to co-exist: The risk of direct confusion, the risk of indirect confusion and the risk of confusion regarding the provenance of the goods;".

35. It would seem that the test applied by the Court was to consider the dominant elements which were the word Polo and the figurative elements being the horses with riders holding mallets that played a big role in the final determination. While this is the case, in *Sabel BV and Puma AG, Rudolf Dassler Sport* Case C 251/95 the European Court held as follows: -

> " 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. (emphasis added).

36. I have also considered the decision of the Court in Hobbs QC in *10 Royal Berkshire Polo Club Trade Mark* [2001] RPC 32 where it was stated that: -

> I do not think that people exposed to the use of the applicant's mark would notice that it contained the word Polo without also noticing that it contained the words Royal Berkshire and Club. The message of the mark comes from the words in combination and that is not something that I would expect people to overlook or ignore in the ordinary way of things.

37. For the reasons stated, I am of the view that the global appreciation test is the test that this Court ought to adopt such that the comparison between all the marks should be made of them as a whole. I am convinced as stated that the average consumer sees a mark as a whole and may not have the time to dissect it and fragment it into pieces. In other words, one can visually see that the respondent's mark is a composite sign comprising of the words Beverly Hills written in a downward facing semi-circle, capitalized and in bold font with a rider on the back of a galloping horse with a raised arm holding a long-handled mallet at the middle and the words Polo Club below the horse in a slight line, bolded

and capitalized. This is what should be considered against the appellant's Single and Double Polo Pony device and Polo trademarks.

38. My point of departure with the decision in *LA Group (Pty) Ltd v Lifestyle Equities* C.V, 029/18/OAPI/CSR is that while I find that while there are similarities in features between the marks, being the use of the word Polo and the horse with a polo player on it, the marks, taken in whole, are not strikingly similar so as to cause confusion to a consumer. The marks are also phonetically distinct when taken wholesome. The pronunciation of the marks is quite distinct because of the elements that form the marks. I therefore agree with the submission that while the respondent's mark contains four phonetic word elements, forming a distinctive phrase, the appellant's mark has only one element.

39. The conceptual analysis of the marks seeks to uncover the ideas that lie behind and inform the understanding of the mark as a whole considering what the conceptually dominant component of a composite mark is. (See *Bently & Sherman* at p 866). The appellant states that it was founded in South Africa over 30 years ago as a retail operation dealing in high end clothes. The respondent in addition to the affluence and modern lifestyle that is also depicted in the appellant's marks, includes the heritage of the life in Beverly Hills, a suburb in Los Angeles, and the game of polo that dates back to the 1800s in their mark which has its origins in the USA.

40. The question of distinctiveness has been raised by both parties. The appellant referred to the decision in *LA Group (Pty) Ltd v Lifestyle Equities* C.V, 029/18/OAPI/CSR in which the Court found in relation to this that in fact the added verbal elements do not have a distinctive character and do not change the meaning nor the perception of the word Polo in the OAPI space where all clothes that are manufactured as tee-shirts are generally known as Polo; the addition is ineffective in this case;

41. Section 12 of the *Act* provides for the threshold of distinctiveness required for registration of a mark in Kenya. The section provides that;-

> In order for a trade mark (other than a certification trade mark) to be registrable in Part A of the register, it must contain or consist of at least one of the following essential particulars—
>
> (a) the name of a company, individual or firm, represented in a special or particular manner;
>
> (b) the signature of the applicant for registration or some predecessor in his business;
>
> (c) an invented word or invented words;
>
> (d) a word or words having no direct reference to the character or quality of the goods, and not being according to its ordinary signification a geographical name or a surname;
>
> (e) any other distinctive mark, but a name, signature or word or words, other than such as fall within the descriptions in paragraphs (a), (b), (c), and (d), shall not be registrable under this paragraph except upon evidence of its distinctiveness.

42. It would follow that for purposes of section 12(i)(e), verbal elements can have a distinctive character and may be registrable as a mark provided that the proprietor provides evidence of their distinctiveness. In concluding discussion on this ground, I would find that the registration of the respondent's mark

was as a consequence of fulfilling the requirements of section 12 including 12(i)(e), and I find no basis to find otherwise. For these, I also do not fault the Assistant Registrar's finding that:

> When considered as a whole as required by the law, the two marks are not similar in appearance and suggestion. The difference in the respective marks of the applicants and proprietors would not go unnoticed by the respective consumers, ... I therefore hold that the entry of the Proprietor's Trade Mark in the Register of Trade Marks does not offend Section 15(1) of the *Trade Marks Act*."

43. Having held that there is no striking similarity between the marks, again, for the avoidance of doubt, this Court will also pronounce itself on the question of likelihood of deception or confusion in the minds of the public. The well-known threshold of defining the consumer is that the Court must assume the position of the notional consumer. The following passage in *Reed Executive PLC vs. Reed Business Information Limited*(2004) EWCA Civ 159 is helpful,

> " 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".

44. Likewise, in Case No. 251/95; *Sabel BV vs Puma AG, Rudolf Dassler Sport* it was stated thus:-.

> " 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". (emphasis mine)

45. Reference is also made to the case of *Registrar of Trade Marks v. Woolworths Limited* where this Court stated that the circumstances in which the respective marks are used, the goods or services that are bought and sold and the character of the respective purchasers of the goods or services should all be considered.

46. Both parties identify their clientele as affluent, refined, successful, cautious and deliberate consumers. The items that are sold under the brands of both parties are also depicted as costly and luxurious. It is not in doubt that a purchase would ordinarily require patient and keen visual analysis thereby reducing or negating the chances of confusion.In any case, both parties have submitted that the Kenyan market has since the registration of both marks been exposed to their respective trademarks.

47. This point is confirmed by the Assistant Registrar who indeed observed that there has been an honest and concurrent use of the respective trademarks of the appellant and the respondent both in the Register of Trade Marks and the Kenyan market. Being the custodian of the Register, I would presume correctness in this observation.

48. Evidence has been provided for some sales and revenues over the years by the appellant. In the same vein, the respondent also called evidence of its existence in the Kenyan market since 2014. It was further submitted that in addition to these two proprietors, the market had interacted with the Polo brand in other light including a mark representing high end items of clothing, cosmetics, games and even perfumery. I don't think that the fact that the marks are registered in similar or related classes would therefore change the narrative.

49. The *Wipo Intellectual Property Handbook: Policy, Law and Use* on page 87 Clause 2.471 also states that:

> "When trademarks with a common element are compared, it also has to be established whether there are other trademarks on the register and used by different owners that have the same common element. If so, the consumer will have become accustomed to the use of this element by different proprietors, and will no longer pay special attention to it as a distinctive element of the mark."

50. In fact, the *Act* recognises and acknowledges registration of marks that could nearly resemble each other. Section15(2) of the *Act* provides as follows;-

> (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.
>
> For all these reasons I therefore find no reason to interfere with the Assistant Registrar's finding that 'the Consumers of the respective goods of the applicants and the proprietor[s] are recognised as deliberate and discerning. I hold that such consumers would not be confused or deceived into buying the goods that were not intended. ..... the market would be more attentive to distinguish between the products under the different marks'.

51. The reasons already stated also serve to justify why this court is not convinced that the appellant has made out a case for breach under section 15A(4) of the *Act* either.

Determination and orders

52. The upshot of all this is that, with the exception of ground (i) of the appeal which succeeds, the appeal otherwise fails on all the other grounds. The respondent shall therefore have the costs of the appeal.

DATE, SIGNED AND DELIVERED IN NAIROBI THIS 12TH DAY OF MAY 2023

F. MUGAMBI

JUDGE

Court Assistant: Ms. Lucy Wandiri.