IN THE COURT OF APPEAL

AT NAIROBI

(CORAM: OUKO (P), MAKHANDIA & KANTAI, JJ.A.)

CIVIL APPEAL NO. 31 OF 2013

BETWEEN

ROTHMANS OF PALL MALL LIMITED.....APPELLANT

AND

INDEPENDENT TOBACCO FZE.....RESPONDENT

(An appeal from the Judgment of the High Court at Nairobi (D.A. Onyancha, J.) dated 7th May, 2012

in

H.C.C.A No. 314 of 2010)

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JUDGMENT OF THE COURT

The only question in this appeal and indeed before the court below is whether the names "**ROTHMANS · ROYALS"** and "**BUSINESS ROYALS"** are identical or so nearly resemble each other as to be likely to deceive or cause confusion; or whether the description of **BUSINESS ROYALS** products are identical with or nearly resemble those of **ROTHMANS · ROYALS**. The answer to the two related questions lies in the construction of **sections 14** and **15(1)** of the Trademarks Act, which prescribe, respectively that;

> **"14. No person shall register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design.**
>
> **15 . (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".** (Emphasis Ours)

This is how this dispute arose.

The respondent lodged an application with the Registrar of Trade Marks, who under the Trade Marks Act is also the Director of Trade Marks, to register its trade marks. To this application the appellant lodged an objection on the grounds that the proposed mark was visually and phonetically similar to its already registered Trade Mark, Registration Nos. 45259, 55370, 43540 and 14041; that the words, "**ROYALS**" and "**ROYAL**" are similar in both marks, and the "royal crest" appearing in the respondent's mark were likely to cause confusion in the tobacco market if the respondent's mark was registered. The four aforementioned trademarks registered by the appellant bear both the words **ROYALS** and **ROYAL**. Since the appellant claimed that worldwide its products are known as **ROYALS**, and it is not in contention that both the parties' trademarks bear the word **ROYALS**, we shall hereinafter refer to the appellant's trademarks as **ROTHMANS ROYALS** for ease of reference.

In response to the objection, the respondent denied that its trade marks filed for registration was similar to any of the appellant's trade marks.

In resolving this question, the Registrar (Prof. Otieno Odek, now a Justice of the Court of Appeal) delivered a ruling on 11th June, 2010, in

which he found that the appellant did not prove that its products are christened a s ROYALS in the Kenyan market; that the aural and phonetic pronunciation of the trade mark ROTHMANS ROYALS was not similar to those of the respondent, BUSINESS ROYALS; that visually, each mark, taken as a whole was different; and that comparison of the multiple words showed that, as relates to the res p o nd ent' s BUSINESS ROYALS the dominant words therein was BUSINESS while in relation to the appellant's, ROTHMANS ROYALS the dominant word was ROTHMANS. Consequently, he decided, in that respect, that the trade mark BUSINESS ROYALS is not similar to the registered marks containing ROTHMANS ROYALS. Regarding the crest device of the two parties the R egis trar found that while the appellant's crest was marked with "R", the one for the respondent was marked with "BR" and placed conspicuously at the centre of the package while the one of the appellant was at the top of the packaging material. He also found that the respondent's trademark words BUSINESS ROYALS were positioned at the centre of a single, shaded, non- fancy background and rectangle in shape, and that of the appellant (ROTHMANS ROYALS) were superimposed upon a diagonally bisected rectangular device.

Even after making those clear findings, by some strange turn, the Registrar rejected the respondent's application for registration holding, surprisingly, that the respondent's marks were visually and phonetically similar to those registered in favour of the appellant as the words, **ROYALS** and **ROYAL** in both marks and the crest appearing in the respondent's mark was also similar to the crest appearing in the appellant' s mark. Relying on the provisions of **section 14** of the Trade Marks Act, the Registrar concluded that the respondent's mark **BUSINESS ROYALS** was likely to cause confusion and deception to the public and that for that reason it was disentitled to receive protection.

This determination naturally aggrieved the respondent and provoked an appeal to the High Court where the respondent contested the decision on some 14 grounds which are not key in deciding the present appeal, save to observe that in the learned Judge's consideration only five of the 14 grounds were validly raised.

After considering the arguments before him and relying on the decision in **British American Tobacco Kenya Ltd V. Cut Tobacco Kenya Ltd** (2007) eKLR, the Judge drew a comparison between **BUSINESS ROYALS** and **ROTHMANS ROYALS** in the same category of cigarettes and tobacco products and reached the conclusion that the Registrar erred in his determination; that after finding that the two trade marks, that is, **BUSINESS ROYALS** and **ROTHMANS ROYALS** were not identical or similar it was erroneous and contradictory for him to suddenly turn around and conclude that **BUSINESS ROYALS** if registered, would deceive or cause confusion with the appellant's products; that in reaching that determination, the Registrar failed to apply the principles enunciated in the decided cases; that he did not take into account the tobacco industry's business approach and practice; that he failed to consider the settled rules on packaging, get-up, designs and appearance characteristics; and that he ought to have borne in mind that cigarette consumers are brand loyal and are not easily or likely to be deceived or be confused.

Furthermore, the learned Judge faulted the Registrar for failing to appreciate the differences on the face of the opposing trademarks which were more dominant; that, for example he ought to have appreciated that the respondent's crest was on top of the packet and that it had its initials "BR" at the centre while the appellant's crest was at the top of the packaging material and carried only letter "R". Ultimately bearing in mind that as an appellate court he would not lightly interfere with the Registrar's findings, the Judge ended by stating his reasons for overturning the Registrar's decision, thus;

> **"The conclusion this Court arrives at is this – that had the honourable Registrar fully and properly taken into account and considered all the issues, facts and the law discussed above, he would have come to a different conclusion from the one he did.**
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> **…..**
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> **Taking into account what has been stated hereinabove as a whole, this Court hereby decides that the honourable Registrar of Trade Marks erred in law and fact in refusing to register the Appellant's Trade Mark No. 60208 known as BUSINESS ROYALS and its device alongside the Respondents Trade Marks Nos. 45259, 55370, 43540 and 14041. The court accordingly allows this appeal and orders, subject to the right of appeal, that the Registrar proceeds to register the Appellant's said Trade Mark and device without delay."**

This is what has been challenged in this appeal, that the learned Judge; failed to reconsider the evidence as to whether the offending mark was similar to the appellant's four trademarks and whether it was likely to confuse the public; failed to properly apply the laws on trade marks to the detriment of the appellant; failed to appreciate the appellant's submissions on infringement; and erred in law in finding that the differences between the offending trade mark and the appellant's four marks were substantial as to distinguish them from each other.

Strictly speaking, this is a second appeal in which by the provisions of **section 72 (1)** of the Civil Procedure Act and on the authority of a long line of cases our consideration is limited to matters of law and unless it is shown that the courts below considered matters they should not have considered or failed to consider matters they ought to have considered or unless the entire decision is perverse, this Court will not interfere with the decision of the court below. See **Maina V. Mugiria** [1983] KLR 78.

A Trade mark registration helps protect against intellectual property infringement and violations of creative works by third parties. In Kenya, for the first time the Constitution of Kenya in **Articles 11 (2) (c), 40 (5)** and **69** now recognizes intellectual property rights and commands the State to promote, protect and enhance those rights. The registration of Trade Marks is, however governed by the Trade Marks Act. **Section 2** thereof defines a mark as;

> **"…. any sign capable of being represented graphically, including a device, name, signature, word, letter, numeral, shape, configuration, pattern, ornamentation, colour or container for goods or any combination of the aforementioned".**

A trade mark, on the other hand, is defined as a mark used or proposed to be used in relation to goods or services for the purpose of distinguishing those goods or services from the same kind of goods or services from those of others in the trade.

In the current competitive market environment companies devise their distinct identities in the way the product is labelled and packaged, the colour combinations, arrangements, graphics, slogans and other design elements. This is what is described in **sections 9** and **49** of the Act as "*get-up*" of a product, that is, the whole "dress" in which the product is offered to the public.

In order to enforce the trademark rights in the get-up of a product, it is necessary for a brand owner to show that consumers associate the get-up of its product with that brand owner as a result of its extensive use of that get-up.

In terms of **sections 14** and **15** aforesaid, the party alleging that its trademark has been infringed must prove that the offending mark was likely to deceive or cause confusion because of their identical nature or because the marks nearly resemble each other.

This Court in **Cut Tobacco Kenya Ltd V. British American Tobacco (K)Ltd**, Civil Appeal No. 126 of 2000, quoted with approval the passage below on the burden of proof from the High Court of Uganda in the case of

Aktiebolaget Jonkoping–Vulcan Industricksfa-briksatebolag V. East African Match Company [1964] EA 62 at page 67:

> **"As a general proposition of law, I think I am right in stating that the burden of satisfying the Court that there has been an infringement of its trade mark is on the plaintiff company. It is for the plaintiff company to prove that there is a resemblance between the two marks, and that such resemblance is deceptive. It is also a well-established principle of law that it is the duty of the judge to decide whether the trade mark complained of so nearly resemble the registered trade mark as to be likely to deceive or cause confusion in the minds of the public. From that duty the judge cannot abdicate."** *Per* Udo Udoma CJ

But the clearest and most graphical enunciation of the law on trademarks was stated by this Court in **Cut Tobacco** (supra) as follows: -

> **"….. there can be no propriety rights in a particular colour and …… there can be no property in general words descriptive of the goods. We can say that evidence would be needed to show if the "get-up" of the 'Horseman' cigarette packet is likely to deceive the cigarette buying public into believing that they (the public) are buying a 'Sportsman' packet of cigarettes. Generally, smokers stick to their own brand of cigarettes just the way beer drinkers stick to their own brand of beer. It is also a matter of evidence as to whether the word 'Horseman' is so deceptively similar to the word 'Sportsman' as to enable a judge to say that the trade-mark 'Sportsman' has been infringed. The two words ought to be looked at in their normal English language meaning."** (Our Emphasis)

The appellant's main complaint was that the similarity in the proposed registration of trademark **BUSINESS ROYALS** with that of the appellant, **ROTHMANS ROYALS,** was likely to cause confusion and deception to tobacco products users; that the respondent's offending features in their trademark must have been designed to cause confusion in the eyes and minds of the public.

The Registrar made a factual finding that the appellant's trademarks, **ROTHMANS ROYALS** and devices were not well-known in Kenya even though they have been registered in Kenya for many years. He also held that the respondent's trademark **BUSINESS ROYALS** as well as its devices and the appellant's **ROTHMANS ROYALS** and its devices were neither identical nor similar visually, aurally, phonetically, or laudably. How then did the Registrar reject the respondent's application for registration? We cannot disagree with the learned Judge's reversal of the Registrar's conclusion. The analysis of the facts and the conclusion made by the Registrar were difficult to follow.

The respondent's mark, in our independent view was not capable of creating a deceiving or confusing impression in relation to **ROTHMANS ROYALS** as the dominant marks are **BUSINESS** and **ROTHMANS** respectively. The two marks have no resemblance apart from sharing the word **ROYALS.**

The appellant did not claim that it had earned a consumer reputation in Kenya of being referred to mainly as the **ROYALS** or acquired exclusive use of the English word **ROYALS** in the tobacco industry. Further, the Judge properly noted the clear distinction in the get-up and appearance of the two marks. While the respondent's crest **"BR"** was at the centre of the cigarette packet that of the appellant, **"R"** was at the top of packet.

The proper conclusion, which the learned Judge reached is that there were no significant resemblance in the two trademarks capable of deceiving and confusing the consumers; that the appellant was not entitled to protection by the court.

We find no basis of interfering with the judgment of the High Court, for which reason, this appeal has no merit and is accordingly dismissed with costs.

Dated and delivered at Nairobi this 27th day of September, 2019.

W. OUKO, (P)

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ASIKE – MAKHANDIA

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JUDGE OF APPEAL

S. ole KANTAI

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JUDGE OF APPEAL

I certify that this is a true

copy of the original.

DEPUTY REGISTRAR