IN THE COURT OF APPEAL

AT NAIROBI

(CORAM: GITHINJI, MWERA & OUKO, JJ.A)

CIVIL APPEAL NO. 37 OF 2013

BETWEEN

SONY HOLDINGS LTD……………………….…………..APPELLANT

AND

THE REGISTRAR OF TRADE MARKS…….……1ST RESPONDED

SONY CORPORATION……………………….…….2ND RESPONDED

(Being an appeal from the judgment of the High court of Kenya at Nairobi, (Warsame, J, as he then was, delivered on 20th November, 2012)

in

H.C. JUDICIAL REVIEW MISC. CIVIL APPL. NO. 165 OF 2012)

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JUDGMENT OF THE COURT

In contention in this appeal and indeed in the High Court is the proper construction of **section 21** of the Trade Marks Act as read with **Rules 46** and **102** of the Trade Marks Rules, and specifically whether the learned Judge of the High Court, (Warsame, J, as he then was) was right in holding, in relation to these provisions, that the Registrar of Trade Marks acted within his powers in extending time within which a notice of opposition to the registration of two trade marks could be lodged. This is how the question arose.

The appellant, Sony Holdings Limited submitted to the 1st respondent, the Registrar of Trade Marks for registration and duly paid for two applications of its trade marks, *"Sony Holdings"* as a word and *"Sony Holdings"* as a word device. The applications were initially rejected for the reason that they were similar to another mark existing in the register with Trade Marks Nos. 97897 *"SONY"* in the name of **Sony Kabushiki Kaisha of Japan.** The appellant wrote back to the Registrar to reconsider his position and indeed, the Registrar did so, rescinding the earlier decision rejecting the application. This paved the way for the Registrar to advertise the two trade marks, giving opportunity to any person aggrieved by the proposed marks to give notice of opposition.

The trade marks were advertised in the KE-Industrial Property Journal on 31st May, 2011. After waiting

in vain for a few months, the appellant first wrote to the Registrar on 10th November, 2011 seeking to know the status of their application. This letter was followed by two reminders dated 23rd November, 2011 and 10th January, 2012.

On 26th January, 2012, the Registrar, making reference only to the appellant's letter of 10th January, 2012, responded that the 2nd respondent had sought and was granted extension of time for a period of ninety (90) days from December 2011 to 20th February 2012 within which to file their notice of opposition.

The appellant's protest with the manner the Registrar was proceeding with the matter elicited another letter dated of 2nd March, 2012 from the Registrar by which the notice of opposition filed on 28th February, 2012 by the 2nd respondent was forwarded. On the basis of this, the Registrar asked the appellant to file their counter-statement within 42 days from the date of the letter. Seeing that the Registrar was prepared to further the course of the 2nd respondent while stifling their interest, the appellant instituted in the High Court a judicial review application for orders of *certiorari* to quash the opposition proceedings and *mandamus* to compel the Registrar to register the appellant's trade marks on the grounds that the appellant's legitimate expectation had been violated; that the Registrar exercised a jurisdiction he did not have or exercised his discretion arbitrarily; that the appellant was deprived of the right to be heard; and that the Registrar considered irrelevant matters and ignored relevant ones embodied in the mandatory constitutional and statutory provisions.

The appellant was mainly aggrieved by the fact that after the trade marks were advertised on 31st May, 2011, they expected the Registrar to register the marks after the expiration of sixty (60) days, on 31st July, 2011, since there was no notice of opposition given within the prescribed period; that the sixty (60) days having elapsed as aforesaid the belated application for extension of time was of no effect and no valid opposition proceedings could be had; that the purported extension for a period in excess of one hundred and eighty (180) days was *ultra vires* the powers of the Registrar.

The respondents opposed the application contending, *inter alia*, that the appellant was a non-existent legal entity having changed its name from Sony Holdings Limited to Diana & Giada Limited; that the proceedings before the High Court were irregular and premature as the proper proceedings were pending before the Registrar where the merit of the appellant's applications for trade marks would be considered and determined; that the Registrar has a statutory duty, in exercise of a discretion to extend time within which an objection to registration of trade marks could be raised and; that they sought extension of time on 29th July, 2011 which was within the prescribed time. Because of the delay occasioned by consultation between the 2nd respondent and their lawyers, the Registrar indulged them and extended the period as follows:-

a) **01-09-2011 to 30-09-2011 for 30 days**

b) **01-10-2011 to 30-10-2011 for 30 days**

c) **01-11-2011 to 30-11-2011 for 30 days**

d) **01-12-2011 to 29-02-2012 for 90 days;** that the requests for extension were

copied to the appellant's advocates, that the appellant failed in terms of **Rule 103** to seek a hearing before the Registrar, an avenue that ought to have been exhausted before the institution of judicial review; that the 2nd respondent addressed a *"cease and desist"* letter to the appellant to take immediate steps to voluntarily withdraw the trade mark applications and to cease any unauthorized use of the mark, SONY.

The appellant did not respond.

It was finally argued that at the time the application for judicial review was made, the Registrar had

directed the parties to fix the notice of opposition for hearing.

These grounds were canvassed before Warsame, J, who upon their consideration and relying on a number of judicial authorities found as follows:-

i) That where an alternative remedy exists, the applicant must show the existence of some exceptional circumstances to warrant the invocation of the court's judicial review jurisdiction; that the applicant satisfied this requirement because the allegation of excess of jurisdiction by the Registrar could only be challenged in a judicial review application.

ii) That for legitimate expectation to arise there must be a promise or representation that arises from the public body that would be reasonably expected to continue.

> In this case, the appellant had not satisfied this requirement as there was no automatic right to registration upon advertisement of the marks, more so because the appellant had been notified of the existence of a company with similar marks;

iii) That **section 21 (2)** of the Trade Marks Act does not provide the period within which a notice of opposition to the registration is to be given to the Registrar from the date of the advertisement; that the Registrar, however, has wide powers under **Rule 102** of the Trade Marks Rules to extend time for doing any act where time is not expressly provided in the statute; that where extension is granted, the Registrar could make as many extensions as he could except that each of those extensions should not exceed a period of ninety (90) days.

iv) That the court will interfere with the exercise of a discretion if done unreasonably. That the Registrar exercised his discretion within the bounds of the law in extending the time for giving opposition notice.

v) That the appellant failed to provide sufficient grounds for the grant of the orders of *certiorari* and *mandamus*.

It is this decision that has been challenged by the appellant relying on fourteen (14) grounds which were argued in the following three (3) clusters after the fourth one was abandoned;

i) The Registrar of Trade Marks has no power to extend time after the lapse of the sixty (60) days statutory period for commencing opposition proceedings.

ii) The Registrar violated the appellant's right to a fair administrative action and legitimate expectation.

iii) The Registrar violated the appellant's constitutional right to fair administrative action and freedom from discrimination.

The respondents in opposing the appeal maintained that the learned Judge properly directed himself on the law and correctly found that the Registrar had the power to extend time as he did.

In our view, based on these submissions the single broad issue raised in this appeal is the exercise of judicial discretion by the Registrar to extend time under **section 21 (2)** of the Trade Marks Act as read with **Rules 46 a**nd **102** of the Trade Marks Rules.

The applications for registration of two trade marks by the appellant which were initially rejected were subsequently accepted and advertised on 31st May, 2011 in the Kenya Industrial Property Journal. It is common ground that on 29th July 2011, two days short of the 60 days from the date of advertisement, the 2nd respondent sought from the Registrar in Form TM 53 extension of time to file a notice of opposition. It is equally not in dispute that subsequently the 2nd respondent sought and obtained further extensions of time as follows:-

a) **01-09-2011 to 30-09-2011 for 30 days**

b) **01-10-2011 to 30-10-2011 for 30 days**

c) **01-11-2011 to 30-11-2011 for 30 days**

d) **01-12-2011 to 29-02-2012 for 90 days**

Together with the first extension of 30 days granted between 29th July 2011 and 1st September 2011, in total the Registrar extended time for a period of 210 days. The notice of opposition was finally filed on 28th February, 2012.

As a general rule, the power of court to enlarge time fixed for doing any act or taking any proceedings is a discretionary power. It is equally well established that where the court has exercised a discretion to enlarge time such discretion can only be interfered with if it is shown that the Judge exercising discretion misdirected himself on the law, misapprehended the facts, took into account matters which he should not have taken into account and ignored relevant ones as a result of which, though exercising a discretion, he arrived at a wrong decision, hereby occasioning a miscarriage of justice. See **<u>Mbogo & Another Vs. Shah</u>** [1968] EA 93 at 95 per Newbold, P.

Section 21 (2) of the Trade Mark Act provides that:

> **"(2) Any person <u>may, within the prescribed time</u> from the date of the advertisement of an application, give notice to the Registrar of opposition to the registration."** (Our emphasis)

The word *"prescribed"* is defined in **section 2** to mean;

> **"……in relation to proceedings before the court, prescribed by rules of court, and, in other cases, <u>prescribed by this Act or</u> <u>the rules."</u>** (Our emphasis)

The Act itself does not prescribe the time from the date of the advertisement within which a person may give notice to the Registrar of the intention to oppose the application. However, under **section 41 (e)** of the Act, the Minister is empowered to make rules:

> **"(e) Generally, for regulating the business of the Registrar in relation to trade marks and all things by this Act placed under the direction or control of the Registrar."**

In terms of **Rule 46** of the Trade Marks Rules made pursuant to the above provision;

> **"46. Any person <u>may, within sixty days</u> from the date of any advertisement in the journal or Kenya gazette of an application for registration of a trade mark, give notice in form TM 6 to the Registrar of opposition to the registration."** (Emphasis ours).

Rule 102 makes provision for the Registrar; general power for extension of time as follows:-

> **"102. (1) <u>The Registrar may</u> extend on, such <u>conditions as</u> <u>he may specify</u>, the time for doing <u>any act</u> or taking <u>any proceedings</u> under these Rules.**
>
> **(2). The Registrar <u>may not extend a time expressly</u> <u>provided in the Act,</u> other than the period prescribed under subsection (6) or (7) of section 25 of the Act.**
>
> **(3). A time limit <u>may not</u> be extended for a period exceeding <u>ninety days,</u> except for a time period prescribed by rule 76 <u>which may be</u> extended for a period not exceeding six months.**

(4) ……………………

(5) …………………….

(6) An application for an extension of time <u>may be made</u> even though the time has already expired.

(7) The application shall be dealt with upon such notice, and in accordance with such procedures, <u>as the</u> <u>Registrar may direct."</u> (Emphasis supplied).

The main thrust of this appeal, as we have observed at the beginning of this judgment is the proper construction of the above provisions. **Rule 46** is clear that a notice to oppose registration of a trade mark may be given to the Registrar within sixty (60) days from the date of advertisement. The two applications, the subject of this appeal, were advertised on 31st May, 2011. In computing the sixty (60) days, public holidays and Sundays are excluded if the last day of submitting a document falls on a public holiday or Sunday. (See **section 66** of the Trade Marks Act).

31st July 2011, the last day for giving notice of opposition, was on a Sunday and so the last day for the 2nd respondent to file a notice of opposition was 1st August 2011. However, on 29th July, 2011, two days before the sixtieth day the 2nd respondent filed an application for thirty (30) days' extension of time. The letter forwarding Form TM 53 was copied to the advocates for the appellant, Madan-Handa & Co. Advocates. Further extensions were sought and granted for a total of 180 days between1st September, 2011 and 29th February, 2012. The only question, in our view, that arises is whether the Registrar of Trade Marks had the power to extend time for filing a notice of opposition beyond sixty (60) or ninety (90) days.

Rule 46 prescribing sixty days as the period for giving notice of opposition derives its authority and force from **section 21 (2)** of the statute. **Section 33** of the Interpretation and General Provisions Act provides that:-

> **"33. An act shall be deemed to be done under an Act or by virtue of the powers conferred by an Act or in pursuance or execution of the powers of or under the authority of an Act, if it is done under or by virtue of or in pursuance of subsidiary legislation made under a power contained in that Act."**

It is the appellant's contention that the Registrar had no powers to extend the time beyond that provided by **Rule 46** (ie sixty days) since **Rule 102 (2)** does not give him such powers, the Act having categorically limited that period to sixty days. **Rule 102 (2)** provides that;

> **"(2) The Registrar <u>may not</u> extend a time <u>expressly</u> <u>provided in the Act,</u> other than the period prescribed under subsection (6) or (7) of section 25 of the Act."** (Emphasis supplied)

The appellant argues further that even assuming that the Registrar had such powers despite **Rule 46,** he was prohibited by sub-rule (3) of **Rule 102** to extend time beyond ninety (90) days.

The respondents, on the other hand, have argued that the use of the word *"may"* in the foregoing provision gives the Registrar further discretion even where time has been expressly provided.

While we have no doubt that under **Rule 46** the time within which a notice of opposition may be given is sixty days from the date of advertisement, we hold the view that **Rule 102,** providing for the Registrar's general power for enlargement of time under the Act, gives him unfettered powers. He can extend the time for doing any act under the Rules on such conditions as he may himself specify.

Although sub-rules (2) and (3) respectively provide that he may not extend time expressly provided in the Act, except those prescribed under **section 25 (6)** and **(7)** or extend a time limit for a period in excess of ninety (90) days, the use of the word "*may*" in both sub-sections does suggest that for good reason the

Registrar has discretionary powers to extend time beyond sixty (60) or even ninety (90) days. That is why, in our view, sub-rule (6) of **Rule 102** provides that an application for extension of time may be made even though the time allowed has already expired. The word *"may"* runs through **section 21 (2)** of the Act, **Rules 46** and **102** and indeed in the entire Act in describing the powers and duties of the Registrar.

As was noted long ago by Tindal CJ in the **Sussex Peerage** case [1844] 11CI & Fin 85 in explaining the literal rule of statutory interpretation,

> **"……the only rule for the construction of Acts of Parliament is, that they should be construed according to the intent of the Parliament which passed the Act. If the words of the statue are in themselves precise and unambiguous, then no more can be necessary than to expound those words in their natural and ordinary sense. The words themselves alone do, in such case best declare the intention of the lawgiver."**

The Rules (46 and 102) do not provide the consequences of failure to comply with the provisions but are only guidelines and directory. It follows that if the application for trade mark has not been opposed within sixty (60) days, then in terms of **section 22 (1) (a),** it is directed that the Registrar shall register the trade mark. He cannot, however, register a trade mark within a period less than sixty (60) days from the date of advertisement. It is, therefore, for the court to ascertain if Parliament or the Minister (in exercise of powers to make rules under **section 41)** intended the provisions to be mandatory, in which case failure to comply with them would render the act complained of null and void; or if the provisions are merely directory or permissible then non-compliance would only be an irregularity.

It cannot, therefore, be overemphasized that while the court must rely on the language used in a statute or in the rules to give it proper construction, the primary purpose is to discern the intention of the Legislature (or Minister) in enacting or making of the provision. In **Project Blue Sky Inc. Vs Australia Broadcasting Authority** [1998] 194 CLR 355, the Australian High Court emphasised the thinking thus:-

> **"…..a court, determining the validity of an act done in breach of a statutory provision, may easily focus on the wrong factors if it asks itself whether compliance with the provision is mandatory or directory, whether there has been substantial compliance. A better test for determining the issue of validity is to ask whether it was a purpose of the legislation that an act done in breach of the provision should be invalid…….. In determining the question of purpose, regard must be had to the language of the relevant and the scope and object of the whole statue."** (Emphasis added)

Whether the words *"shall"* or *"may"* convey a mandatory obligation or are simply permissive, will depend on the context and the intention of the drafters. The Supreme Court in its advisory opinion **In the Matter of the Principle of Gender Representation in The National Assembly and the Senate,** Application No. 2 of 2012 found that, the use of *"shall"* in Article 81 (b) of the Constitution on the gender-equity rule as used in the context, incorporates the element of management discretion on the part of the responsible agency or agencies. In contrast in **Velji Shahmad V. Shamji Bros & Propatlal Karman & Co.** [1957] EA 432 construing the meaning of the word *"may"* as used in the former **Order XLVI Rule 9** of the Civil Procedure Rules providing that:-

> **"An appeal from a decree or order of subordinate court… to the Supreme Court may be filed in the District Registry within the area of which such subordinate court is situate,"**

the Court held that in the context, the word *"may"* is mandatory that any appeal from a subordinate court outside Nairobi must be filed in the appropriate district registry:

> **"…….as to hold otherwise would simply subvert the whole rule for it would mean that an advocate or appellant, to suit their own convenience, could file an appeal in Mombasa from a subordinate court in Kisii or Nairobi."**

The overall purpose of trade mark law is to prevent unfair competition by protecting the use of symbol, word, logo, design, and so on, that uniquely distinguishes the goods or services of a company or firm; an

attribute by which a company is readily identified. This in turn protects consumers by prohibiting companies from using trade marks substantially similar to those of other companies in order to avoid confusion. The provisions of the Trade Marks Act are intended to promote and achieve this objective.

The appellant applied to register two trade marks,

TMA 0065981 - SONY HOLDINGS, (DEVICE) and

TMA 0065982 - SONY HOLDINGS (WORD MARK)

Pursuant to **section 21 (2)** of the Trade Marks Act, the 2nd respondent, SONY CORPORATION, drew the Registrar's attention to the similarities in the names and sought time to give a notice of its opposition to the use of the word "SONY" claiming it is the world-wide proprietor of the trade mark. The Registrar properly and in good faith exercising his discretion in view of this fact, gave the 2nd respondent time to challenge the application. It was in the public interest that the dispute be heard on merit once there was notice of intention to oppose the registration.

No doubt there was a delay from 31st May 2011, when the application was advertised to 28th February, 2012 when the notice of opposition was finally given. Apart from the inconvenience that may have resulted to the appellant, no substantial prejudice or hardship was occasioned and despite the delay it is still possible to have a fair hearing before the Registrar. We cannot say, in the circumstances of this matter, that the delay was beyond acceptable limits. Depending on many factors, the process of registering a trade mark can take considerable period of time. For instance, **section 22 (3)** provides that where registration of a trade mark is not completed within twelve months from the date of the application by reason of default on the part of the applicant, the Registrar may, after giving notice to the applicant, treat the application as abandoned. As matters stand, we were told, the Registrar has invited the parties to fix the dispute for hearing on merit but for the institution of the judicial review application in 2012 and subsequently this appeal.

The Trade Marks Act confers on the Registrar, who is also the Managing Director of the Kenya Industrial Property Institute, vast powers in the performance of his functions. One of these functions include the conduct of hearings relating to opposition applications for registration. The Registrar thereby exercises administrative powers and has legal authority to determine questions affecting the rights of subjects. Because of this, the Registrar is expected to act judicially and fairly. The court will intervene, through the remedy of judicial review, where he acts in bad faith, abuse of power; where he fails to take into account relevant considerations or considers irrelevant matters in the decision-making process, or acts contrary to legitimate expectations of those before him or fails to uphold the rules of natural justice. In other words, the court will intervene where the "*three I's*" (illegality, irrationally and impropriety) are demonstrated in the decision making process. Judicial review stems from the doctrine of *ultra vires* and the rules of natural justice. It is not concerned with private rights or the merits of the decision being challenged, but with the decision-making process. Its purpose is to ensure that the individual is given fair treatment by the authority to which he has been subjected.

> **"An order of *certiorari* will issue if the decision is made without or in excess of jurisdiction, or where the rules of natural justice are not complied with or for such like reasons…………….**
>
> **The order of mandamus ………is, in form, a command issuing from the High Court….directed to any person, corporation or inferior tribunal, requiring him or them to do some particular thing therein specified which appertains to his or their office and is in the nature of a public duty….Where a general duty is imposed, a mandamus cannot require it to be done at once. Where a statute, which imposes a duty leaves discretion as to the mode of performing the duty in the hands of the party on whom the obligation is laid, a mandamus cannot command the duty in question to be carried out in a specific way."**

See **Halsbury's Law of England**, 4th Edition Volume 1 at page III relied on with approval by this Court in **Kenya National Examination Council V. R, Ex Parte Geoffrey Gathenji Njoroge,** Civil Appeal No. 266 of 1996. Mandamus will therefore only compel the performance of a public duty which is imposed on a person, or body of persons by a statute and only where that person or body of persons has failed to perform the duty to the detriment of a party who has a legal right to expect the duty to be performed. The jurisdiction is limited to compelling the person or body of persons to perform the duty imposed by law.

Section 20 of the Trade Marks Act imposes a duty on the Registrar with regard to registration of trade marks. In considering an application for registration, he may;

> **"………refuse the application, or may accept it absolutely or subject to such amendments, modifications, conditions or limitations, if any, as he may think right."**

In case of opposition to an application for registration, the Registrar has a duty to advertise the application in a prescribed manner and thereafter, upon receipt of any notice of opposition, send a copy of the notice to the applicant. If the applicant wishes to contest the notice and files a counter-statement, the Registrar shall furnish a copy to the other side. The Registrar will then set down the notice for hearing, consider the evidence and decide whether, and subject to what conditions or limitations, if any, registration is to be permitted.

From the evidence on record, it is clear that the Registrar received an application for extension of time within the time envisaged under **section 21 (2)** and prescribed by **Rule 46** for give notice of opposition. Upon receipt of that application, intimating the intention of the 2nd respondent to oppose the application for registration on account of similarity with an existing trade mark, the Registrar took steps within his powers, including extension of time, in order to hear the merits of the notice of opposition. The appellant was all along aware of these steps and cannot be heard to complain that they were not heard or that they had legitimate expectations to be registered, these events notwithstanding.

The law requires the Registrar to hear any opposition to an application for trade mark registration before registering it. It is a factor in determining whether or not to extend time to consider whether there are fundamental issues in the dispute that ought to be decided on merit.

Like the High Court, we are satisfied that the Registrar judicially and fairly exercised his discretion to extend time. He properly directed himself on the substance of the notice of oppsition so that the matter in controversy may be heard and determined with the benefit of evidence. The alternative, suggested by the appellant, namely to terminate the opposition proceedings on a technical procedural point, would be ineffectual, as the registration of the appellant's trade marks would open new front of challenge and dispute between the same parties, on essentially the same issue.

We find no merit in this appeal. It is dismissed with costs.

Dated and delivered at Nairobi this 6th day of March 2015.

E.M. GITHINJI

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JUDGE OF APPEAL

J. W. MWERA

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JUDGE OF APPEAL

W. OUKO

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JUDGE OF APPEAL

I certify that this is a true copy of the original.

DEPUTY REGISTRAR