# AN ANALYSIS OF THE APPROPRIATENESS OF THE JUDICIAL REMEDIES AGAINST TRADEMARK INFRINGEMENT IN UGANDA

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To all the above, I owe this achievement and I will forever remain sincerely indebted.

## DECLARATION

I declare that this dissertation is a result of my own independent research effort and investigation. It has not been submitted to any other institution for any dissertation writing. Where it is indebted to the work of others, due acknowledgement has been made.

Nabwire Juliet

Signature:

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**APPROVAL**

This is to certify that this dissertation has been submitted to the faculty of law as a partial fulfilment of the award of a Bachelors degree of laws of Kampala International University, Kampala, Uganda with my approval as the university Supervisor.

Signature: ……..

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Date: 05/08/2010 ……

## LIST OF CASES

1. Appollinaris (1891) 2 Ah. 186
2. Aristoc V Rysta (1945) AC 68
3. Bass v Nicholson (1932) AC 130
4. Bestobel v Bigg (1975) F.S.R 421
5. Bismag v Amblins (1940) 57 RPC 215
6. Blanchard v Hill Cro. Jac 471
7. Brookebond Kenya Ltd v Chai Ltd (1971) EA 10
8. Burgoyne v Godree (1905) 21 RPC 550
9. Cluett, Peabody & Co. Inc. v Mmclnytre Hoggmarsh & Co. Ltd (1958) Prc 335
10. Coca Cola export corporation v registrar or Tms (1969) EA 677
11. Crutwell v Lye (1810) 17 Ves 335
12. Ford v Foster (1872) l.r 7 Ch. 630
13. Greizer v Autran (1896) 13 RPC 1
14. Haria Industries v P.J Products Ltd (1970) EA 367
15. Hogg v Kirby (1803) Ves 215
16. Hoover Ltd v Airway Ltd (1936) 53 RPC 399
17. Johnston v Orr-ewing (1882) 7 App Cas 219
18. Levy v Walker (1979) 10 ch.D 436
19. London Overseas Trading Co. Ltd v The Raleigh Cycle Co. Ltd (1959) EA 1012
20. Macdonald's Corporation v Joburges drive-in restaurant (1997) S.A 1
21. Massam v Thorley's (1880) 14 ch. D 748
22. Nerit Imperial Group v Morris (Phillip) & Co. (1982) F.S.R 72 (CA)
23. North Chesire & Manchester Brewery Co. Ltd (1899) AC 83
24. Parke Davis & Co. Ltd v Opa Pharmacy Ltd (1961) EA 556
25. Payton Co. Ltd Snelling Lambarde & Co. Ltd (1901) AC 308
26. Powell v Birmingham Vinegar Brewery (1897) AC 710
27. Powell T.M (1893) 2 ch. 338

28. Re Lyndons Trademark (1886) 32 ch.D 109
29. Re Worthington & Co. Trademark (1996) 14 Ch.D 18
30. Richards v Butcher (1891) 2 Ch. 522
31. Singer Manufacturing Co. Loog (1880) 18 Ch.D 395
32. Slazenger v Feltham (1889) 6 RPC 531
33. Sobrefina's T.M (1974) RPC 672
34. Southern v How (1618) Popham 144
35. Steiner Products Ltd v Stevens (1957) RPC 439
36. Sykes v Sykes (1824) 3 B & C 541
37. The East African Tobbaco Ltd v The Colonial Tobacco Co. Ltd (1938) 5 EACA 6
38. Upmann v Forester (1883) 24 Ch. D 231
39. V.W Meyes Co. Ltd v L.E Field's Auto Services Ltd (1954) 71 435
40. Willmott v Barber (1880) 15 ch. D 96
41. Zeneca Ltd v Vivi Enterprises – HCCS 842/94

**LIST OF STATUTES**

1. The Uganda Trademarks Act Cap. 217
2. The Trademarks Rules, Statutory Instrument 217-1
3. The U.K Trademarks Act 1994 No. 11/1989
4. Trade Agreement on Trade Related Aspects of Intellectual Property Rights including Trade in Counterfeit Goods (TRIPS) 1994
5. The Paris Convention 1967

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# CHAPTER ONE

## 1.0 INTRODUCTION / BACKGROUND

Trademark law is that part of Intellectual Property Rights which allows businesses to protect the symbolic information that relates to their goods and services, by preventing the use of such brand by the competitors. To obtain trademark protection, a mark must be distinctive.[1] It is also a form of intellectual property, and varies depending on the particular company. It may contain a word, a name, phrase, logo, design, symbol, image or any combination of these.

The word Intellectual Property means the intangible product of the mind, the human intellect-idea and the way they are presented.[2] It is also that part of the law of property that includes patents, trade marks, copyright, registered and unregistered design rights.[3]

Intellectual Property is a term referring to a number of distinct types of legal monopolies over creations of the mind, both artistic and commercial, and the corresponding fields of law. Under intellectual property law, owners are granted certain exclusive rights to a variety of intangible assets, such as musical, literary, and artistic works; discoveries and inventions; and words, phrases, symbols, and designs.[4] Intellectual Property law protects applications of ideas and information that are of commercial value.

It may also be perceived as a generic title for patents, copyright, trademarks, design rights and trade secrets.[5] Before the setting up of UN organ and the World Intellectual Property Organization (WIPO), the idea of attributing the quality of property to rights over intentions, aesthetic, works and brands was looked at askance. This law confesses trespassory claim against outsiders to stop them from exploiting the ideas or symbols.[6]

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[1] Internet: http://www.hg.org/article.asp?id, pg. 5
[2] Intellectual Property Protection in Uganda, Uganda National Council for Science and Technology (UNCST) and Ministry of Justice, Information Manual, pg. 1
[3] Elizabeth and Jonathan, Oxford Dictionary of Law, 6th Ed, Oxford University Press, pg. 280
[4] Internet: http://en.wikipedia.org/wiki/intellectual property pg. 1
[5] William Cornish, Clarendon Law Lectures, Intellectual Property 2004, Oxford University Press, pg. 2.
[6] Ibid

Intellectual property is certainly not a new phenomenon. Its development has been traced way back as far as six hundred or more years ago as originating from the Italian city states of Genoa[7] although up to this point in time there is still some debate as to what should qualify as protectable subject matter and what should not. Intellectual property is divided, for the purposes of study and for establishing legal rights into two principal branches; namely artistic property and industrial property. Artistic property encompasses artistic, literally and musical works. These are generally protected in most countries by copyrights.

Industrial property on the other hand is subdivided into inventions and trademarks. Inventions include both useful products and useful manufacturing process. They are protected in a variety of ways, the most common protection being in the form of patents, petty patents and inventor's certificates. Trademarks include "true" trademarks, tradenames, service marks, collective marks and certification marks. All of these markings identify the ownership rights of manufacturers, merchants and service establishments. They are protected by trademarks laws.

The subject matter of intellectual property that can be owned, assigned and licensed is as broad as human inventiveness and imagination. Such information can involve both statutory and non-statutory rights. The former includes copyrights, patents and trademarks; the later includes "know-how" a word of American origin that has now been adopted as a term of art in many languages.[8]

Intellectual property constitutes inter alia the following branches of laws: -

**Patents:** Patents are granted in respect of inventions, i.e technological improvements, great and small, which contain at least some scintilla of inventiveness over what is previously known.[9]

**Copyright** is the exclusive right to reproduce or authorize others to reproduce artistic, dramatic, literary, or musical works. It is conferred by the copyright, designs and patent Act, 1988, it extends to sound broadcasting, cinematograph films and television broadcasts.[10]

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[7] Frunkin M: The Early History of Patent for Inventions: Paper presented at a joint meeting of the Chartered Institute of Patent Agent and New Comen Society 1947, pg. 6-7.
[8] Paul H. Vishny; Guide to International Commerce Law vol. 1 & 3.09 (1981-1994)
[9] Cornish, Intellectual Property: Patents, Copyright, Trademarks and Allied Rights, 3rd Ed, Sweet & Maxwell

**A trademark** is a distinctive indicator or sign that an individual, business or legal entity uses to identify the source of its products or services to consumers. A trademark enables a company to distinguish its particular products or services from ones offered by other businesses. Because trademarks are legally registered, they can only be used by the owner or manufacturer of the company that registered it. Trademarks that are used to distinguish services instead of products are sometimes referred to as service marks.[11]

A trade mark must be distinctive, for example it should be able to distinguish the goods or services upon which it is used from other goods and services. A non-distinctive device is one that merely describes or names a characteristic or quality of the goods or services. Characteristics of a trademark include; Distinctiveness; novelty (availability); not misleading, Non descriptive, Non generic; and it should not be; contrary to public order / morality. The distinctiveness of a device or a trademark is categorized into five categories.[12] These include: -

**Fanciful marks:**

Fanciful marks are devices which have been invented for the sole purpose of functioning as a trademark and have no other meaning than acting as a mark. Fanciful marks are considered to be the strongest type of mark. Examples of fanciful marks are: Exxon; Kodak; and Xerox.[13]

**Arbitrary marks:**

An arbitrary mark utilizes a device having a common meaning that has no relation to the goods or services being sold. Examples of arbitrary marks include: Apple (for computers); Lotus (for software); and Sun(for computers).[14]

**Suggestive marks:**

These are marks that suggest a quality or characteristic of the goods and services. Despite the fact that suggestive marks are not as strong as fanciful or arbitrary marks, suggestive marks are far

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[10] Oxford Dictionary p. 129

[11] Internet:http://ezinearticles.com/?The-Importance-of-Trademarks-For-Your-New-Business&id=1451079down loaded on 4/8/10

[12] World Wide Website: http://www.bitlaw.com/trademark/degrees, downloaded on 31/3/2010, pg.1

[13] Ibid

[14] Ibid

more common due to the inherent marketing advantage of tying a mark to the product in a customer's mind. Suggestive marks are often difficult to distinguish from descriptive marks (described below), since both are intended to refer to the goods and services in question. Suggestive marks require some imagination, thought, or perception to reach a conclusion as to the nature of the goods. Descriptive marks allow one to reach that conclusion without such imagination, thought or perception. Putting this distinction into practice clearly is one of the most difficult and disputed areas of trademark law. Examples are: Microsoft (suggestive of software for microcomputers); Netscape(suggestive of software which allows traversing the 'landscape" of the internet); and Silicon graphics (suggestive of graphic oriented computers).[15]

**Descriptive marks:**

Are devices which merely describe the services or goods on which the mark is used. If a device is merely descriptive, it is not a mark at all, since it does not serve to identify the source of the goods or services. No trademark rights are granted to merely descriptive marks. Misdescriptive marks are equally weak. As explained in connection with suggestive marks above, descriptive marks are often difficult to distinguish from suggestive marks. Suggestive marks require some imagination, thought or perception to reach a conclusion as to the nature of the goods. Descriptive marks allow one to reach that conclusion without such imagination, thought or perception. Putting this distinction into practice can be very difficult. Merley descriptive marks can be registered federally on the supplemental register. Examples are of imaginary marks considered as descriptive for computer peripherals include: Fast baud for modems (describing the quickness of the modem); 104 key for computer keyboards (describing the number of keys on a keyboard); Light for portable computers (describing the computer's weight); and Tubeless for computer monitors (even if misdescriptive for a monitor that contains tubes).[16]

However, it is possible for descriptive marks to become "distinctive" by achieving secondary meaning. Secondary meaning indicates that although the mark is on its face descriptive of the goods or services, consumers recognize the mark as having a source indicating function. Once it can be shown that a descriptive term or phrase has achieved this "second meaning" (the first

[15] Ibid
[16] Ibid

meaning being the generally understood meaning of the term or phrase), a protectable trademark is developed. Secondary meaning can be achieved through long term use, or large amount of advertising and publicity. The acquisition of secondary meaning is often proven through the use of consumer surveys, that show that consumers recognize the mark as a brand, such as "FORD" as opposed to a descriptive term, such as "reliable."

Examples of marks which might be considered descriptive but have clearly developed secondary meaning include: Sharp for televisions; Digital for computers; Windows for windowing software; International business machines for computers and other business machines; and Power computing for computers based on the power PC chip.[17]

**Surnames:**

Marks that are primarily surnames such as "SMITH SHOES" or "RODRIGUEZ COMPUTERS" are treated the same as descriptive marks under US tradémark law. As a result, surnames are not given protection as trademark until they achieve secondary meaning through advertising or long use. A trademark is "primarily a surname" if the public would recognize it first as a surname, or if it consists of a surname and other material that is not registrable. Once a surname achieves secondary meaning, the mark is protectable as a trademark. Others cannot use the mark on confusingly similar goods, even if they have the same name. thus, Jane McDonald could not open a restaurant called "MCDONALDS", nor could Joel Hyatt open a motel under the name "HYATT MOTEL", since the marks MCDONALDS and HYATT have achieved secondary meaning.[18]

**Generic "marks":**

Generic "marks" are devices which actually name a product and are incapable of functioning as a trademark. Unlike descriptive marks, generic devices will not become a trademark even if they are advertised so heavily that secondary meaning can be proven in the mind of consumers. The rationale for creating the category of generic marks is that no manufacturer or service provider should be given exclusive right to use words that generically identify a product. A valid trademark can become generic if the consuming public misuses the mark sufficiency for the mark to become

[17] Ibid
[18] Ibid

the generic name for the product. The prime examples of former trademarks that became the generic name for a product are ASPIRIN and CELLOPHANE. Current trademarks that were once considered to be candidates for becoming generic are XEROX and KLEENEX. Xerox has spent a great deal of advertising money to prevent misuse of its mark. By doing so, Xerox was avoiding the loss of its trademark. Generic words and phrases incapable of functioning as a trademark include: Modem; WWW; and E-mail.[19]

**Sound Marks:**

A sound trademark is a non-conventional trademark where sound is used to perform the trademark function of uniquely identifying the commercial origin of products or services. This is possible because the World Trade Organisation Agreement on Trade-Related Aspects of Intellectual Property Rights (WIPO), broadened the legal definition of trademark to encompass any sign capable of distinguishing the goods or services of one undertaking from those of other undertakings under **Article 15(1).**[20]

**Hologram mark:**

A hologram trademark is a non-conventional trademark where a picture sequence is used to perform the trademark function of uniquely identifying the commercial origin of products or services. This is also possible because as stated, the World Trade Organisation Agreement on Trade-Related Aspects of Intellectual Property Rights broadened the legal definition of trademark to encompass any sign capable of distinguishing the goods or services of one undertaking of those undertaking under **Article 15(1).**

**Collective marks/club marks:**

A collective trademark is a mark used to identify membership in an association. Its usually owned by an organization whose members use it to identify themselves with a level of quality or accuracy, geographical origin, or other characteristics set by the organization. Collective trade marks are exceptions to the underlying principle of trade marks in that most trade marks serve as badges of origin. They indicate the individual source of the goods or services. A collective trade

[19] Ibid

[20] The World Trade Organisation Agreement on Trade-Related Aspects of Intellectual Property Rights.

mark, however, can be used by a variety of traders, rather than just one individual concern, provided that the trader belongs to the association. Collective trade marks differ from certification marks. The main difference is that collective trade marks may be used by particular members of the organization which owns them, while certification marks may be used by anybody who complies with the standards defined by the owner of the particular certification mark.

**Geographical marks:**

Geographical indications do not qualify as individual trademarks because they are either deceptive or misleading. They are therefore not registered as individual marks. Trademarks and geographical indications are both distinctive signs but *there are differences between trademarks and geographical indications. The differences are: -*

In terms of ownership, geographical indications are not used to identify goods/ services produced by one or more enterprises, but to identify goods originating from a particular geographical area. They are also used to indicate that the goods being applied for qualify for a particular quality standard by virtue of originating from that particular region. Therefore all enterprises operating in that geographical area in accordance standards can use such a geographical indication.

**Well known marks:**

Well known marks are signs that may have acquired reputation over a period of time either through use or persistent advertisement (commercials) and as a result is well known to the average consumer of the good or service for which the mark is used.

There is a general understanding that to sustain the reputation such marks must have been acquired over the period of time and the quality of the products for which the marks are associated such marks should enjoy extra protection beyond the class of goods/ services they are (un)registered for. This is to prevent their dilution (tarnishment) in the eyes of the average consumer as it is assumed their distinctiveness will be diminished if their coverage is widened by their use even if those misappropriating such marks are not competitors of the owners.

The practice of trademark protection has quite a long history. There is evidence that trademarks already existed in the ancient world. Even at times when people either prepared what they needed

themselves or more usually acquired it from local craftsmen, there were already creative entrepreneurs who marketed their goods beyond their localities and sometimes over considerable distances. As long as 3000 years ago Indian craftsmen used to engrave their signatures on their artistic creations before sending them to Iran. Trademarks started to play an important role with industrialization and they have since become a key factor in the modern world of international trade and market oriented economies, which factor has in effect rendered them prone to infringement.

## Importance of Trademarks:

A trademark is a form of intellectual property, and varies depending on the particular company. It may contain a word, a name, phrase, logo, design, symbol, image or any combination of these. Trademarks are very important as discussed below: -

**It sets a company away from its competitors:**

If you own a business, you should consider creating a trademark for the products or services you offer. In today's competitive marketplace, it's more important than ever to distinguish yourself from your competitors. Creating an eye-catching trademark is a great way to accomplish this task. Consumers will be able to easily identify your goods from ones offered by other companies within your industry.[21]

**Its an effective marketing tool:**

Trademarks can become a very effective marketing tool. This is especially important for new business owners who wish to announce their presence in the market and establish themselves as a reputable company who wants to become a permanent fixture in the industry. Research reveals that consumers feel more confident purchasing from branded or trademarked goods than non-branded items.[22]

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[21] Ibid
[22] Ibid

**Protects a company's identifying signs:**

Trademarks will protect your identifying sign from being used by other companies. If you have registered your trademark, you can sue another company for trademark infringement if they use it without authorized permission. Even if you haven't registered your trademark, you may also be able to file a lawsuit against unauthorized use. The problem is that the owners of what are known as common law trademarks are normally restricted to the specific geographical area in which the trademark has been used.[23]

Regardless of what type of company you are running, you should create and register a trademark. This distinctive mark can include a wide variety of elements such as words, logos, numbers or even sounds, colours or smells. Trademarks can help you increase your exposure in the marketplace, set yourself apart from your competitors and market more effectively.[24]

Trademarks generally have several functions. From the perspective of an owner, a **trademark** is the right to put a product protected by the mark into circulation for the first time. From the view point of a consumer, a trademark serves to designate the origin or source of a product or service, indicate a particular standard of quality, represent the good-will of the manufacturer and finally protect the consumer from confusion.[25]

**Theft:**

Most obvious is a moral issue. It is just plain wrong to steal something that belongs to someone else but in the real world, people take what is not theirs. And if you have not found a way to at least deter someone from taking your work, you can be assured that it will be copied and used to another's benefit.[26] Thus trademarks serve to protect one's trademarks rights from being stolen by others.

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[23] Ibid
[24] Ibid
[25] Ibid
[26] Internet: http://www.interparty.org/importance-of-protecting-intellectualproperty.html, downloaded on 5/8/10, pg.1

**Protects from loss of reputation:**

In situations where you are an expert in a field, when others use your work in fleeting or inappropriate ways, your reputation as an authority is decreased. You are somehow attached to the negative work of the imposter. Additionally, if your property has been used for illegal gain, you might find it difficult to prove that you were not involved. Sadly, many people believe in guilt by association, so what started as a brilliant theory or invention has now turned into something unrespectable. But once your trademark is clearly identified as belonging to one person, it is not easy for someone else to successfully use it. This thus guarantees that the owners of the trademarks cannot easily lose its reputation.[27]

**Deters from loss of income:**

Allowing others to use your work through complacency, negligence or plain ignorance will directly impact your earnings. If you have invented something that is unique or you have written something in your field of expertise, then someone else is reaping some or all of the profits. If they can better market your creation, they will undoubtedly become the leading source for the item and ultimately the biggest earner. In addition, your "brand" is being diluted. That is to say that instead of you being the only person to whom the consumer comes, there is at least one other way to get what they want – from someone who has stolen your property. Once the trademarks are clearly distinctive and protected, reduces high chances of intruders who tarnish trademarks and lead to loss of the right holders' profits.[28]

**Asset is valued:**

Should you ever wish to sell your intellectual property, it will be worth more if it is unique. But if others have stolen it, the value is quickly debased leaving you trying to defend why it is worth more. Likewise, you may be faced with the unimaginable task of proving that you, and not the thief, rightfully own the content, graphics, lyrics, melody, invention or software. Trademarks ensure that the product is not devalued but rather identifies the true source and reduces its duplication.[29]

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[27] Ibid
[28] Ibid
[29] Ibid

**Prevent others from being ripped off:**

By protecting your trademark, you help others to avoid scams and fake products, so that real product is availed to the consumers. It thus reduces the habit of counterfeits and dilution of products and encourages customers to benefit from their judgmental skills of what trademark should be preferred.[30]

It is therefore worth noting that from the functions of a trademark stated above, they play a very important role in commerce because they enable competing manufacturers and traders to offer consumers a variety of goods in the same category. More to that, they are seen to serve their owners in the advertising and selling of goods thereby rewarding the manufacturer who constantly produces high quality goods, in effect stimulating economic progress. It is upon such a background that we need to examine the protection of trademarks against infringement under the Trademarks Act.[31]

**Enforcement of trademark rights:**

The extent to which a trademark owner may prevent unauthorized use of trademarks which are the same as or similar to its trademark depends on various factors such as whether its trademark is registered, the similarity of the trademarks involved, the similarity of the products or services involved, and whether the owner's trademark is *well known*.[32]

If a trademark has not been registered, some jurisdictions (especially Common Law countries) offer protection for the business reputation or goodwill which attaches to unregistered trademarks through the tort of passing off. Passing off may provide a remedy in a scenario where a business has been trading under an unregistered trademark for many years, and a rival business starts using the same or a similar mark.[33]

If a trademark has been registered, then it is much easier for the trademark owner to demonstrate its trademark rights and to enforce these rights through an infringement action. Unauthorized use

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[30] Ibid
[31] World Wide Website: http://www.bitlaw.com/trademark/degrees,downloaded on 31/03/2010, pg.1
[32] Internet: http://en.wikipedia.org/wiki/trademark down loaded on 5/8/10
[33] Ibid

of a registered trademark need not be intentional in order for infringement to occur, although damages in an infringement lawsuit will generally be greater if there was an intention to deceive.[34]

For trademarks which are considered to be well known, infringing use may occur where the use occurs in relation to products or services which are not the same as or similar to the products or services in relation to which the owner's mark is registered.

**Dilution:**

A trademark is *diluted* when the use of similar or identical trademarks in other non-competing markets means that the trademark in and of itself will lose its capacity to signify a single source. In other words, unlike ordinary trademark law, dilution protection extends to trademark uses that do not confuse consumers regarding who has made a product. Instead, dilution protection law aims to protect sufficiently strong trademarks from losing their singular association in the public mind with a particular product, perhaps imagined if the trademark were to be encountered independently of any product (e.g., just the word Pepsi spoken, or on a billboard). Under trademark law, dilution occurs either when unauthorized use of a mark "blurs" the "distinctive nature of the mark" or "tarnishes it." Likelihood of confusion is not required.[35]

**Sale, transfer and licensing:**

In various jurisdictions a trademark may be sold with or without the underlying goodwill which subsists in the business associated with the mark. However, courts have held that this would "be a fraud upon the public". Trademark registration can therefore only be sold and assigned if accompanied by the sale of an underlying asset. Examples of assets whose sale would ordinarily support the assignment of a mark include the sale of the machinery used to produce the goods that bear the mark, or the sale of the corporation (or subsidiary) that produces the trademarked goods.[36]

Most jurisdictions provide for the use of trademarks to be licensed to third parties. The licensor (usually the trademark owner) must monitor the quality of the goods being produced by the licensee to avoid the risk of trademark being deemed abandoned by the courts. A trademark license

[34] Ibid
[35] Internet: http://en.wikipedia.org/wiki/trademark, downloaded on 5/08/2010, pg. 11
[36] Ibid

should therefore include appropriate provisions dealing with quality control, whereby the licensee provides warranties as to quality and the licensor has rights to inspection and monitoring.[37]

**Domain names:**

The advent of the domain name system has led to attempts by trademark holders to enforce their rights over domain names that are similar or identical to their existing trademarks, particularly by seeking control over the domain names at issue. As with dilution protection, enforcing trademark rights over domain name owners involves protecting a trademark outside the obvious context of its consumer market, because domain names are global and not limited by goods or service.[38]

Admittedly, there seems to be little interest paid to Intellectual property rights protection in most of the developing economies as may for instance be evidenced by the flagrant infringement on the most common intellectual property subject matter, namely copyright by way of piracy of artistic, literacy and musical works. It equally seems like little attention has been paid to the developments in the area of Trademarks. As a matter of consequence, the Trade marks Act has apparently remained the same since its adoption many years ago.[39]

[37] Ibid
[38] Ibid
[39] Ibid

## 1.1 STATEMENT OF THE PROBLEM

There is need to protect increased infringement of trademarks in Uganda due to the expansion of trade competition leading to counterfeiting, dilution and thus total loss of trademarker holders' rights. If repetitious work is to continue, it is going to weaken the economic community and the associated free trade area.

One seller unfairly competes with another seller by adopting and using a trademark that is confusingly similar to the prior adopted and used trademark of the first seller. This has made consumers confused as to the origin of a certain product and, thus, cannot rely on receiving consistent quality. In addition, it is inherently unfair to let an infringer get the benefit of the first seller's time, money and effort in building good will for the trademark.[40]

The touchstone of any trademark infringement case is the likelihood of confusion that is, the alleged infringer using a trademark on a competing product has caused a likelihood of confusion in the mind of a relevant purchasers. Courts have set forth a number of factors for determining the livelihood of confusion, such as the closeness of the appearance, sound and meaning of the conflicting marks; the relatedness of the goods on which the marks are used; the channels of commerce in which the marks are sold; and the sophistication of the relevant purchasers of the goods. Thus trademark infringers confuse purchasers and defraud to the public.[41]

Another main area of unfair competition law is trademark dilution where the similar use of a trademark in other non-competing markets is allowed. This means that a trademark loses its capacity to signify a single source of its origin. Thus, this could be one of the aspects of trademarks infringements that require a protection.[42]

This damage occurs in two different ways. The **first** is a blurring of the distinctiveness of the mark. If consumers see the mark being used on a number of different goods and services not controlled

[40] Internet: http://www.tms.org/pubs/journals/jom/matters/matters-9610.html, downloaded on 5/8/10, pg. 1-3
[41] Ibid
[42] Ibid

by the original owner, the original owner's mark loses "cachet" or distinctiveness. The **second** damage to the mark is by tarnishment. In this case, the original mark is used in such a way that the consumer knows, because of the context or the usage, that there is no connection between the owners of the respective marks. However, use of the mark by the other party has brought the trademark owner's mark into disrepute or has showed that the trademark is in a bad light. One example of this was a case involving the slogan "Enjoy Coca-cola," owned by the Coca-Cola company. A poster showing a bag of cocaine with the slogan "Enjoy Cocaine" was marketed by an unauthorized seller. Anyone seeing that poster would realize that the Coca-Cola Company was not associated with the poster; thus, there was no likelihood of confusion. However, the court, under a theory of dilution of the Coca-Cola mark, stopped the sale and distribution of the poster. The dilution of trademarks could be the cause of the loss of income registered by the rightful owner of these rights.

The unregistered trademarks owners are restricted to only specific geographical area in which the trademark has been used under common law and can only be remedied under passing off only. This also could be one of the causes of trademarks infringements.

If a trademark has not been registered in some jurisdiction especially common law countries offer protection to the business reputation or goodwill which attaches to unregistered trademark through the tort of passing off. Passing off may provide a remedy in a scenario where a business has been trading under an unregistered trademark for many years and a rival business starts using the same or a similar mark. This could be one of the instances that has led to increased imitations of trademarks in Uganda and elsewhere.

Counterfeits of foods and beverages are on massive increase in the Ugandan market and most have failed the quality and healthy tests of the Uganda National Bureau of Standards and are not fit for human consumption. Worse still, these products are packaged in ways that consumers are unlikely to differentiate the counterfeit from the genuine product could be the cause for the rampant loss of income by the registered trademarks owners.

Such massive trademarks infringements are rampant in Uganda as portrayed in the case of **ZENECA LTD Vs VIVI ENTERPRISES**[43] where there was a similarity in the name of a drug 'Ketrax' owned by the plaintiff and 'Vetrax' owned by the defendant, Byamugisha, J entered judgment in favour of the plaintiff. Damages were accordingly awarded.

In **PARKE DAVIS & CO. LTD V OPA PHARMACY LTD,**[44] C.J Sheldon said;

*"If one or more cases of actual deception are made out to the satisfaction of the court, this will of course afford very strong evidence that the resemblance of the marks in question is so close as to be likely to deceive. But the absence of evidence of actual deception is a circumstance which varies greatly in weight according to the nature of the case. It can never be conclusive by itself. But where the marks have been circulating side by side in the market where deception is alleged to be probable, the fact that no one appears to have been misled is very material unless otherwise explained."*

The definition of 'mark' has little more than historical interest. Virtually any visual characteristic of goods or their presentation, that serves the function of a trademark as defined by the Act, that serves to distinguish goods which have a particular trade connection from goods which have not, can fairly be described as a 'mark.' Thus the question whether something is a 'mark' virtually never arises, it is a 'trademark' or it is not.

It is necessary indeed to legally protect trademarks if they are to fulfill their distinguishing function for consumers who wish to make their choice between different goods of the same kind on the market. If that is not done, competitors are bound to use identical signatures for the same or similar goods, or signs so similar that the consumer would be confused as to the origin of the goods, and such protection will enable proprietors to benefit from their trade marks arising from their efforts in terms of profits without their rights and being infringed upon.

With these encroachments on trademark owners' rights listed above, it would happen as surprise if unscrupulous businessmen tried to take advantage of other manufacturer's trademarks by using

[43] (1961) EA 556
[44] (1961) EA 556

them on their fake products and later on putting such products on the market as genuine goods. Legal scholars have referred to this practice as infringement.

As a practice, infringement greatly undermines the essence of true competition because those engaged in the practice gain an unfair trade advantage at the expense of genuine registered owners of the trademarks and they are able to get away with it because the consumers act on a mistaken belief that they are buying genuine goods on the market. This situation is not helped in situations where such goods do not measure up to the quality of the genuine goods which unfortunately is often the case.

In the industrial countries where most of this law governing innovations originated there is a desire that those who engage in such ventures should benefit from the products of their work under the intellectual property system. This desire has been reflected in the laws governing trademarks that have developed over the years.

The situation is not any different in Uganda where we adopted both the TradeMarks Act and the Trademark Rules.[45] These not only govern the application and use of a trademark but also provide those registered there under with legal protection against infringement among other things. However, it is important to note that this legal protection accrues only upon proper registration of the trademark.

[45] The Trademarks Act Cap, 217; and The Trademarks Rules Statutory Instrument 217-1

## 1.2 OBJECTIVES OF THE STUDY

The main concern in this study is to analyse the law governing trademarks in Uganda and to determine its effectiveness as a mechanism to protect against trade marks infringement. It is also necessary to consider options or strategies that can be applied to cover loopholes if there are any in the legislation.

Thus this study, intends to: -

1. To examine the Trademarks Act and analyse the provisions in place to protect trademarks from infringement in relative details so as to determine their adequacy in fulfilling their required objectives;
2. To critically consider the problem of infringement and analyse the remedies provided under the Trademarks Act to the proprietors and their effectiveness under our socio-economic circumstances;
3. To find out why despite the fact that the law on Trademarks has undergone a series of developments in the places where it originated, that is England, this has not been the case in Uganda where we still have the law as we adopted it so many years ago;
4. To determine whether the countries which have adopted and strictly adhered to the legislation governing Trademarks and made the necessary developments in the law have afforded better protection to trademark proprietors in areas where ordinary Ugandan proprietors have failed due to a laxity in enforcing the law and addressing necessary developments; and
5. Where loopholes have been established under the Act, to suggest a policy or strategy beneficial and well suited to the Uganda situation as a means of controlling infringement.

## 1.3 METHODOLOGY

In order to achieve the objectives enumerated above, it is necessary to consider the origin and historical development of the law governing trademarks. A critical analysis is made to determine whether the proprietors of trademarks have been adequately protected from infringement of their marks and if not whether the Trademarks Act bears some responsibility for this phenomenon.

In this respect, I have used data collection by means of research which will comprise mainly library information from which I have comprised bulletins and other forms of material related to the subject of this study.

More to that, case law both local and foreign that is legally binding in Uganda has featured prominently. The study is also a comparative analysis, that is, it compares the Ugandan situation to more advanced systems elsewhere.

From the above, it is evident that great reliance is put on the available publications on the subject of Trademarks. Unfortunately these are not many, probably due to the little interest paid to the subject. Nevertheless, attempts have been made to consult the available materials to back up the contentions derived from the published works.

## 1.4 LITERATURE REVIEW

There is a dearth of studies on Intellectual Property Rights as a whole and trademarks in particular. The situation is worse in countries which have not given strict adherence to these rights. The studies available seem to put more emphasis on copyright as a subject. Nevertheless a number of authors have attempted to put forward their views on trademarks and the law as a whole, these include: -

**L.W. Melville** in his book **Precedents on Intellectual Property and International Licencing**[46] is seeming wholly in support of protecting Intellectual Property Rights when he calls on the public that they ought to give encouragement and champion the cause of the men of imagination, whose technological feats upon up so many avenues as well as stimulate competition. He goes on to argue that mere encouragement is not enough but a precise mechanism ought to be put in place which would determine to what extent that encouragement is deserved.

[46] Melville, The Precedents on Intellectual Property and International Licensing, 2nd Ed.

His views are rather compatible with the theme and focus of this study which happens to be the protection of Trademarks against infringement. However, he does not take the initiative to enlighten us on the best and most appropriate mechanism that should be adopted. One is tempted to think that his implication is that the trademarks Acts are not very effective. If that is the case, what alternative mechanism should we adopt to help us out of the problem?

**Arthur Miller** in his book **Intellectual Property, Patents, Trademarks and Copyrights in a Nutshell**[47] has also made a generous contribution to the subject. He shows his sympathy for a trademark proprietor when he asserts that at the most basic level, it is unfair competition for a competitor to "palm off" his goods as those of another. To this he adds that the essence of unfair competition also explains why trademarks can be acquired only by use.
I would not agree with him on these points. The essence of competition in trade generally is completely foregone when one trader gains an unfair trade advantage by passing off his products as the genuine products of another trader. This makes it necessary to protect different competitors in the market against infringement of their trademarks.

This argument has won itself global acceptance as evidenced by mechanisms like the Trademarks Act which have been put in place. Similarly this position is partially supported by the philosophy underlying the American Trademarks status, the Lanham Act which provides the owner of a federally registered mark with protection against use of similar marks if any confusion might result. The end result is a dual function of a trademark, that is, a mechanism for providing identification as well as a technique for providing a marketing advantage.

**Juma and Ogwang** in their report on **Innovation and Sovereignty**[48] raise the issue of the importance of intellectual property rights to development. According to them it is too narrow to account for most of the innovative activity going on in developing countries. This idea is in line with the view of some critics of intellectual property rights who point out that many of history's greatest inventions were created without intellectual property rights at all, for example such rights

[47] Arthur Miller and Michael Davis, Intellectual Property: Patents, trademarks and Copyrights in a Nutshell. West Publishing Company (1983)
[48] Juma and Ogwang, The Patent Debate in Africa. Development African Centre for Technology Studies (ACTS) Nairobi Kenya 1989 pg. 63.

were not necessary to inspire Shakespeare to write nor were they necessary to encourage the first wheel inventor.[49]

However, this would be to view Intellectual Property Rights as only an instrument for the promotion of technological and industrial development at the national level. It is not denied that this is its primary and indeed most important role in developing countries but it should be noted that it is being increasingly applied for protection of global trade and competitive interests.[50]

It is these and other realities that will guide the writer in making a contribution to the search for adequate options in situations where the legislation in place has failed to achieve its required objectives.

[49] Supra n.12
[50] Supra n.13

## SUMMARY OF THE STUDY

### CHAPTER ONE

I broadly handled the background of Intellectual Property; the statement of the problem; the need for legal protection; objectives of the study; the hypothesis; its methodology; and the literature review.

### CHAPTER TWO

In this chapter, I have looked at the background, definition, different types of trademarks and development of the concepts of trademark and infringement.

### CHAPTER THREE

This chapter features on statutory protection of trademarks against infringement under the Trademarks Act. Both statutory provisions under the Act and case law are used in this chapter.

### CHAPTER FOUR

The chapter addresses the question of the adequacy of protection against infringement under the Trademarks Act while making a comparative analysis with other Acts and international statutes.

### CHAPTER FIVE

The fifth and last chapter features on the conclusion and the possible recommendations and options available to trade marks infringement.

# CHAPTER TWO

## 2.0 THE ORIGIN AND DEVELOPMENT OF THE CONCEPTS OF TRADEMARK AND INTELLECTUAL PROPERTY PROTECTION

Trademark originated from the black smiths who made swords in the Roman Empire as the 1st users of trademarks and such trade marks have been used since 1383.[51] Thus, the origins and development of Trademark law is discussed in context of Intellectual Property protection since Trademarks are a subject thereunder. Intellectual property protection which in this study is discussed in relation to trademarks, deals with the provision of cognizance by the law for those who exercise their intellect for innovative purposes. The reasons as to why such protection is provided will be dealt with later but from the start, it should be noted that few trademark proprietors are aware of how they can go about getting protection for the products of their intellectual exercise let alone the form of protection available.

Furthermore, it is important to consider the infrastructure for such protection in developing countries like Uganda. In order to make a meaningful discussion concerning intellectual property protection, it must deal with the origins and development plus the meaning and forms of protection available in order to establish a basis for whatever is to be discussed vis-à-vis intellectual property protection. This particular discussion is limited to protection against infringement under the Trademark Act.

## 2.1 ORIGIN AND DEVELOPMENT OF INTELLECTUAL PROPERTY PROTECTION

Although Intellectual Property Protection can be traced as originating in the Italian city States like Genoa,[52] for the purpose of this study, I will consider how it began and developed in England reason being that the Ugandan Trademarks Act is a replica of the 1938 Trademark Act of England.

[51] World Wide Website: http://en.wikipedia.org/wiki/trademark, downloaded on 31/06/2010, pg. 2.
[52] Arthur Miller and Micheal Davis, Intellectual Property: Patents, trademarks and copyrights in a nutshell, 1983 west publishing company, pg. 6

Beginning in the medieval times, certain segments of European commerce became centralized and extensively controlled by various groups. The most notable of these were the early guilds, each of which controlled at least particular areas of commerce such as leather.[53] These in essence are said to be the origins of intellectual property protection although these were more of commercial monopolies and had no concern for intellectual property protection. They were hardly like the modern exclusive rights granted for inventive developments and were basically groups of artisans who in essence had cornered the market. In time the right to control various sectors of the market became a royal privilege granted by the crown in return for various benefits. Under this, the monarch would grant the privilege to practice a particular art or manufacturing process to a foreigner who brought new technical skills into the country or jurisdiction.

The privilege granted would be the exclusive right to practice for gain such a skill. In return the grantee would frequently be required to train a number of citizens in the new art but the term was almost always for a certain number of years. The rights thus granted were quite often greatly abused as the grantees sought to obtain maximum benefit from the grants. They aimed at maintaining the monopoly so gained to the exclusion of everyone to the extent of hindering further innovations.

By the early seventeenth century, the practice of royal patents had become a burden to free competition, an effect which was heightened by the gradual transition from a feudal to a mercantile economy. The period was characterized by the growing power and influence of the merchant class over the monarchy. With this power, the merchant class were in a position to influence the monarchy to their financial advantage.

The discontent with the system of royal patents revealed a need for change and indeed attempts at changing were made, for instance by the judiciary, but these were selective and narrow efforts that did not succeed in effectively breaking up the monopolistic economic situation arising from the system. In view of the need to check these practices and in the absence of any other suitable method of achieving this, resort had to be made to legislative action.

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[53] Ibid

The English Statute of Monopolies was adopted in 1623,[54] is an example of one of the earliest trademarks legislations. This statute is said to be the classical starting point of intellectual property law. It is notable that this statute had no theme of anti monopolism since the law does not generally favour monopolies yet intellectual property protection law promotes the same. The opposition to monopolies not withstanding, it was nevertheless recognized that the grant of an exclusive privilege to a person with a valuable talent would tend to confer benefits upon society if that privilege encouraged the person to practice his skill within the state.

By 1883 there was an increasingly internationally oriented flow of technology among countries coupled by an increased in international trade which inevitably led to misunderstandings as regards the intellectual property in various items of trade which some sides sought to protect while others deemed it their right to acquire them freely. It became apparently clear that there was lack of adequate protection for exhibited inventions[55] at an international exhibition of inventions held in Vienna in 1873, whose success was marred by the fact that there was no sufficient legal protection for exhibited inventions.

This inadequacy was compounded by the fact that many countries did not actually have intellectual property protection laws and for those that had, there were wide variations from country to country. All these combined factors reflected the need for the harmonization of intellectual property laws.

Consequently, a conference was held in Paris in 1883 resulting in the International Union for the Protection of Industrial Property, commonly known as the 1883 Paris Convention.[56] In this convention for all practical purposes is the basic reference point for the modern intellectual property regime as it stands today. Among other tasks, the Union was to study the questions relating to industrial property and carter for general procedural matters relating there to including considering any necessary revisions, publication of documents and other information.

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[54] Patel: The Patent System and 3rd World (1974), World Development, Vol. 2, No. 9, pg. 5
[55] Background Material on Intellectual Property: World Intellectual Property Organisation (WIPO) report 1988 p.49
[56] Supra, (n.54)

Subsequent revisions of the convention have resulted in the formation of the World Intellectual Property Organisation (WIPO) which plays a major role of co-ordination among member countries and acts as an information pool. The general shortcoming however is that whatever is decided cannot be enforced for lack of an enforcement machinery in addition to which is the fact that such laws are territorial in operation and so cannot be enforced extra territorially.

## 2.2 THE DEFINITION OF A TRADEMARK

A trademark is defined by **S.1(l) of the Trademark Act**[57] as follows: -

***"Trademark"*** *means except in relation to a certification trademark, a mark used or proposed to be used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some person having the right either as proprietor or as registered user to use the mark, whether with or without any indication of the identity of that person, and means in relation to a certification trademark a mark registered or deemed to have been registered under* ***Section 40 of this Act.****"*

It is also a marketing tool that is often used to support a company's claim that its products are 'authentic" or "distinctive" compared with similar products from another trading entity. It consists of a distinctive design, word, or series of words, usually placed on the product label and perhaps displayed in advertisements. For example coca cola is a trade mark that can only be used on goods made by the coca cola company.[58]

## 2.3 THE DEVELOPMENT OF TRADEMARK LAW

Prior to the Registration Acts, questions relating to trademarks only came before the civil courts in the course of proceedings in which one party was claiming relief against another. The courts were therefore concerned with pointing out what could be the characteristics of the mark and what were the circumstances of its use by a trader which would render another trader liable for "infringement" if he used or imitated it.

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[57] The Trademarks Act, Cap. 217

[58] Website: http://www.idrcoca/en/ev-30127 - 201-1-, downloaded on 31/3/10, pg. 12

**The Leading principle**

The foundation upon which the law relating to trademarks and tradenames developed is that deception of the public by the offer for sale of goods as possessing some connection with a particular trader as under **S.6(1) of the Act**[59] which they do not in fact possess is a wrong in respect of which the trader who has a cause of action against any person who is the author of or is responsible for the deception.

According to James L.J in the case of **SINGER MANUFACTURING CO. V LOOG.**[60]

*"No man is entitled to represent his goods as the goods of another man, and no man is permitted to use any mark, sign or symbol, device or means, whereby without making a direct false representation himself to a purchaser who purchases from him, he enables such a purchaser to tell a lie, or to make a false representation to somebody else who is the ultimate customer. That being, as it appears to me, a comprehensive statement of what the law is upon the question of trademark or trade designation. I am of the opinion that there is no such thing as a monopoly or a property in the nature of a copyright, or in the nature of a patent, in the use of any name. whatever name is used to designate goods, always subject to this, that he must not, as I said, make directly or through the medium of another person a false representation, that his goods are those of another person."*

## 2.4 THE FUNDAMENTAL CONCEPT OF A TRADEMARK

A trademark exclusively identify the commercial source or origin of products or services so that a trademark, properly called indicates source or serves as a badge of origin; it also identifies a particular business as the source of goods or services. This is what is called the trademark use. Ceclain exclusive rights attach to a registered mark, which can be enforced by way of an action for trademark infringement, while unregistered trademark rights may be enforced pursuant to the common law tort of passing off.[61] Trademark rights arise out of the use over that sign in relation to certain products or services if there are no trademark objections.[62]

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[59] Trade Marks Act Cap. 217
[60] (1880) 18 ch. D 395 at p 412
[61] Website:http:en.wikipedia.org/wiki/trademark, down loaded on 31/3/2010, pg.1-2
[62] Ibid

The purpose of the definition in **S.1 (l) of the Act**[63] is to describe certain fundamental features of the mark and the relation between the goods bearing the mark and the person who has or claims to have the right to use it without which a mark cannot be a trademark within the meaning of the Act. Other sections limit the registrability, and a mark may be a trademark within the statutory definition although the circumstances of its use are not such that an action to protect it would have been successful before the Registration Acts.

Consequently there are two exceptions to principles of trademark protection. These are: -

Protection of well known marks for identical/similar goods/ services even if not registered in the territory concerned but it can be proved to be well known to the average consumer; and protection of well known marks for dissimilar goods/services only if registered in the territory concerned and it can be proved to be well known to the average consumer. Under **Article of the Paris Convention, 6bis**[64] **& TRIPS Agreement; Article 16(2&3)**[65] provide that applies mutatis mutandis, to services which are not similar to those in respect of which a trademark is registered, as long as its use is in relation to the goods or services which would indicate a connection between those goods or services and the owner of the registered trademark and as long as the interests of the owner of the registered trademark are likely to be damaged by such use.

**Under Article 16.2 of the TRIPS Agreement,**[66] provides that in determining whether a trademark is well-known, members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the member concerned which has been obtained as a result of the promotion of the trademark.

## REGISTRATION OF A TRADEMARK

### Trademark search

**Under R.30 of the Trademarks Rules**[67] to avoid conflict with earlier trademark rights, it is wise to conduct trademark searches before the trademarks office. It is also advisable to conduct a

[63] Supra n.59
[64] The Paris Convention, 1967
[65] The TRIPS Agreement, 1995
[66] Ibid
[67] The Trademarks Rules, Statutory Instrument 217-1

broader search to include databases that contain names of registered companies and internet search to know whether the desired trademark is either already registered as a domain name or otherwise being used. The reason for this being that trademark office only searches issued trademarks and pending applications in order to determine whether a trademark should be issued. However, an applicant may want to consider a different trademark even if it could be registered if the domain name is taken or other businesses are using the trademark as an unregistered name or slogan.

**S.5 of the same Act**[68] provides that a trademark must be registered in respect of particular goods or classes of goods and any question arising as to the class within which any goods fall shall be determined by the Registrar whose decision shall be final.

According to **S.11(l) of the Trademarks Act,**[69] in order for a trademark (other than a certificate trademark) to be registrable in **Part A of the register**, it must consist of at least one of the following essential particular: -

The name of the company, individual or firm; The signature of the applicant for registration or some predecessor in his business; An invented word or invented words; 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; and any other distinctive mark, but a name, signature, or word or words, other than such as fall within the descriptions in the foregoing paragraphs (a), (b), (c) and (d), shall not be registrable under the provisions of this paragraph except upon evidence of its distinctiveness.

## THE PROCEDURE OF REGISTRATION OF TRADEMARKS

For a trademark to be registrable, under **S.19 of the Act**[70] provides that the applicant must make a written application to the registrar who signs it or his agent under **R. 21.**[71] The registrar may grant or reject it or accept it subject to amendments, modifications, conditions as he thinks fit after

[68] Supra (n.59)
[69] Ibid
[70] Ibid
[71] Supra, (n.67)

making a search under **R.30**;[72] The Registrar gives reasons for his decision which is appellable under **S.19(5) of the Act**;[73] The application is advertised in the gazette and other media to give notice to the registrar. The final decision of the registrar is appellable in the High Court under **S.20 of the Act,**[74] then the registrar registers and issues a certificate of Registration under **S.21 of the Act.**[75] The duration of registration of a trademark is **seven years** and may be renewed under **S.22(1) of the Act.**[76]

In the Tanzanian case of **COCA COLA EXPORT CORPORATION V REGISTRAR OF TRADEMARKS,**[77] the Registrar of Trademarks refused the appellant's application to register the word 'splash' in part A of the Trademarks register in respect of a beverage on the ground that the word had direct reference to the character or quality of the goods and therefore was not registrable under section 12(1)(d) of the Trademarks Ordinance. The appellant appealed to the High Court against the Registrar's decision. It was held that the onus of satisfying a tribunal that the word in question is suitable for registration is on the applicant;

That it is the reaction of that section of the public which is likely to buy or deal with the beverage in question which is to be considered. The appellant had failed to discharge the onus of showing that the word was suitable for registration.

According **S.13 of the Trademarks Act,**[78] it shall not be lawful to register a trademark or part of the trademark any matter to the use of which would be 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.

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[72] Ibid
[73] Supra, (n.59)
[74] Ibid
[75] Ibid
[76] Ibid
[77] (1969) EA 677
[78] Supra, (n.59)

In **PARKE DAVIS & CO. LTD V OPA PHARMACY LTD,**[79] C.J Sheldon said;

*"If one or more cases of actual deception are made out to the satisfaction of the court, this will of course afford very strong evidence that the resemblance of the marks in question is so close as to be likely to deceive. But the absence of evidence of actual deception is a circumstance which varies greatly in weight according to the nature of the case. It can never be conclusive by itself. But where the marks have been circulating side by side in the market where deception is alleged to be probable, the fact that no one appears to have been misled is very material unless otherwise explained."*

The definition of 'mark' has little more than historical interest. Virtually any visual characteristic of goods or their presentation, that serves the function of a trademark as defined by the Act, that serves to distinguish goods which have a particular trade connection from goods which have not, can fairly be described as a 'mark.' Thus the question whether something is a 'mark' virtually never arises, it is a 'trademark' or it is not.

In the case of **SOBREFINA'S T.M,**[80] an application to register as a trademark a bottle and associated carton of special shape, was rejected not as being a 'mark' but rather because the deposited specimens were not a 'representation' of a mark. In the definition of a trademark under section 2(1) of the Act, the phrase 'proposed to be used' should one might suppose, be read more widely as covering the registration of marks 'which one day might be useful' but for which there was no immediate use in contemplation. However, the court of Appeal's decision in **'NERIT' IMPERIAL GROUP V MORRIS (PHILIP) & CO.**[81] would seem to take a different view, making the 'definite and present intention to use' part of the definition of a trademark. Furthermore, that court would appear to have held that the 'use' which is intended must be use which not only does indicate the requisite connection in the course of trade but has its 'primary intention' the establishment of good will in the mark so as to make trading under the mark profitable in itself.

The use or intended use must be use by the proprietor. Use by a registered user will suffice and the Act contains special provisions enabling registration of a mark that will be used by a registered

[79] (1961) EA 556
[80] (1974) RPC 672
[81] (1982) FSR 72 (CA)

user. It has however been suggested that unless **S.31 of the Act** is applicable, a mark intended for use by registered users is not 'proposed to be used' within the section.

The words 'in relation to' replaced in 1938 the phrase "in connection with" of the 1905 Act. The intention was to include use in advertisements. It is worth noting that infringement actions have been successful where the only matter complained of was use by the defendants in advertisements.

In the case of **BIMAG V AMBLINS,**[82] Simmonds, J expressed the opinion that there was no difference between 'in connection with' and 'in relation to' supported by Mackinnon L. J, something previously considered by the registrar to be actual use as a trademark.

According to **S.1(2) of the Act**[83] provides that:
*"References in this Act to the use of a mark shall be construed as references to the use of a printed or other visual representation of the mark, and references there in to the use of a mark in relation to goods shall be construed as references to the use thereof upon, or in physical or other relation to goods."*

This means that oral use of a trademark has never been held to be an infringement as excluded by the above definition.

It should therefore be observed that the words are 'in relation to goods' so that there must be at least an intention to make available actual goods in relation to which the mark is to be used. This may be material in regard to questions that may be mentioned as to the locality of the use. The words 'in relation to goods' furthermore exclude from registration words used only in relation to the provision of services and attempts to avoid this limitation by registration for the documents used in the provision of services have tended not the succeed.
The mark used must also convey a representation. The relevant words in KERLY'S definition of a common law trademark were; 'so as to distinguish the goods from similar goods and identify them

[82] (1940) 57 RPC P. 215
[83] Supra (n.59)

with a particular trader.' Of the older authorities which justify the inclusion of these words it is sufficient to cite two passages.

*"That in truth is the meaning and object and result of a trademark. It indicates this, that you may take this as a warranty that is has come from a particular manufacture of the goods with which you have been hither to pleased" as per James L.J in* ***MASSAM V THORLEY's***[84] *and as showing that no limitation to the case of a manufacturer was intended;*
*In* ***Powell T.M***[85] *it was held that the function of a trademark is to give an indication to the purchaser...of the trade source from which the goods come or the trade hands through which they pass on their way to the market' as per Bowden L.J.*

It is worth nothing that in the definition which we have in the Trademarks Act the draftsman made provision for the system of 'registered users.' Accordingly, this system implies a definite departure from the principle that a trademark should indicate one trade source exclusively.

The practical effect however, so far as the purchaser is concerned, may be negligible, to the extent that as was no doubt the intention, the Registrar's authority to register users is only exercised when he can feel assured that the association between the proprietor and any registered user is such that whatever assurance as to the quality of the goods would be conveyed if the use of the trademark were confined to a single trade will not be reduced.

The provision in **S.30(2)** and **(3) of the Act**[86] that provide 'permitted use' is to be deemed use by the proprietor makes it possible for other provisions of the Act to be framed as if the principle that a trademark connotes to a single trade source was still maintained.

Also included in the definition is a phrase 'with or without any indication of identity.' The express words providing that the identity of the person whose goods are indicated need not be disclosed embody a rule well recognized which may give rise to actions for passing off. The definition of a trademark under the Act does not make it an essential requirement that the mark should in fact be

[84] (1880) 14 CH.D 748
[85] (1893)2 Ch 388
[86] Supra (n.59)

distinctive, nor that it should be capable of distinguishing the goods of the trader who uses it, although as has been pointed out, such considerations are material as affecting registrability under **Sections 10** and **11 of the Act.**[87]

In **BASS V NICHOLSON** it was held that there is a difference between the statutory definition of a trademark which includes trademarks which may not be registrable, and the definition of a trademark which before the Acts could be protected in an action for infringement.[88] However, **Lord Esher** in his observation in the case of **RICHARDS V BUTCHER**[89] expressed dissent that in his view, to come within the definition, it must be shown that the market accepted the mark as distinguishing the goods.

In the case of word marks, one of the most difficult questions which arise in particular cases is whether the indication is an indication of some connection between the goods and a trader, or is a mere name or description of the goods from whatever source they come. In framing any definition of a trademark entitled to protection prior to the registration Acts, a word understood as a mere name or description of the goods irrespective a trade connection with a particular business would have to be excluded, but it has been recognized that a word may be understood as indicating such a connection although it is in fact used as a name for the goods or understood as involving also a descriptive meaning.

To fall within the statutory definition it is sufficient that the purpose or the interpretation by the public should be to indicate a connection, though no doubt where a mark is in actual use, evidence as to the way in which it has been used by the party claiming an exclusive right may be more congent than oral evidence of intention. It is necessary to emphasise the fact that a mark which falls within the definition is not necessarily registrable.

Finally, the connection indicated must be a connection 'in the course of trade.' It was held in the case of **ARISTOC V RYSTA**[90] that the execution of repairs on socks made by manufacturers

[87] Ibid
[88] (1932) AC 13
[89] (1891) 2 ch 522
[90] (1945) Ac 68

other than the repairers, the repaired socks being returned to their owners and not offered for sale, did not involve a connection in the course of trade between the socks and the repairer such as to enable the latter to register as a trademark a mark applied to the socks to indicate that they were repaired by him.

In **BESTOBEL V BIGG**[91] the court observed that the trade must more over be in the goods concerned, thus marks used on documents such as insurance policies or coupons for football pools, although they might serve to distinguish the documents of the party issuing them, are not 'trademarks.' It has further been held that there is no trade in this sense unless it is carried on with the intention of establishing the product line concerned on the market as something individually profitable.

## 2.5 THE NATURE OF A TRADEMARK

The function of a trademark is to give the goods in relation to which it is used a specific identification. At common law that identification is provided by using a trademark to indicate that the proprietor is the source or the origin of the goods provided.

It follows that a trademark may be used as the only means of identifying the goods in relation to which it is used without announcing the name of the person who is the source there of used in that way, it is capable of representing a standard of quality as a commercial fact but the law does not require that any particular standard shall be attained or maintained. When so used, the effect will be to concentrate in the trademark virtually the whole of the good will of the business in those goods.

If a trademark is an unregistered mark and it is used without indicating the identity of the proprietor, there is a danger that it will become a generic term for the particular characteristics of the goods in question and so loses its capacity to act as a trademark of any particular supplier of those goods.

[91] (1975) FRS 421

In **POWELL V BIRMINGHAM VINEGAR BREWERY**,[92] the respondent had for years manufactured and sold under the name "Yorkshire Relish" a sauce made according to a secret recipe, and the term "Yorkshire Recipe" had come to mean that particular manufacture. The appellants began to make a sauce, nearly resembling the respondent's sauce, which they sold as Yorkshire Relish so as to induce purchasers to believe that it was the respondent's "Yorkshire Relish", although the purchasers did not in fact know the name of the respondent in connection with the sauce. It was held by the House of Lords that the respondent was entitled to an injunction retraining the appellants from using the words "Yorkshire Relish" in connection with their sauce without clearly distinguishing it from the respondent's sauce.

The trademark has thus acquired an expanded function which can be attributed in part to the fact that the modern market is not susceptible to or even dependent upon the knowledge of the identify of different sellers. Trade does not serve to indicate origin, as one court said though the identity of that source may in fact be unknown to the public. Thus, the functions of modern trademark have expanded as the modern market has evolved to include an indication of origin, a guarantee of quality and a marketing and advertising device. Therefore the legal protection of a trademark serves to both protect the public from confusion as well as protect the trademark owner from losing his market.

[92] (1897) AC 710 at 715

# CHAPTER THREE

## 3.0 THE CONCEPT OF TRADEMARK INFRINGEMENT

The word infringement means an interference with or the violation of the right of another, particularly the right to a patent copyright or a trademark.[93] Infringement is made where under **S.6(1) of the Act,**[94] a person not a proprietor uses a mark identical to his trademark so as to deceive or cause confusion in the course of the trade in relation to goods for which it is registered so that the mark is taken as being a trademark; or incase of an advertisement to make the public believe that he is the registered user of such a trade mark.

## 3.1 THE DEVELOPMENT OF THE LAW OF INFRINGEMENT

It has been said upon the authority of **SOUTHERN V HOW**[95] that an action lay for infringement of a trademark as early as the reign of James I. in that case the defendant, a clothier, had applied the mark of another clothier to his own inferior cloth and it was held that for this an action of deceit could be brought. According to one report the action was brought by the owner of the mark, and if this is correct, the case does undoubtedly establish the proposition suggested. According to another report, however, the plaintiff was the defrauded purchaser, and the action therefore an ordinary action of deceit.

In the case of **BLANCHARD V HILL,**[96] Lord Hardwicke refused to grant an injunction to restrain a trader from imitating the mark of another, but the language of the judgment suggests that if the defendant had used the mark with a fraudulent design to pass off inferior goods by that means, or to draw away customers from the owner of the mark, he might have granted the injunction. Lord Eldon, in **HOGG V KIRBY**[97] so greatly extended the jurisdiction of the court of Chancery in regard to injunctions to restrain a defendant from pretending that his goods were those

[93] Leslie and Sheila, Osborn's Concise Law Dictionary, 8th Ed, Sweet & Maxwell, pg 177
[94] Supra, (n.59)
[95] (1618) Popham 144
[96] Cro. Jac 472
[97] (1803) Ves 215

of or were connected with the plaintiff. In the case of **CRUTTWELL V LYE**[98] James L.J stated that:

*"There can be no doubt that this court would interpose against that sort of fraud which has been attempted by setting up the same trade in the same place, under the same sign or name, the party given himself out as the same person."*

The case of **EDEN ON INJUNCTIONS**[99] in the earliest reported case concerning infringement of a trademark in which a label placed upon blacking was restrained.

### 3.2 INFRINGEMENT AT COMMON LAW

In its infancy the Anglo-American common law of Trademark clearly was meant only to prevent 'palming off' that is, passing of goods of one producer as those of another. The offer of legal protection meant that a producer could prevent others from producing goods and selling them as his own.

The interference of the common law courts for the protection of trademarks seems to have been a little later in date. The first reported case **SYKES V SYKES**[100] in 1824. The declaration in that case alleged that the plaintiff carried on the business of a shot belt and powder flask manufacturer; that he was accustomed to mark his goods with the words 'Sykes Patent' to distinguish them from articles of the same description made by other persons, that they enjoyed a great reputation that the defendants fraudulently marked their own inferior goods with the same mark in imitation of the plaintiff's and sold them "as and for" goods of the manufacturer of the plaintiff, and that the plaintiff thereby had suffered damage in loss of custom and loss of reputation. The jury found that the defendants adopted the mark in question for the purpose of inducing the public to suppose that the articles were not manufactured by them but by the plaintiff. On appeal, ABBOT C J treated the law as fully settled and stated that:

*"I think that the substance of the declaration was proved. It was established most clearly that the defendants marked the goods manufactured by them with the words 'Sykes Patent' in order to*

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[98] (1810) 17 Ves 335
[99] (ed 1821) p. 314 on 1816
[100] (1824) 3 B & C 541

*denote that they were the genuine manufacture of the plaintiffs, and although they did not themselves sell them as goods of the plaintiff's manufacture, yet they sold them to retail dealers for the express purpose of being resold as goods of the plaintiff's manufacture."*

This judgment has frequently been cited in subsequent cases as fully establishing so far as it went, not only the jurisdiction of the courts, but also the principle upon which they proceed in trademark cases.[101] It can therefore be re-affirmed that at common law, a trader could ask the courts to protect him from the improper use of his mark by others who would pass off their goods as his, but to do this one had to establish by congent evidence from the purchasing public and the trade that the mark had come to denote his goods and his alone.
To avoid the difficulty of proving infringement, the Trademark Acts were passed. It was and still is intended to be a great advantage to a trader to have his mark registered under the Act. This advantage to him is a corresponding disadvantage to his rivals because he monopolises the trademark.

Registration of a Trademark dispenses with the difficulty, expense and uncertainty involved in establishing repetition and likelihood of confusion in a passing off action. In situations where the requirements of registration are not, or cannot be satisfied, a trader can still rely of the broader principles of passing off.

In England, registration of Trademarks begun with an Act of 1875 which was then followed by a series of Acts which have altered the system then set up almost beyond recognition, although it is still important from time to time to refer back to the early versions of the present sections, for example bits of the present Act are indeed incomprehensible except in conjunction with not only its predecessors but also the law before registration begun.

In Uganda, the Trademarks Act, a replica of the 1938 Trademarks Act of England is the basis for legal or statutory protection against infringement setting down the rules governing and regulating the use of Trademarks in Uganda. That being the case, for a trademark proprietor to seek relief for

[101] Supra, (n.98)

infringement under the Act, his trademark must strictly comply with the provisions there under. According to **Section 5 of the Act,**[102] provides that:

> *"No person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trademark, but nothing in this Act shall be deemed to affect rights of action against any person for passing off goods as the goods of another person or the remedies in respect there of."*

Under **S.8 of the Act,**[103] infringement occurs if the purchaser or owner of the goods breaches the restrictions made to him by the registered user unless that person became the owner of the goods by purchase for money or moneys worth in good faith before receiving the notice of the obligation.

Simply defined, infringement is the unlawful use of a trademark or a trade name. until 1938 the Trademark Acts contended themselves with giving to the registered proprietor of a mark the "exclusive right" to the use of the mark leaving the precise ambit of that right to be decided from decided cases. **S.6(1) of the Trademarks Act**[104] gives the registered proprietor of a valid mark (other than a certification mark) the exclusive right to the use of that mark in relation to those goods for which it is registered.

In addition 'without prejudice to the generality of' the words in the subsection granting the exclusive right, this right is deemed to be infringed under **S.6(1) of the Act** by any person who, not being the proprietor or a registered user, uses a mark identical with it, or so nearly resembling it as to be likely to deceive or cause confusion in the course of trade in relation to any goods in respect of which it is registered and in such a manner as to render the use of the mark likely to be taken either as being use as a trademark; or; 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 registered user to use the trademark or to goods with which such a person as a foresaid is connected in the course of trade.

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[102] Supra, (n.59)
[103] Ibid
[104] Ibid

However, there is a limitation as to validity of registration. The exclusive right arising from the registration is subject to the limitation that the registration must be valid. A defendant who challenges validity will ordinarily counterclaim to rectify the register as well as pleading invalidity by way of defence.

The first point to observe in regard to the effect of **S.6(1) of the Act**[105] is that in words 'give the exclusive right' the stress on the word 'exclusive.' The right which is thus given by a valid registration is the right to exclude others from the use of the trademark. Thus in the case of **BISMAG LTD V AMBLINS (Chemists) LTD,**[106] the plaintiffs were the owners of a trademark in the words 'Bisurated.' They supplied 'Bisurated Magnesia' the proprietory medicine sold with a published formula. The defendants who were manufacturing chemists and retailers sold the plaintiff's goods and also made and sold a similar preparation which they called 'Bismuthated Magnesia.' They published a pamphlet containing a list of various preparation medicines made to formula, including 'Bisurated Magnesia' and opposite this list a number of medicines made by them, said to be similar in all respects to the proprietory medicines but sold as stated, at a much lower price, the formula published in both lists being identical. The plaintiffs claimed an injunction to restrain the defendants from infringing their trademark. It was held that the defendants had used the plaintiffs trademark as a convenient method of describing the merits of their own good and had infringed the exclusive rights of the plaintiffs as described in section 4(1) of the 1938 Trademarks Act of England, which corresponds with **S.6(1)** of the Trademarks Act.[107]

In general, registration gives no right to use a trademark which would not exist without registration. In one case where some sort of right is provided for the proprietor himself to use the mark, it does so by virtue **S.6(4)** not **S.6(1) of the Act.**[108]

The next issue that would have to come to mind is whether and to what extent the exclusive right of use granted by **section 6**[109] of the act is confined to use of the nature of use as a trademark. This issue involves a difficult question of the construction of the subsection. It is important to note that

[105] Supra, (n.59)
[106] Supra, (n.57)
[107] Supra, (n.59)
[108] Ibid
[109] Ibid

under the previous Trademark Acts, the 'exclusive right' given by registration was limited to use as an indication of the origin of the user's goods. Prima facie, the use in the 1938 Act of the same words should imply the same limitation. However, the new subsection places side by side in **Sections 6(1) (a) and 6(1)(b) of the Act**[110] as instances of infringement of the exclusive right, use a trademark and use 'importing a reference' to the proprietor of the registered mark or his good.

This last provision shows a clear intention to convey acts which, under previous Acts did not infringe the exclusive right. Prima facie then, the 'exclusive right' should now be taken to cover this wide subject matter.

**S.6(1)(b)** is limited to advertisements and the like, if the general words are to be construed as wide enough to include the subject matter of **S.6(1)(b)** that limitation is without effect, and the section should be construed as any section so that each word is given its effect.

This question has come directly before the courts in only two cases. In the first case **BISMAG LTD V AMBLINS,**[111] the defendant's acts fell flatly within the words of **S.6(1)(b) of the Act** and the use complained of was as the paragraph requires, in an advertisement. Consequently, it was not necessary for the court to decide that, if anything S.6(1) covers beyond what is specified in S.7(1)(a) and 6(1)(b) all these three members of the Court of Appeal concerned, Mackinon L. J refused to give effect to **S.6(1)(b)** at all, which would seem clearly wrong although Simonds J. had taken a similar view. Lord Greene M.R took the opposite view as follows:
First, since S.6(1)(b) is concerned with use that is essentially a trademark use, the whole subsection should be limited to use in some sort of trademark sense. Secondly since S.6(1)(a) covers everything that was before 1938 considered as coming within the exclusive right of the proprietor, S.6(1)(b) must be intended to cover something that was not considered as infringing before 1938; and Thirdly this means in particular that in connection with S.6(1)(b) the words "uses in relation to goods" occur in the earlier part so the section as defining the exclusive right. Logically this seems unassailable; but it seems to presuppose that the draftsman of the section had a clarety of mind commensurate with Lord Greene's which he obviously did not.

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[110] Ibid
[111] Supra, (n.57)

Furthermore it leads Lord Greene to the conclusion that the defendant's acts in that case infringed the general words of S.6(1) as well as 6(1)(b) thus making the limitation of 6(1)(b) to advertisements and the like ineffective as was remarked above. This third proposition of Lord Greene's seems accordingly open to doubt on its face. The third member of the court, Clauson, LJ appears to take the same view as Lord Greene although he is less explicit.

Accordingly, the case ought to be taken as deciding that in some degree, it is not clear that the 'exclusive right' now given to the registered proprietor of a trademark is wider than the older cases would require.[112] Lord Macmillian expressed a preference for the dissenting judgments of Simonds J and Mackinnon L.J whilst Lord Maugham with whom Lord Wright concurred seemed unhappy with the conclusion reached by Lord Greene and Clauson L.J.

Thus whilst diminishing the authority of **BISMAG V AMBLINS**[113] the House of Lords did not overrule it, so it is still binding upon lower courts and the whole matter remains in doubt. Probably, if any when the point is finally decided, the courts will adopt a view no member of the court took in **BISMAG V AMBLINS**[114] that the 'excusive right' of S.6(1) covers what is covered before 1938, plus what is specified by section 6(1)(b) and nothing more.

The older cases also show that in order to establish infringement the defendant must in particular be shown to have used or intended to use the goods marked with the spurious mark for trading purposes whether for sale or as samples to enable him sell similar goods and whether these are or are not themselves marked for the essence of the wrong is that purchasers of the spuriously marked goods are deceived, and the plaintiff incidentally suffers by the loss of their custom which would or might, but for fraud come to him. However the court will not readily believe that the defendant does not intend to use vendible goods marked with the spurious mark for trading purposes if they are found in his possession and either he is a trader in goods of the kind or the quantity of the goods in considerable.

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[112] Aristoc Ltd V Rysta Ltd (1945) 62 RPC 65
[113] Supra, (n.57)
[114] Ibid

In the case of **UPMANN V FORESTER**[115] where the defendant, a China manufacturer had imported 5000 spuriously marked cigars, he was held liable, although he did not know that the mark was spurious and said that he intended the cigars for 'family use'.

The use of a plaintiff's mark on goods for which it is registered may be an infringement although it is intended merely as an advertisement of another description of goods. More to that, the trade in which the mark is used must be for there to be infringement, a trade in the goods for which the mark is registered.

## COUNTERFEITING GOODS BILL

The word **counterfeiting** includes the deliberate and fraudulent mislabeling of medicines with respect to identity or source, whether or not such products have correct ingredients, wrong ingredients, have sufficient active ingredients or have fake packaging;[116] the bill has improved the clauses which may have an effect on access to medicines; it also creates clarity about the definition of counterfeits with the previous more expansive definition that included patents having been dropped.[117]

Counterfeiting is a fast growing phenomenon posing major threats to the growth of many economies around the world. Its origin is traced to China and several parts of Asia pacific mainly because of their low cost labour, cheaper prices, size and proximity of markets. Despite its obvious importance, counterfeiting is given little attention especially in Uganda where trademark counterfeiting is the biggest peril to registered businesses and owners to trademarks. As a member of the World Trade Organisation, Uganda is required to adhere to the provisions of the Trade Related Aspects of Intellectual Property Agreement (TRIPS) however; its trade laws and regulations still do not comply with the TRIPS and are outdated and ineffective in many respects.[118]

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[115] (1883) 24 ch. D 231
[116] The Counterfeit Goods Bill, 2007
[117] Internet: http://ipsnews.net/news.asp?idnews, down loaded on 5/8/10, pg. 1-3
[118] Supra, (n.116)

Uganda's counterfeit problem is mainly aggravated by its lack of adequate enforcement of the trademark laws, weak punitive measures that instead encourage trade of counterfeit products, lack of a specific institution charged with incriminating offenders and irregularities in the companies' registration office. More so, the institutions currently responsible for enforcing the Trademark Act lack adequate capacity, skills and resources to effectively contain counterfeiting. They are; UNBS, Uganda Revenue Authority (URA) and Uganda Police.[119]

**S.2 of the Bill**[120] which defines counterfeiting and counterfeit goods, is void of a provision distinguishing generic medicines from counterfeit goods, failure of which will lead to a situation of treating generics as counterfeits.

## Effects of counterfeiting

Counterfeit foods and beverages are on the increase in the Ugandan market and most have failed the quality and health tests of the Uganda National Bureau of Standards (UNBS) and not fit for human consumption. Worse still, many of these products are packaged in ways that consumers are unlikely to differentiate the counterfeit from the genuine product. Also, while Uganda may be recording high positive growth in the construction sub-sector, indubitably, there is need to question the quality of the buildings being constructed in and around the country especially those that do not employ services of professional contractors in the process of construction. This is because the UNBS quality and safety tests have found some contraction cement and many electric cables to be counterfeit and predict future catastrophes such as buildings collapsing and catching fire as a result of poor construction materials.[121]

In recent market surveillances to curb counterfeit electric cables, the UNBS conducted quality and safety tests on 17 electric cables found on the local market and only 10 passed these tests. The other 7 did not meet the standard requirements to transmit electricity. For instance, the counterfeits wires were not made of 100% copper, which is the standard element required for transmission of electric current. These cables had 30 wires as opposed to the standard 50 wires in each and were poorly insulated to handle high voltages of power. Despite the above findings, all the counterfeit

[119] Ibid
[120] Ibid; and internet: http://allafrica.com/stories/200905110139.html, downloaded on 5/8/10 pg. 2
[121] Ibid

electric cables are still being sold to the public and most of them possess counterfeit trade names such as AEI, Emkay England and Everlast Italy to deceive buyers into thinking they are the genuine cables.

Uganda continues to be a dumping ground for counterfeit goods especially from China, India and Taiwan. Despite this influx, the Uganda Revenue Authority continues to battle with measures of raising domestic revenue through its limited tax base. More so, Uganda's local industry is greatly undermined by these products given the fact that they seem to be cheaper and better to the consumer although costly in the longrun. Some of the key implications of these goods to the economy are listed below;
Loss of domestic revenue which would have otherwise been earned from VAT and Income Tax; loss of confidence in genuine products whose trademark right has been infringed; deterrent to local investors; and undermining of the East African customs free trade area benefits.

Nice House of plastics recorded a loss of revenue equivalent to 2 million toothbrushes in 2004, which nearly led to closure of the toothbrush factory. This resulted from an influx of counterfeit toothbrushes on the local market that were being sold for the same price as the genuine Nice toothbrushes. Effects pointed by other local manufacturers are; loss of market share by the registered local manufacturers as a result of counterfeits; lack of confidence by consumers in the product following announcement of counterfeits, which invariably affects future sales and survival of the firm; loss of jobs and uncertainty of continued production and growth by affected industry as was the case with Nice House of Plastics; and extensive damage to the image of the legitimate brand and firm.

Under **S.24(1) of the Counterfeit Goods Bill**[122] empowers inspectors to enter or inspect any place where there are goods suspected to be counterfeited, seize them, terminate the manufacturer, seize and detain or if the suspects that the persons in such a place have relevant information may make investigations in regard to the counterfeited goods; he may also arrest without a warrant, any person whom he suspects upon reasonable grounds of having committed any offence under the Act and may search and detain such a person; and further that any person who obstructs the inspector

[122] Ibid

in the discharge of his duties is guilty of an offence under **S. 25(1) of the Counterfeit Goods Bill.**[123]

## THE ANTI-COUNTERFEITING BILL

This bill in its definition of counterfeiting and counterfeit goods has restricted to copyright and trademarks and excludes patents.[124] The bill is also important because it has provided a specific clause on medicines, counterfeiting.

However, the dangers of counterfeit definition in this bill is that the terms "identity and source" are not explained therefore 'identity' could also refer to the trademark or the trade name of the drug, which means that a drug of good quality but having a close similarity with another trademark or trade name can be termed as a counterfeit drug. And that the term 'source' could be interpreted to mean the patent holder of that product or the chemical entity. In both cases the definition would address intellectual property issues and not health issues.[125]

It is also indicated that this bill gives the National Drug Authority express jurisdiction to handle matters where medicines are involved. However this should allay the fears of those who feel that the Uganda National Bureau of Standards which was previously tasked with fighting counterfeits, was not competent to deal with or distinguish counterfeits from generic drugs.[126]

This has become the concern of the civil society organizations because the passing of this bill may trade away the flexibilities which the World Trade Organisations had extended to Low Developed Countries under the TRIPS agreement and that allow them take advantage of technological advancements and gain the capacity to produce their own drugs.[127]

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[123] Ibid
[124] The Anti-Counterfeiting Bill May 6, 2010
[125] Ibid
[126] Ibid
[127] Ibid

## THE TRIPS AGREEMENT

Provides for civil and administrative procedures and remedies some of them are provided below:

Under **Article 42**[128] provides for fair and equitable procedures for the holders of rights, defendants have the right to written notice which is timely with sufficient details, and parties are allowed to be represented by independent legal council and procedures do not have to impose burdensome requirements on mandatory personal appearances.

Under **Article 44(1)**,[129] provides for the injunctions where judicial authorities are mandated to order a party to desist from an infringement to prevent the entry into the channels of commerce in their jurisdiction of imported goods that involve the infringement of an intellectual property right, immediately after customs clearance of such goods; **Article 46**[130] empowers judicial authorities to order goods that they have found to be infringing be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to avoid any harm caused to the right holder, or unless this would be contrary to existing constitutional requirements, destroyed; and **Article 47**[131] provides the right of information. The judicial authorities have the authority, unless this would be out of proportion to the seriousness of the infringement, to order the infringer to inform the right holder of the identity of third persons involved in the production and distribution of the infringing goods or services and of their channels of distribution.

Furthermore, **Article 48**[132] provides that the judicial authorities shall have the authority to order a party at whose request measures were taken and who has abused enforcement procedures to provide to a party wrongfully enjoined or restrained adequate compensation for the injury suffered because of such abuse; under **Article 50**[133] provides for the provisional measures enforced by the judicial authorities this includes prevention of an infringement of any intellectual property right from occurring, and in particular to prevent the entry into the channels of commerce in their

[128] The TRIPS Agreement, 1994
[129] Ibid
[130] Ibid
[131] Ibid
[132] Ibid
[133] Ibid

jurisdiction of goods, including imported goods immediately after customs clearance; and to preserve relevant evidence in regard to the alleged infringement.

**THE INDUSTRIAL PROPERTY BILL**

This Bill provides for the promotion of inventive and innovative activities to facilitate the acquisition of technology through the grant and regulation of patents, utility models, technovations and industrial designs.[134]

The Bill, if enacted into law, would modernize an important part of Uganda's regime of intellectual property law. It covers all industrial property (patents, industrial designs, utility models and technovations) except trademarks.[135]

Despite the fact that the Act has been in place for quite a long time, it is worth noting that there is actually a paucity of case law on the subject yet many infringements have occurred.

## 3.3 STATUTORY PROTECTION

### 3.3.1 TRADEMARK PROTECTION UNDER THE TRADEMARKS ACT CAP 217

For a trademark proprietor to enjoy the benefit of legal protection, his trademark must, as has already been noted, have been legally registered since registration is a precondition for enjoying such benefit under the Trademark Act.[136] **S.4** thereunder is to the effect that:

> *"No person shall be entitled to institute any proceeding to prevent or to recover damages for the infringement of an unregistered trademark, but nothing in this Act shall be deemed to affect rights of action against any person for passing off goods as the goods of another person or the remedies in respect thereof."*[137]

[134] The Industrial Property Bill, 2001
[135] Ibid
[136] Supra (n.59)
[137] Ibid

Simply put, one cannot bring an action for infringement under the Act unless his trademark is registered. One would definitely want to know which then are the rights accruing to a proprietor for registering a trademark?

The registered owner has the exclusive right to use the trademark. **S.6**[138] **of the Trademark Act** is to the effect that:

*"Subject to the provisions of this section and of* ***Sections 9 and 10 of this Act***[139] *the registrar of (whether before or after the commencement of this Act) of a person is part A of the register as proprietor of a trademark (other than a certification trademark) in respect of any goods shall, if valid, give or be deemed to have given to that person the exclusive right to the use of a trade mark...that right shall be deemed to be infringed by any person who not being the proprietor of the trademark or a registered user thereof using by way of permitted use, uses a mark identical with it or so nearly resembling it as to be likely to deceive or cause confusion in the course of trade in relation to any goods in respect of which it is registered."*

This definition of the specific subject matter of trademark right encompasses two things, that is the right to the use of the trademark and the right to exclude others from using the mark. The positive right of use belonging to the trademark owner is recognized in most trademark laws.

The meaning of the right of use ought to be explained. It means first the right of the owner of the mark to affix it on goods, containers, packaging, labels among other things or to use it in any other way in relation to the goods for which it is registered. More to that, the right of use also means the right to introduce the goods to the market under the trademark. This right is a continuing right and consequently a proprietor can object to acts that infringe that right such as the repackaging of the goods bearing his mark, the destruction of the mark on the goods or the alteration and subsequent sale of his products under his name.

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[138] Ibid
[139] Ibid

Under this general right to use a trademark is the trademark owner's right to use his mark in advertising, on business papers, documents and so on. It must be noted however that not every act covered by the right to use a trademark is necessarily sufficient to fulfill the obligation to use.

The second general right to exclude others from using the mark follows from the mark's basic function of distinguishing the goods of its owner from those of others that he must be able to object to the use of confusingly similar marks in order to prevent consumers and the public in general from being misled. This is the essence of the exclusive right afforded to the trademark owner by registration.

The exclusive rights of the trademark owner can be exercised by means of an infringement action. The trademark is infringed if, owing to the use of an identical or similar sign for identical or similar goods there is a risk or likelihood of the public bearing misled. The test to be applied in an infringement action is narrower than in an administrative procedure. It is not a hypothetical test, but it has to deal with the reality of infringement in the market place. Consequently, the court has to consider how the infringer is actually using the trademark and the extent of use of the infringed mark may also be significant.

**S.14(1) of the Trademarks Act**[140] provides that the Registrar may not register any trademark in respect of any goods or description of goods that is identical with a trademark belonging to a different proprietor and already on the register in respect of the same goods or description of goods or that it so nearly resembles such a trademark as to be likely to deceive or cause confusion.

**S.14(2) of the same Act**[141] provides that in case of honest concurrent use or other circumstances which in the opinion of the court or the registrar make it proper so to do, the court or registrar may permit the registration of trademarks that are identical or so 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 fit.

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[140] Ibid
[141] Ibid

In **RE LYNDONS TRADEMARK,**[142] Pearson J relying on **RE WORTHINGTON & CO. TRADEMARK** [143] held that;

*"The question whether a new trademark is so like another is to be calculated by considering whether the new mark is so like the other one when they are both fairly used; that is, one is likely to be mistaken for the other regard being had to size, the material on which the mark is to be impressed, the effects of wear and tear and other surrounding circumstances."*

According to Fry L.J, the words 'calculated to deceive' import at first sight a design to deceive but I think that this is plain both from the rest of the section and from decisions of the court that a mark is within the section calculated to deceive when the mark fairly used is so like a mark on the register also fairly used that one is likely to be mistaken for the other.

In the case of **NORTH CHESHIRE & MANCHESTER BREWERY CO. LTD,**[144] the applicant bought an old brewery and without planning to deceive called it North Cheshire and Manchester Brewery. The judge held that;

"when I see that the name of the appellant company is literally and positively the same name as that of the rival company and that it is only prevented from being identical in name by the addition of another name, I think that the inevitable result is that one who saw the two names would arrive at the conclusion without any doubt that the two companies both with a well known name are the same. It is perfectly immaterial if they were fraudulent or not."

In **RE WORTHINGTHON & CO. TRADEMARK**[145] James L.J was of the view that the intention of the legislature was to prevent a person having a trademark from being liable to injury by another trade mark which might be used to imitate his or be passed off as his. Brett L.J was of the view that it is not only the design that matters but how the trademark will be used in the course of trade which may mislead the public.

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[142] (1886) 32 Ch.D 109
[143] (1886) 14 ch. D 18
[144] (1899) AC 83
[145] Supra, (n.142)

The trademarks Act not only provides for an infringement action but also offers an administrative opposition procedure against an application for the registration of a confusingly similar trademark. The test here is much broader because allowance has to be made for the risk of confusion that could arise from any use that the applicant might possibly make of his trademark if it were registered. However there is more justification for applying such a broad test in opposition procedures since it is the owner of the right who opposes the application and therefore demonstrates his interest in defending his right against the registration of a confusingly similar trademark.

**S. 20(1) of the Act**[146] provides for opposition to registration. **S. 21(2) of the same Act**[147] provides that any person may within the prescribed time from the date of advertisement of an application give notice to the Registrar of opposition to the registration. According to **S.21(3)**[148] the notice shall be given in writing in the prescribed manner and shall include a statement of the grounds of opposition.

The registrar too has been granted power to refuse registration of a trademark. In the case of **COCA COLA EXPORT CORPORATION V REGISTRAR OF TRADEMARKS**[149] the registrar refused the appellants' application to register the word 'splash' in part A of the trademark register in respect of a beverage on the ground that the word had direct reference to the character or quality of the goods and therefore was not registrable under section 12(1)(d) of the Trademarks ordinance. On appeal, Buron Ag CJ held; that the common grounds on construction and application of section 12(1)(d) of the ordinance, sub paragraph (d) thereof must be taken in conjunction with sub paragraph (e) whereby the word mark must be distinctive. One has to look at the word which is registered, not in its strict grammatical significance but as it would represent itself to the public at large who are to look at it and to form an opinion as to what if connotes. The onus of satisfying the tribunal that the word in question is suitable for registration is on the applicant. Together with the question whether a trade mark is distinctive, the question whether a trademark is confusingly similar to an earlier right is one of the cornerstone of practical trademark

[146] Supra, (n.59)
[147] Ibid
[148] Ibid
[149] (1969) EA 677

protection. With this background of distinctiveness, it is now appropriate to understand the concept of confusing similarity.

The test of whether the goods are similar is based on the assumption that identical marks are used. Indeed identical marks are unlikely to cause confusion as to the origin of the goods if the goods as very different.

The general rule is that goods are similar if when offered for sale under an identical mark the consuming public would be likely to believe that they came from the same source. All the circumstances of the case must be taken into account including the nature of the goods, the purpose for which they are used and the trade channels through which they are marketed but especially the usual origin of the goods and the usual point of sale. The test in establishing whether the marks resemble was set out in the case of **BROOKEBOND KENYA LTD V CHAI LTD.**[150] This is the impression on the average, a peasant customer going into a village shop or a housewife going into a city supermarket might well accept or take the goods of the opposed applicant in mistake for the goods of the opposing applicant. Related to the above, court observed that judicial notice may be taken of the number of illiterate persons likely to buy the good and this fact should be borne in mind.

In **LONDON OVERSEAS TRADING CO. LTD V THE RALEIGH CYCLE CO. LTD**[151] it was entirely held that the resemblance between the two marks must be considered with reference to the ear as well as to the eye.

Another aspect to be considered is the nature and composition of the goods. If they are largely made of the same substance they will generally be held to be similar even if they are used for different purposes. Raw materials and finished goods manufactured out of the raw materials are not normally similar however since they are generally not marketed by the same enterprise. Depending on the circumstances of the specific case, one or more of the aspects mentioned may

[150] (1971) EA 10
[151] (1959) EA 1012

determine the decision on whether goods are similar or not. Generally however, they will all have to be considered.

Trademarks too can be more or less similar to each other. The test, of course, is whether they are confusingly similar. A trademark is confusingly similar to a prior mark if it is used for similar goods and so closely resembles the prior mark that there is a likelihood of consumers being misled as to the origin of the goods. If the consumer is confused, then the distinguishing role of the trademark is not functioning. This situation is bad for consumers but also the trademark owner loses the sale.

A good case to illustrate this point is the Ugandan case **ZENECA LTD V VIVI ENTERPRISES**[152] in the instant case, the plaintiff was the manufacturer and distributor of a drug known as 'Ketrax' in form of red tablets and packed in red and yellow get up. Later the defendant a pharmaceutical company started selling and passing off another drug known as 'vetrax' also packed in red and yellow get up. The plaintiff argued that the defendant's conduct was calculated to deceive and mislead members of the public that the said drug 'vetrax' is that of the plaintiff thereby passing off the drug as that which was manufactured by the plaintiff and buying the defendant's drug leading to injury of reputation and suffering loss and damage. It was not disputed that the drugs, the subject matter of this dispute, were used in the treatment of worms.

The judge first directed herself to the nature of evidence required, which was set out in the case of **PARKE DAVIS & CO V OPA PHARMACY**[153] where the court stated thus;

*"Kerly at page 421 has by reference to cases not available to use, given instances of the type of evidence by which a court should be guided, such evidence that there has been no confusion, evidence of the circumstances usually attending distribution and sale of the goods under consideration of the type of customer and of the degree of discrimination commonly expert evidence as to the circumstances attending the sale of goods in the particular trade and as to the ordinary class of customers served their intelligence and education what they particulary look for in purchasing the plaintiff's goods."*

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[152] [1994] HCCS 482 /94
[153] (1961) EA 566

It was also pointed out in **Halsbury's Law of England,**[154] that the plaintiff must prove that the defendants' use of the name or mark was likely or calculated to deceive and therefore cause confusion and injury actual or probable to the good will of its business. The judge found that the test to be applied was set out in the case of **HARIA INDUSTRIES V P.J PRODUCTS LTD**[155] and this is whether an average customer without any precise recollection of the article that he wants but acting with reasonable care would if he saw the article complained of be likely to be confused. The judge also found that the burden lies on the plaintiff to satisfy court that there has been an infringement of its trademark. The plaintiff also has to prove that there is a resemblance between the two get ups which is deceptive. In **PAYTON CO. LTD V SNELLING LAMBARDE & CO. LTD**[156] the duty of court in the matter is to decide whether the get up complained of does not so nearly resemble the plaintiff's registered trademark as to be likely to deceive or cause confusion in the minds of the public.

With the above legal provisions in mind the judge turned to the issues and submissions made by counsel. It was stated that the plaintiff had to prove the following elements:

That there was a good will or a reputation attached to the goods or service which he supplied. On this issue the judge found that since it is common ground that Ketrax as a drug has been on the Ugandan market since 1970- a period of over twenty five years, she would be inclined to accept that this period is sufficient for any product worth its salt to have acquired a reputation and goodwill. What constitutes reputation is a question of fact but there is no doubt in my mind that on the facts and evidence available the plaintiff has proved on a balance of probabilities that its product 'ketrax' had acquired a good will reputation on the Ugandan market; and

That there was a representation to the public likely to lead the public to believe that the goods offered by him are the goods and services of the plaintiff. The judge rightly observed that the name 'vetrax' so resembles the name 'ketrax' that it is likely to cause confusion in the minds of the consumer noting that one of the plaintiff witnesses had testified that when he visited western

[154] Volume 38, para 998, pg. 597
[155] (1970) EA 367
[156] (1901) AC 308

Uganda, they thanked him for reducing the price of ketrax. This meant that the customers were buying vetrax thinking it was ketrax.

The judge noted that with such a background the defendant's conduct of putting on the Ugandan market a product which was aimed at under cutting the plaintiff's market in her view could not be said that this was intended to carry out fair and legitimate competition in business.

Lastly the judge dealt with the question of reliefs. One of the reliefs sought was a permanent injunction to restrain the defendant by itself, its servants or agents from selling or offering for sale the drug known as vetrax. In view of her findings the plaintiff was entitled to this relief. The other relief sought was an inquiry as to damages or at the plaintiff option and account of profit.

**Byamugisha, J.** entered judgment in favour of the plaintiff holding that: An order of a permanent injunction to restrain the defendants, its customers and agents from selling or offering for sale the drug known as vetrax; An inquiry be made as to the damages suffered by the plaintiff on account of profit made by the defendant; and Taxed costs of the action be awarded to the plaintiff.

It is important to note that if the plaintiff claims substantial damages, the onus of showing what loss he has actually sustained by reason of the defendant's conduct lies on him. It will not be presumed in the absence of evidence that the amount of goods sold by the defendant under the infringing trademark would, but for the defendant's unlawful use of the plaintiff's mark have been sold by the plaintiff. The proper form for an order for an inquiry as to damages occasioned by the infringement of a trademark is therefore, what damage if any has the plaintiff sustained by reason of the acts the repetition of which is restrained by the judgment.
It is not necessary that there was no intention to confuse the consumer on the part of the infringer. The test here is the likelihood of confusion and it is the only way for the system to function. Of course phrases such as 'likelihood of confusion of the consumer' or 'of the public' have to be interpreted. 'The consumer' does not exist and the public as such cannot be confused. Confusion arises or is likely to arise always in a section of the public. It has to be determined in the specific case what the relevant part of the public is that has to be considered.

In **BROOKEBOND KENYA LTD V CHAI LTD,**[157] Spry, J was of the view that regard must be had to the nature of the goods and the class of people likely to buy them. The more sophisticated, specialized, expensive or extra ordinary the goods and consequently the smaller the class of people likely to buy them, the smaller the danger of deception. Such purchasers are likely to examine the goods with care and to be interested in knowing the manufacturer.

Due to the problem of working in practice with the broad definition of confusing similarity, it has been necessary to develop some rules which can help to define in specific cases whether in the view of the similarity of the two marks, confusion is likely to arise.

The most important point is that the consumer does not compare trademarks side by side, he is generally confronted with the infringing mark in the shop without seeing the product bearing the mark that he knows and remembers more or less accurately. He mistakes the products offered under the infringing mark for the genuine product that he actually wants to buy. In this context it must be taken into account that the average consumer also has an average memory and that must be sufficient for him to doubt whether the trademark with which he is confronted is the one he knows.

According to the case of **HARIA INDUSTRIES V P.J PRODUCTS LTD,**[158] The test in determining whether or not the defendant had put upon the market an article which would be likely to deceive, is whether the average consumer acting with reasonable care would be likely to be confused by the article complained of.

Since the average consumer generally does not at first glance recognize the differences between the marks that he might spot if he took his time to study the mark and product offered under it carefully, the first impression that he gains must be decisive. This is especially true for mass consumption goods offered in self service stores.

Furthermore, unsophisticated, poorly educated consumers and also children are more liable to be confused. The purchaser of a sophisticated and costly machine or car will no doubt be more

[157] (1971) EA 10
[158] Supra (n.155)

attentive than the consumer in a self service store. In those fields therefore, very similar trademarks do co-exist which would probably be easily confused if applied to mass consumption goods.[159]

The second important point when testing the similarity of trademarks is that they should be compared as a whole, and that more weight should be given to common elements which may lead to confusion while differences overlooked by the average consumer should not be emphasized.

Notwithstanding this basic rule of comparing trade marks as a whole and not dividing them into parts, the structure of the signs is important. Common prefixes are normaly more important than common suffixes. If two signs are very similar or identical at the beginning they are more likely to be confused than if the similarity is in their endings. Long words with common or similar beginnings are more likely to be confused than short words with different initial letters.

In **PARKE DAVIS & CO. LTD V OPA PHARMACY,**[160] Court found that since the first two syllabuses in the trading name used by each of the parties, that is 'Capsolin' for the appellant company and 'Capsopa' for the respondents were identical and there was a resemblance in the containers, there was a real possibility or probability of confusion and the appellant company was entitled to an injunction.

The third important point is that highly distinctive marks are more likely to be confused than marks with associative meaning in relation to the goods for which they are registered. The same is true if a mark contains a highly distinctive part and that highly distinctive element is exactly or almost exactly duplicated by the infringing mark. If on the other hand the common element of the two signs is descriptive, the consumers attention tends to focus on the rest of the mark.

When trademarks with a common element are compared, it also has to be established whether there are other trademarks on the register 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. It is a different situation however, if all marks having such a common element are registered and used by the same proprietor or with

[159] Supra (n.153)
[160] Ibid

his consent. This is the special case of the series mark, where the consumers may have become accustomed to associate the series with a common source, and will tend to make the same assumption about any new trademark containing the same element.

However, the mere fact of somebody using a series of trademarks that have a common element is not as such, sufficient to exclude the use of the same element by a competitor as a component of a mark which in the whole is very different. The use of such a common element can only constitute infringement if consumers really have come to recognize the common element of the series of marks used by the registered owner as indicating the source of goods offered by him under the different marks containing that element.

The fourth important point is that confusion can arise from similarity in the writing, the pronunciation and in the meaning of the sign, and that similarity in one of these areas is sufficient for infringement if it misleads the public. With regard to similarity in writing, the graphic representation of the trademark plays an important part. Similarity in pronunciation is important because trademarks that are written differently may be pronounced in the same way and pronunciation counts in oral communication. Even where similarity in writing is avoided by use of very different graphic representations, this does not make any difference when the two trademarks are compared orally.

In **LONDON OVERSEAS TRADING CO. LTD V THE RALEIGH CYCLE LTD**,[161] court acknowledged that the two trademarks, that is, 'Raleigh' and 'Lale' with their pictures actually did not resemble. Court commenting on the two marks observed the trial registrar's observation that 'on looking at the two marks side by side, there is clearly and obviously no possibility of the two marks being likely to deceive or cause confusion.' Court was however dissatisfied with the registrar's observation on grounds that he considered the visual impression only and ignored the sound of the marks. It was held that 'Raleigh' and 'Lale' were pronounced the same and therefore it could deceive and confuse the customers to purchase goods of 'Lale' instead of 'Raleigh.'

[161] (1959) EA 1012

For composite marks the similarity of the word part is normally sufficient as similarity in pronunciation constitutes trademark infringement. Similarity in the figurative part can only lead to confusion if that figurative part is a distinctive element of the mark. Furthermore, in the case of composite marks any similarity in the word parts of the two marks is likely to be emphasized if the figurative parts of the marks are also similar.

If the infringed trademark is being used, the extent of the use can influence the test of confusing similarity. Intensive use increases the distinctiveness of the mark, and confusion with well known marks is more likely even if the goods on which the infringing mark is used are less similar or if the similarity of the mark is less apparent.

The law will not allow a manufacturer of an infringing product to escape liability for such goods when he supplies them to retailers who then pass them on toe the consumer. In the case of **THE EAST AFRICAN TOBACCO LTD V THE COLONIAL TOBACCO CO. LTD**[162] after the appellant's 'cresent-star' brand of tobacco had established a considerable reputation amongst the native peasants of Eastern and Northern provinces of Uganda where it is generally known among illiterate natives as 'Chapa ya Feza' or silver brand, the respondents put on the same market their 'Mpanga brand' of tobacco which was sold. The labels of both brands affixed to the packets in the same manner and position and though they bore different designs they were identical in size and colour. Both brands were sold by retailers to illiterate natives 'chapa ya feza'. It was held that if a manufacturer sells goods in a set up and so clearly resembles that of another person's goods so as to enable his own goods to be sold as the goods of the other person, the manufacturer puts an instrument of fraud into the hands of the shopkeeper. The law will not allow a manufacturer to put a shopkeeper in such a position.

**S. 29(1) of the Act**[163] provides for defensive registration of well known trademarks and any act in line with using such a mark by the non registered party would be taken as an infringement. Reference can be made to the case of **MACDONALD'S CORPORATION V JOBURGERS**

[162] (1938) 5 EACA 6
[163] Supra (n.59)

**DRIVE –INN RESTAURANT.**[164] This is a 1997 South African supreme court case on trademark law. The respondent had appropriated to his own businesses the trademark 'Macdonald' which belonged to the appellant. Court held that to qualify for protection, it is enough for a claimant to prove that the mark was well known as a mark which had its origin in some foreign country provided that as a fact, the proprietor of the mark is a person who is domiciled in or has real and effective industrial establishment in the country. The protection is typical of passing off; namely a prohibition on the use of a mark in relation to goods or services in respect of which the mark is well known and where its use is likely to cause deception or confusion.

A mark will be well known to persons interested in the goods or services to which the mark relates. The question is not whether a few people know the mark well but whether a substantial number of people know it well enough to entitle it to protection against deception or confusion.

Generally, it can be said that the only injury which is done by an infringement is that the defendant's goods are sold instead of those of the plaintiff, and the sale of the latter is in some degree diminished inconsequence. However, it may appear that further damage has been done, like where the spurious goods were so inferior to the genuine ones so as to injure the trade reputation of the plaintiff or where the stress of the competition compels the plaintiff to lower his prices and thus suffer loss.

## 3.4 SAVINGS AND EXCEPTIONS

**Section 6(2) of the Act**[165] imposes the limitation that the exclusive right to the use of a trademark given by **S.6(1) of the same Act**[166] is to be subject to any conditions or limitations entered on the register and is not infringed by any use which does not fall within the scope of the registration so limited.

It is worth noting for example that before the 1938 Act was a limitation as upon the generality of the words 'exclusive right to these of a trademark' to the effect that registration did not give the proprietor a right to prevent others from using the trademark on genuine goods. This was because

[164] (1997) SA 1
[165] Supra (n.59)
[166] Ibid

such use could not cause deception which was a necessary requirement for infringement. However, under the Trademarks Act it is now clear that infringement can occur under **S. 6(1)(b)**[167] where the use of the mark need not involve any likelihood of deception.

In the case of adulterated goods, the question would be whether the goods have so been altered as to be different goods or whether it is still true that they are goods connected in the course of trade with the proprietor, in relation to which he used the mark concerned. If a proprietor wants to stop use after the goods have been altered, he would have to rely on the provisions of **S.8 of the Trademark Act**[168] and if he considers his mark is being misleadingly used, he has a remedy in passing off.

In the case of goods undergoing alteration, the manufacture by the defendant of an article made up of several parts is no less an infringement because one genuine part of the plaintiff's manufacturer and bearing his mark is included in it. In the case of **HOOVER LTD V AIRWAY LTD**[169] which would now be held an infringement, an interlocutory injunction was granted where the defendants had sold a vacuum cleaner bearing the trademark 'Hoover' which had been reconditioned by introducing at least three important parts not of the plaintiff's manufacture or merchandise and had applied the trademark to the dustbag which was made by the defendants.

Another question that would probably arise is; what is the position of the Act on constituents of finished goods?

**S.6(3)(a) of the Act**[170] would have to be considered here in regard to the use of trademarks in relation to goods in which the product of one manufacture in the production of goods in a more finished state. Such component material may of course have been sold under a registered trademark of high reputation and the maker of the finished goods may rightly claim to use the trademark in a proper context as a means of commending his own goods. Suppliers of materials

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[167] Ibid
[168] Ibid
[169] (1936) 53 RPC 399
[170] Supra (n.59)

too may not wish to jeopardize their trademark by producers of poorly finished goods which are advertised as made from their material.

Under the Trademarks Act the questions which arise are more difficult because the protection afforded by **S.10**[171] is subject to **sections 6(1)(b)**[172] **and 39(5)(b)**.[173] more to that, cases where there is a registration both for raw materials and a finished product are becoming common. **Section 7(1)**[174] assimilates generally the rights conferred by a valid registration under **S.6** in Part A with registration in Part B and **S.6(2)**[175] adds a specific differentiation for registrations in Part B.[176]

The somewhat unusual structure of the section should be noted. Although the purpose clearly was to give the proprietor less rights than if his mark were registered in part A, the definition of infringement is not altered, nor is any special defense provided, although **S.8(2)** is often spoken as providing a defense. What is provided is that, not withstanding that there is infringement, no relief shall be granted to the successful plaintiff if the defendant proves two things; that the use complained of is likely neither to deceive nor cause confusion and that the use complained of is not likely to be taken as indicating a certain 'connection in the course of trade.'

The effect presumably is that even where these things are proved the infringement is still unlawful even though no penalty attacks to it, a matter which may have consequences in the law of contract for instance. There is as yet little authority on the effect of this provision.

## 3.5 COMMENCEMENT OF AN ACTION

For a plaintiff to bring an action against an infringement, he must establish that he possesses a title either as a proprietor or as a registered user entitled to sue as under **S.21(3) of the Trademark Act**[177] where a certificate issued by the registrar is evidence as to title of a trademark. He must then go ahead to prove that the defendant has acted or threatened to act in such a way as defined by the Act.

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[171] Ibid
[172] Ibid
[173] Ibid
[174] Ibid
[175] Ibid
[176] Ibid
[177] Ibid

Under the Trademarks Act the plaintiff's title as proprietor depends on the existence of a valid registration as required under **S.11 of the Act**[178] and the entry on the register, if not admitted must be proved by production of a certificate by the registrar. Under **S.45 of the Act**[179] is to the effect that the fact that a person is registered as proprietor of a trademark is prima facie evidence of the validity of the original registration and of all subsequent assignments and transactions thereof. Subject to certain qualifications, the original registration in Part A must, after the expiration of 7 years from the date of that registration be taken to be valid. The writ for infringement may be issued before registration of the mark provided that registration has been applied for since registration is dated back to the application. Court will not grant a perpetual injunction to restrain an infringement until at least the mark or the plaintiff is on the register.

In a situation where the registered user is the plaintiff, his right to sue for infringement 'in his own name' given by the Act is conditional upon the proprietors having refused or neglected himself to sue to do so, and the proprietor must be joined as defendant although this is subject to any agreement subsisting between the parties. In commencing action it is not necessary to give notice to the alleged infringer before the action is brought since the very life of a trademark is dependant upon the promptitude with which it is vindicated as per **JOHNSTONE V ORR-EWING**[180] although it's a bad practice to sue without warning in the absence of some special reason for doing so.

Civil actions are commenced using a plaint which should set out a statement of one's own right, the alleged infringement, evidence and also the remedy being sought; and in criminal matters, criminal sanctions may also be imposed on the accused for serious offences such as counterfeiting and the unauthorized use of identical marks, knowingly.

Under **S.4 of the Act**[181] no action can exist for unregistered trademark however, where the trademark is unregistered, common law offers protection for the business reputation or good which attaches to unregistered trademarks through the ***tort of passing off*** where the business has been in

[178] Ibid
[179] Ibid
[180] (1882) 7 App. Cas 219
[181] Supra (n.59)

operation for many years and the rival business starts using its trademark. In **BOLLINGER V COSTA BRAVA**[182] it was held that the plaintiffs had a remedy at common law against the defendants to restrain the defendants from applying the description "champagne" or "Spanish Champagne" to the wine made in Spain or from grapes grown in Spain.

However in **ANTHLETES' FOOT V COBRA SPORTS,**[183] it was held that it does not matter that the plaintiffs are not at present carrying on business in the UK provided they have customers in the country. And that no trader can complain of passing off in a territory in which he has no customers, or anybody who is in a trade relations with him. Thus, since the claimants had no customers, they did not have any good will necessary to sustain an action in passing off.

## 3.6 DEFENCES AGAINST INFRINGEMENT

At this point, it is important to discuss briefly some of the defences that the defendant would put forward against a claim of infringement by the plaintiff. The defences that are commonly set up against charges of infringement include the following: -

**The plaintiff has no title**

This attacks the plaintiff's title and registration of the mark. The effect of **Sections 6** and **7** is that registration confers a right only if it is valid and the register itself is prima facie evidence of the validity of registration although in the case of a mark registered in **Part A** the possible grounds of attack are limited after the ***lapse of seven years*** from the date of registration. This is a valid defence where the plaintiff has no valid title to the trade mark in question; or that the defendant did not have prior knowledge of the trade mark; and that there is no element of fraud, although the plaintiff can bring an action against the defendant under passing off. As in **BOLLINGER V COSTA BRAVA**[184] it was held that the plaintiffs had a remedy in law against the defendants to restrain the defendants from using the description "champagne" to the wine made in Spain.

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[182] [1960] RPC 16
[183] [1980] RPC 343
[184] Supra (n.182)

**Concurrent or independent right**

**Sections 6(4)** and **S.10 of the Act**[185] deal with certain cases where one party claims that not withstanding the existing valid registration in the name of another party, he has acquired a concurrent right to use a mark as a trademark. The rights of other registered proprietors are protected by **S.6(4) of the Act**[186] which provides that:

*"The use of a registered trademark being one of two or more registered trademarks that are identical or nearly resemble each other, in the exercise of the right to the use of that trademark given by registration as aforesaid, shall not be deemed to be an infringement of the right so given to the use of any other of those trademarks."*

The above provision does not necessarily exhaust the possible defences which may be set up by a defendant based on his own use of the mark complained of. It is important to note that **S.6(4) of the same Act**[187] applies only to cases where the defendants is actually registered and section 10 only to cases of prior and continuous use.

**Validity of the defendant's registration**

It is probable that only a valid registration gives rights under **S.6(4) of the Act**[188] which refers to 'right to the use of the trademark given by registration' which presumably is intended to refer back to **S.6(1) of the Act**[189] giving rights only to a valid mark. This means that if the defendant's registration can be shown to be invalid and expunged, it will not protect him for the future. In such circumstances, a plaintiff confronted with such a defence should apply for rectification of the register under **sections 35 and 36 of the Act**[190] by removing or limiting the defendant's registration. The protection offered by the Act in such a situation therefore has a good degree of adequacy to the trademark proprietor.

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[185] Supra (n.59)
[186] Ibid
[187] Ibid
[188] Ibid
[189] Ibid
[190] Ibid

**Delay and Consent**

The Act makes consent of the proprietor a defence to infringement proceedings only where use of the mark concerned is in relation to goods connected in the course of trade with the proprietor or registered user as per **S.6(3)(a) of the Act.**[191] **Consent** can be a defence on general equitable principles. This is a good defence in all fairness and a plaintiff who has shown consent should not be seen to complain of an infringement later.

**Acquiescence:** This is a defence where the trade mark holder has tolerated a similar mark for 5 years and now brings a suit, he cannot succeed against an infringement as he is deemed to have acquiesced to the existence of such a similar mark. Thus such marks can co-exist if court discovers that it has existed for the last 5 years and that customers have not been misled nor confused.

As for representation or inducement by the proprietor in **WILLMOTT V BARBER, FRY J.**[192] stated that, the classic of acquiescence proper is where the proprietor knowing of his rights and knowing that the infringer is ignorant of them does something to encourage the infringer's misapprehension with the result that the infringer acts upon his mistaken belief and thereby worsens his position.[193] Also in **BURGOYNE V GODFREE**[194] a defence of this nature was successful on appeal. In that case wine was rejected by the plaintiffs and sold on their orders. It was contained in casks bearing the words 'Burgoyne London' and the defendants bought it and afterwards sold it as Burgoyne's Wine under a bonafide mistake on their part, which it was held the conduct of the plaintiffs had induced.

**In situations of delay in general**, an equitable maxim "delay defeats equity" will apply a mere delay after knowledge of infringement does not deprive the registered proprietor of a trademark of his statutory rights or of the appropriate remedy for the enforcement of these rights. However, inordinate delay may provide a defence or at least form a major ingredience in the case of acquiescence. In the case of **CLUETT PEABODY & CO. INC. V MCLNTYRE**

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[191] Ibid
[192] (1880) 15 ch.D 96 at p.105
[193] Bismag Ltd V Amblins (1940) 57 RPC 209
[194] (1905) 21 RPC 550

**HOGGMARSH & CO. LTD**[195] there had been a thirty year delay and it would seem that Upjohn, J was neither willing to allow the proprietors to sue after all that time nor happy to rest his judgment on delay alone.

**Deceptive Trademark and Fraudulent Trade**

The court will not interfere to protect the use of a deceptive trademark or to assist a trader who is using his mark for the purposes of fraudulent trade. In **FORD V FOSTER**[196] this principle was well established in the court of Chancery and the maxim ***ex turpi causa non oritur*** action is a rule of law as laid down in the judgment of Mellish L.J. However, it does not follow that every case where the plaintiff's conduct may have led to some misrepresentation will fall within that rule.

It was registered in the **APOLLINARIS**[197] case, and the Court of Appeal inclined to hold, that the statement upon one of the labels used for natural mineral waters and claimed as a trademark 'imitations of this water will be prosecuted' meant all imitations, whether fraudulent or not, of the water and was addressed therefore to artificial waters which might lawfully be made and sold as imitations of the natural water, and that if it bore this meaning, it was calculated to deceive.

## 3.7 NATURE OF PROOF

In the cases of infringement of a trademark what is required is that the plaintiff's mark was confused with that of the defendant and thereby causing deceit to the customers to believe that the defendant's product is that of the plaintiff. The intention of the defendant is not important.

In **PARKE DAVIS & CO. LTD VS OPA PHARMACY LTD**:[198] The applicant had for more than two decades sold an ointment under the TM Capsolin within East Africa. The respondent later began selling a similar ointment called Capsona. The question was whether the names in consideration were likely to be confused by members of the public. It was held that there is no need to prove intention to deceive. The plaintiff should only prove that the defendant is acting in such a way as to pass off his goods as those of the plaintiff. Since the first syllables of the trade

[195] (1958) RPC 335 at p. 354
[196] (1872) L.R 7ch. D at p. 631
[197] (1891) 2 ch. 186 at p. 226
[198] [1961] EA 556

names were identical and there was resemblance in the packaging, there was a real likelihood or danger of confusion. An injunction was granted.

Also in **BERLEI HERSTIA INDUSTRIES V THE BERLEY CO.**[199], it was held that the fact that the two trade marks were phonetically similar could lead to deception even though at present the marks were used in distinguishable products. The question whether there is a likelihood of confusion is to be answered not in reference to the manner in which the respondent has used his name in the past but by reference to the use to which it can properly put the mark.

Thus for identical marks on similar goods and services and similar marks on similar or identical goods and services. There must exist a likelihood of confusion on the part of the public, which includes the likelihood of association with an earlier mark. In **ZENECA LTD V VIVI ENTERPRISES LTD**[200] the concerned marks were 'Ketrax and Vetrax' where one was packaged in red and the other in yellow and court held that the possibility of confusion was high. Therefore the defendant was liable.

In **BRITISH SUGAR PLC V JAMES ROBERTSON & SONS LTD**[201] Toffee Treat and Silver Spoon Treat held the relevant factors in considering similarity a comparison of the use, users and the physical nature of the plaintiffs and the defendant's goods, the way in which they were similar to the desert sauces and syrups of the registration. Therefore there was no infringement. The trade channels through which they reached the market, where they are likely to be found and the extent to which they were competitive.

Furthermore, in **COCA COLA V ALL-FECT**[202] the appellant had built a substantial goodwill and reputation in connection with the use of various marks including the contour bottle. The respondent imported and sold confectionery including a cola flavoured sweet which had a shape of a contour bottle but elongated and with the word 'cola' marked on it. The appellant contended that

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[199] [1973] 129 CLR 353
[200] Supra (n.152)
[201] [1997] ETMR 118
[202] Supra

the use of the contour bottle was to indicate a connection to Coca cola and the respondent had taken the idea of a coke mark. The court of appeal held:

> *..consumers may well be confused to the extent that they might wonder whether the confectionery came from coca cola because consumers have imperfect recollections of exact shapes of bottle marks and a deceptive mark can suggest a similarity which can cause confusion in the minds of consumers. Accordingly the court found that the coca cola mark had been infringed.*

**The Burden of proof**

The burden of satisfying that a mark is not likely to infringe the existing mark lies on the defendant. In **HARIA INDUSTRIES V P.J PRODUCTS LTD**[203] Sir Charles Newbold held that the test in determining whether or not the defendant had put upon the market, articles which would be likely to deceive or whether an average consumer without any precise recollection of the article that he wants but acting with reasonable care would be likely to be confused it seems to me that its immaterial how carefully or otherwise one examines the evidence of the witness. The determination of the matter is one for court.

**Nature of customers and confusion:**

In **THOMPSON HOLIDAYS V NORWEGIAN CRUISE LINE,**[204] it was stated that:

> *"The test of likelihood of confusion was whether there was a risk that the average consumer would believe that the goods offered under allegedly conflicting sign were those of or were associated with the proprietor. It was not necessary to show that the public would actually believe that they were."*

In **BRITANIA PRODUCTS (U) LIMITED V RIHAM BISCUIT INDUSTRIES LIMITED,**[205] it was held that, Evidence of confusion must be tendered in.

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[203] [1970] EA 367
[204] (2003) CA
[205] [1997-2000] UCLR 215

**Appropriateness of comparison side by side**

In the case of **BROOKE BOND KENYA LTD V CHAI LIMITED**[206] involved infringement of a trade mark with the words Green Label; the test of comparison of the marks side by side is not sound since the purchaser will seldom have 2 marks before him and since marks with many differences may have an element of similarity which may cause deception more especially if the goods are in practice asked by name that denotes a mark. That judicial notice may be taken of the number of illiterate persons in Kenya and that this fact should be born in mind.

According to the **Halsburry's Laws of England**[207] on comparison side by side and imperfect recollection, provides that:

> *"The tribunal must bear in mind that the marks will not normally be seen side by side and guard against the danger that a person seeing the new mark may think that it is the same as one he had seen before, or even that it is a new or associated mark of the proprietor of the former mark."*

**Paragraph 140**[208] in effect concerns the class and standard of persons concerned; that the persons concerned with the goods in the course of trade whether as retailers or the ultimate purchasers must be considered in each case and this includes persons abroad if the goods have a foreign market. The standard of literacy and education of persons concerned may be important.

**Resemblance as a question of fact:**

In **ELECTROLUX LIMITED V ELECTRIC LIMITED**[209] *whether or not any degree of resemblance likely to deceive or cause confusion exists is a question of fact for the Registrar of Trademark or the court to decide on the evidence in each case and is not a matter for witnesses. A number of cases quoted to support this statement was equally made.*

**Phonetically Identical Marks:**

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[206] Supra
[207] Harlsbury's Laws of England Forth Edition Vol. 48 paragraph 139
[208] Ibid, para 140
[209] (1953) 71 RPC 23

In **LONDON OVERSEAS TRADING CO. LIMITED V RALEIGN CYCLE CO. LIMITED,**[210] the issue of contention was whether the word 'Lale' was phonetically identical to the word Raleigh and secondly whether the mark 'Lale' would cause confusion. It was held by Dudley Mckisack that it was clearly the Registrar's duty to consider whether the similarity of sound was such that registration is prohibited by S.15 of the Trade Marks Ordinance. It was open to the Registrar to find that the mark by being likely to deceive or cause confusion would be disentitled to protection in a court of justice. Thus, Dudley Mckisack stated that:

*"I have no hesitation whatsoever in holding with the word 'Lale' will be confused with the word Raleigh and that if the word 'Lale' were allowed to be registered as a trade mark members of the public would be deceived into purchasing bicycles or parts thereof with which the applicants are connected in the course of trade when they intended to purchase bicycles or parts thereof with which the opponents are connected in the course of trade."*

Similarly, in Ketrax and Vetrax[211] discussed above, the possibility of confusion was held to be high.

**CO-EXISTENCE OF TWO MARKS AND POSSIBILITY OF CONFUSION:**

In **GLAXO LTD V J.B CHEMICALS & PHARMACEUTICALS LTD,**[212] the applicant sought a reversal of the assistant Registrar's decision dismissing the applicant's objections to the registration of the respondent's trademark 'RANTAC. The applicant was the registered proprietor of the trademark 'ZANTAC' which was registered in respect of pharmaceutical, medicinal and veterinary preparations. The grounds of appeal were that the registrar ought to have found out that the RANTAC was identical to ZANTAC and that the former resembled the latter thus its use was likely to deceive and or cause confusion between the goods of the respondent on the one hand and those of the appellant on the other. It was held that:

The appellant and respondent's trademarks had co-existed in India without causing confusion among the customers. Accordingly it was held that though the agreement allowing the respondents to use the trademark was confined to India alone, it was an acknowledgement on the part of the appellant that the two marks were can co-exist. The court thus upheld the registrar's decision.

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[210] [1959] EA 1012
[211] Supra
[212] Misc. cause No. 152 of 2001

# CHAPTER FOUR

## 4.0 ADEQUACY OF PROTECTION UNDER THE UGANDA TRADEMARK ACT CAP 217

In order to discuss the question of adequacy systematically, it is necessary to start by putting forward the relief granted upon a successful claim of infringement by the plaintiff and other positive aspects of protection offered under the Act, and will proceed to discuss some areas which make protection under the Act inadequate or lacking while making a comparative analysis where possible with the UK Act or some international agreements.

## 4.1 THE EFFECTIVENESS OF THE REMEDIES AVAILABLE:

The word remedies mean a redress or relief available at law for the enforcement, protection or recovery of rights or for obtaining redress for their infringement.[213]

If the plaintiff succeeds in an action for infringement he may obtain an order for any of the following remedies: -

**INJUNCTION:** Is a remedy in the form of a court order addressed to a particular person that either prohibits him from doing or continuing to do certain act.[214] It may be granted under **S.4 of the Act**[215] to restrain further infringement of the plaintiff's rights. For an injunction to be granted by court, further infringement must be threatened or be likely to occur. The grant of an injunction in trademark cases is governed by the general rules applicable where other rights are concerned. There must be some threat or probability that the infringement will be commenced, continued or repeated otherwise the court will not interfere. Where an actual infringement is shown to have occurred, this is usually sufficient and the plaintiff does not have to wait until it has been frequently repeated or until warning has been given and disregarded, for the life of a trademark depends on the promptitude with which it is vindicated.

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[213] Elizabeth and Jonathan, Oxford Dictionary of Law, 6th Ed, Oxford University Press, pg 274
[214] Ibid
[215] Supra

In **PARKE DAVIS & CO. LTD V OPA PHARMACY,**[216] court was of the view that since the first two syllables used in the trading name of each of the parties, that is 'Capsolin' for the appellant company and 'Capsopa' for the respondent company were identical and there was resemblance in the containers, there was a real possibility or probability of confusion and the appellant was entitled to an injunction.

Similarly in the case of **STEINER PRODUCTS LTD V STEVENS**[217] court held that the plaintiffs were entitled to an injunction interalia although the evidence showed that the sale was due to a mistake but the defendant had refused to make an apology or offer any undertaking. Probably the defendant's refusal to do either of these was implication enough that they would continue selling the infringing commodity.

On the other hand in the case of **V. W MEYERS CO. LTD V LE FIELD'S AUTO SERVICES LTD,**[218] infringement was by mistake and there was no apparent probability of the defendants repeating it. No injunction was granted and the defendant's having denied the infringement the plaintiffs were granted a declaration, the order reciting that in the opinion of the court the acts complained of were inadvertent.

It is not necessary to give proof of fraud. The fact that the infringement was not fraudulent or even that it was made in ignorance of the plaintiff's right is no defence to the claim for an injunction. Thus the most important requirement before one seeks this remedy is that he must show some threat or probability that the infringement will be commenced, continued or repeated.

This remedy may not be exhausted as it requires proof that threats to continue infringing have been made. In some cases this may be very hard to proof. This makes this remedy inadequate in the protection of trademarks.

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[216] (1905) 21 RPC 550
[217] (1958) RPC 335 at p. 354
[218] Supra

## DELIVERY UP OF THE MARKETED GOODS

The court not only forbids further infringement by its injunction but where the defendant is proved to have spuriously marked articles in his possession or under his control it usually orders the erasure of such marks or the delivery up of the marked articles for that purpose, or if erasure is impracticable then destruction.

In the case of **SLAZENGER V FELTHAM**[219] the word 'Demotic' an infringement of the plaintiff's mark 'Demon' was stamped upon the defendant's racquets. Court ordered that the defendants should make an affidavit verifying the number of the racquets and that they should either deliver up the racquets to the plaintiffs to be destroyed or satisfactorily erase from them the name 'Demotic' in the presence of the plaintiffs or their agent.

This remedy is good but inexhaustive since it only considers marked goods leaving out goods not yet marked.

## DAMAGES AND PROFITS

So far as concerns the relief by way of damages or an account of profits there appears to be no reason to distinguish between actions for infringement and those for passing off. It was long decided at common law that mere proof of an infringement entitles the plaintiff to nominal damages. Consequently, no allegation of special damage is a necessary part of his case. The natural consequence of an infringement even though it be made in complete ignorance of the plaintiff's rights in that the infringer must pay at least nominal damages and the costs of the action so that if he acted under the direction of a third person he may reasonably compound with the proprietor of the trademark on these terms and claim an indemnity from his employer.

In the case of **ZENECA LTD V VIVI ENTERPRISES**[220] where there was a similarity in the name of a drug 'ketrax' owned by the plaintiff and 'vetrax' owned by the defendant, Byamugisha, J entered judgment in favour of the plaintiff holding interalia that:

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[219] (1891)2 Ch. 186 at p. 226
[220] (1961) EA 556

An inquiry be made as to the damages suffered by the plaintiff on account of profit made by the defendant; and taxed costs of the action was awarded to the plaintiff.

Where the plaintiff claims substantial damages, the onus of showing what loss he has actually sustained by reason of the defendant's conduct lies on him. It will not be presumed in the absence of evidence that the amount of goods sold by the defendant under the infringing trademark would, but for the defendant's unlawful use of the plaintiff's mark have been sold by the plaintiff. The proper form for an inquiry as to damages occasioned by the infringement of a trademark is therefore, what damage if any has the plaintiff sustained by reason of the act is the repetition of which is restrained by the judge.

**Byamugisha J**. observed in the above case that one of the plaintiff witnesses gave a testimony to the effect that when he visited his customers in Western Uganda they thanked him for reducing the price of Ketrax. To her, this meant that customers were buying Vetrax thinking it was Ketrax. She is quoted as saying:

*"It would therefore appear to me in the circumstances of his case that the defendant's conduct in putting on the Ugandan market a product which was packed in a similar package as that of the plaintiff, with almost an identical name and at a reduced price was aimed at undercutting the plaintiff's market in my view. It cannot be said that this was intended to carry out fair and legitimate competition in business."*

It was on this basis of these findings that she rested her order for an inquiry to be made as to the damages suffered by the plaintiff on account of profit made by the defendant.

The issue of showing the substantial damages by the plaintiff makes the whole remedy a nightmare. Some people cannot clearly explain properly and this may lead to the loss of the remedy.

## REVOCATION OF A TRADEMARK

A registered trade mark may be taken off the register relating to the goods in respect of which it was registered at the request to the court of an aggrieved person on two main grounds.

That the trade mark was registered without bonafide intention on the part of the applicant for registration that it should be used in relation to those goods by him and that there was no bonafide use of the trademark.

That five years prior to the date of the application had lapsed during which the trademark was registered and there was no bonafide use thereon in relation to the goods.

Apart from the relief granted, there are a number of positive aspects of protection offered to trademark proprietors under the Act and these include the following:

**S.14(1)** of the Trademarks Act[221] provides that the Registrar may not register any trademark in respect of any goods or description of goods that is identical with a trademark belonging to a different proprietor and already on the register in respect of the same goods or description of goods that it so nearly resembles such a trademark as to be likely to deceive or cause confusion.

The exception to this requirement is embedded in **section 15(2)**[222] which allows this to happen in case of honest concurrent use or where the court or registrar think it proper to register such a trademark. The test for this has been laid down in **Re LYNDONS TRADEMARK**[223] where Pearson J relying on **Re WORTHINGTON & CO. TRADEMARK**[224] held that;

*"The question whether a new trademark is so like another is to be calculated by considering whether the new mark is so like other one when they are both fairly used; that is, one is likely to be mistaken for the other regard being had to size, the material on which the mark is to be impressed, the effects of wear and tear and other surrounding circumstances."*

So the position concerning registration of trademarks seems to be clear. A trademark so like another already on the register will not be registered unless the court or registrar thinks it to be safe to register it.

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[221] Supra
[222] Ibid
[223] (1957) RPC 439
[224] (1954) 71 RPC 435

Another aspect of protection worth noting under the Act is the protection accorded to well known trademarks **S.29(1)**[225] of the Act provides for defensive registration of well known trademarks. To explain this point better, we can use a 1997 South African Supreme Court case, which is also one from a common law jurisdiction. In **MACDONALD'S CORPORATION V JOBURGERS DRIVE – INN RESTAURANT,**[226] the respondent had appropriated to its own businesses the trademark 'Macdonalds' which belonged to the appellant. Court held that to qualify for protection, it is enough for a claimant to prove that the mark was well known as a mark which had its origin in some foreign country provided that as a fact, the proprietor of the mark is a person who is domiciled in or has a real and effective industrial establishment in the country.

## 4.2 SOME AREAS OF INADEQUACY UNDER THE ACT

First of all the procedure for taking action for infringement under the Act is too lengthy that it could turn out to be frustrating. Under **Rule 46 of the Trademarks Rules**[227] notice for opposition of registration of a trademark must be made within 60 days from the date of advertisement in the Gazette. Failure to abide by this requisition may lead to loss of right to indemnity.

**Rule 48**[228] there under requires the applicant to make a counter statement within 42 days from receipt of duplicate of notice of opposition. Then under **Rule 49**[229] the Registrar is required upon receipt of the counter statement and duplicate to send a duplicate to the opponent within 42 days who then shall leave with the Registrar such evidence by way of statutory declaration as he may desire to adduce in support of his opposition and shall deliver to the application copies thereof.

Evidently this process appears to be too lengthy yet one would have expected that with the modernization of the telecommunication sector the whole process would have been made much easier, faster and efficient. Unfortunately most parties often wait to do whatever is required of them at the last minute.

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[225] Supra
[226] (1889) 6 RPC 531
[227] The Trademarks Rule Statutory Instrument 217-1
[228] Ibid
[229] Ibid

There seems to be another problem with **Rule 49**[230] which provides that the opponent shall leave with the registrar evidence byway of statutory declaration. This means that the trial is quasi judicial and for that matter no cross examination of witnesses is carried out. The result therefore is that the process is not as stringent as court procedure. This is not favourable practice.

Secondly, the Act does not protect the service industry since service marks cannot be registered as trademarks. **S.1(d) of the Trademarks Act**[231] defines a 'mark' as including a 'device, brand, heading, label, ticket, name, signature, word, letter, numeral or any combination thereof and defines 'trademark' as 'a mark used or proposed to be used in relation to goods for the purpose of indicating, or so as to indicate, a connection in the course of trade between the goods and some person having the right either as proprietor or as registered user to use the mark…' the Act does not include a definition of 'service mark.'

Most major industrialized countries, including the UK, the United States and Japan, offer trademark protection for both trademarks and service marks. This is required under **Article 15 of TRIPS.**[232] The UK Act defines 'trademark' as covering both trademarks and service marks, and not referring to 'service mark' in the remainder of the Act. This definition is broad enough to encompass the following which are required to be capable of constituting a trademark under **Article 15 of TRIPS**;[233] 'words including personal names, letters, numerals, figurative elements and combinations of colour as well as any combination of such signs. The definition of trademark should therefore be expanded or made similar to that under the UK Act so that the service industry too can stand to benefit. Examples of such services include **SHELL OIL Co.** and **SHERATON HOTELS.**

Thirdly, the Act does not enumerate the available infringement remedies. **Sections 6** and **7 of the Act**[234] define what acts constitute infringement of a registered mark; however, they do not list the remedies available to the trademark owner for infringement. The provisions under the **UK**

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[230] Ibid
[231] Supra
[232] Supra
[233] Ibid
[234] Supra

**trademarks Act**[235] are more detailed and therefore adequate for example, **S.6 of the Act**[236] sets forth the exclusive rights of a trademark owner, acts that constitute infringement and exceptions thereto.

The implication of this is the since the remedies are not explicit enumerated under the Act, trademark proprietors might not know which remedies are available to them in case of infringement let alone the type of order to seek from court.

Furthermore, some of the remedies given by court or the registrar lack effectiveness because they are not very easy to enforce in practice. Where an injunction is granted, the defendant will more often than not try all avenues available to him to dispose of the remaining infringing stock in his possession in order to recover his costs, something the plaintiff might not be able to stop. This is therefore a legal remedy that is practically hard to enforce.

Secondly this remedy is not helped by the lack of proper co-ordination between the trademarks departments and other government departments especially Uganda Revenue Authority and Customs departments. Because of this, products bearing an infringing mark may continuously be imported or exported even after an order for an injunction has been made. The fact is that these departments play totally different roles for example customs departments are particularly interested in taxing products that enter or leave the country.

As concerns the order of delivery up or destruction, the court or the registrar may be restricted from making certain orders due to circumstances beyond his central for example an order for destruction cannot be made against certain goods like barded wire. This means that such a remedy has only limited application.

The other remedy for a plaintiff can be an order for an account of damages or profits. It is important to note that if the plaintiff claims substantial damages, the onus of showing what loss he has actually sustained by reason of the defendant's conduct lies on him. It will not be presumed in

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[235] The United Kingdom Trademarks Act, 1994
[236] Supra

the absence of evidence that the amount of goods sold by the defendant under the infringing trade mark would, but for the defendant's unlawful use of the plaintiff's mark have been sold by the plaintiff.

On the whole this remedy is good. The only problem with this remedy seems to be that sometimes damages are not easy to compute because some trademark proprietors do not keep accurate records of their sales for fear of being taxed highly. This means that the damages would have to be computed using the figures entered in the records yet these do not often represent the true picture. Unfortunately the proprietor is responsible for such loss.

It is also important to note that some damage cannot be properly computed. This happens in circumstances where for example the spurious goods were so inferior to the genuine goods so as to injure the trade reputation of the plaintiff or where the stress of the competition compels the plaintiff to lower his prices considerably and thus suffer loss.

From the above analysis, it can be said that the failure to effectively enforce some of these remedies makes them paper tigers and so an enforcement mechanism has got to be put in place to help achieve the required objectives.

Important to note also is the difference in fees scale between the foreign applicants and the local applicants tends to accord more protection to local applicants whose fees are much lower than the fees paid by foreign applicants although this has been argued to be caused by currency problem. Under the Trademark Amendment Rules foreign applicants have to pay $250 for filing a notice of opposition under **section 21**[237] whereas the local applicants would pay only a total of 6000/=

One should also bear in mind the fact that **S.22 of the Act**[238] requires that a trademark has to be renewed after every seven years since its first registration. In doing this, the registrar is supposed to send a notice for renewal to the trademark proprietor to renew. If the proprietor ignores both the first and second notices, the Registrar must advertise such notice in Gazette.

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[237] Supra
[238] Ibid

Although Uganda is a member of the International Convention (Stockholm Text) also known as the **Paris Convention or the International Convention for the Protection of Industrial Property),** it has not yet accorded priority rights to other convention member countries. Under the International Convention, member countries provides equal treatment of the nationals and residents of other convention member countries. Providing such equal treatment in Uganda would encourage foreign investors to do business in Uganda. **The UK amended its trademarks Act in 1994** and among the changes made include the implementation of the Paris Convention.

In addition, it is important to note that the Act does note provide for assignment records. This refers to a system for recording titles of trademark registrations as well as any documents affecting title, such as changes of name, and security interests among other things. These assignment records should be publicly made available so that the title of a registered trademark is easily ascertainable. This is particularly important so that applicants who are determining whether to licence or purchase a trademark know which marks would be an infringement.

**S.27 of the Act**[239] provides for registration of assignments and transmissions with the registrar. This means that such records are not public and are therefore not searchable by those who may be interested in doing so.

Furthermore, **S.3(2) of the Act,**[240] provides reference to **Part A** and **Part B** of the register. This is an implication that there are two registers. The language of the Act seems to suggest that registering a trademark under part A of the register gives the trademark a higher degree of protection and is therefore preferable to registration under Part B of the register; yet there actually seems to be no fundamental difference between the rights accorded upon registering in either of the registers. The writer is of the view that this division in the register is unnecessary and should therefore be made uniform.

It is worth noting that throughout the common wealth world, a distinction was made between registration in part A or part B of the trademarks register. The UK legislation has done away with

[239] Supra
[240] Ibid

this distinction, the register has been unified and to be registered a mark must satisfy the criteria in **section 1(1)** allowing registration of 'any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings.'

Furthermore, **S.6(1)**[241] seems to suggest that an infringement action based on trademark registration is available only against use of similar marks for goods that are covered by trademark registration. If a competitor uses the trademark for similar goods that are not contained in the list of goods for which the trademark is registered, the trademark owner must rely on common law in a passing off action. This section evidently seems to be in conflict with some international agreements like the **Paris Convention**.[242]

Finally litigation is often a very expensive venture for many of the aggrieved trademark proprietors who would opt for an out of court settlement. Most of the cases that are taken to court last over a very long period of time yet some of the aggrieved companies which are international in nature may have to be required to transport their witness from very distant areas every now and then. In the final analysis, the costs for the suits may be much higher and not worth the remedy given by court. This creates a hindrance to the adequacy of protection.

The question of adequacy has shown that although the aim of the Trademarks Act is to protect trademarks against infringement, times have changed and the Act seems to lack the proper legal effect in some instances because it does not measure up to the international obligations to some to which Uganda is already bound. Moreso, the proper enforcement mechanism seems to be lacking under the Act such that the provisions or even court and registrar orders have turned out to be paper tigers.

Nevertheless some provisions under the Act offer adequate protection to trademarks registered there under. What is probably required is for Uganda to revise or adopt an Act similar to the **UK Trademarks Act**[243] which has gone a long way in fulfilling most of the international requirements and obligations otherwise, the majority of Trademarks Act is commensurable with the trademark laws of most industrialized countries including the UK, the United States and Japan. Its only a few

[241] Ibid
[242] Supra
[243] Supra

provisions which have been identified and require revision that will be featured in the next chapter as well as a consideration of other options available to accord better trademark protection.

# CHAPTER FIVE

## 5.0 RECOMMENDATIONS AND CONCLUSION

In this chapter, I have considered the question of adequacy of protection against infringement under the Trademarks Act. Subsequently this study looks at the prevailing circumstances which demand for a stronger legal protection of trademarks by extending the legal protection and removing the existing barriers. These include the following: -

## 5.1 RECOMMENDATIONS FOR A STRONGER TRADEMARK PROTECTION

First of all, the definition of 'Trademark' should be expanded to include service marks and additional symbols that can be used as marks, such as colour, scent and sound. Most major industrialized countries including the UK, the US and Japan offer trademark protection for both trademarks and service marks. This is a requirement under **Article 15 of TRIPS**.

The UK trademarks Act defines a trademark as covering both trademarks and service marks and not referring to 'service mark' in the remainder of the Act. This definition is broad enough to encompass the following, which are required to be capable of constituting a trademark under **Article 15 of TRIPS**;

*"Words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs."*

In addition, the definition of a 'trademark' has expanded to encompass any symbol that was used as an indicator of source. For example, the UK definition of a trademark encompasses words (including personal names), designs, letters, numerals or the shape of goods or their packaging. Under US law, scent or sound may serve as a trademark.

Therefore it is recommended that the definition of mark under **S.1(l)** of the Trademark Act be broadened to include any symbol that is capable of distinguishing goods or services as set forth under UK law. Once this is done, the Trademarks Rules should be revised accordingly.

Secondly, the available infringement remedies should be enumerated under the Trademarks Act. As already noted sections 6 and 7 of the Trademarks Act define what acts constitute infringement but they do not list the remedies available to a trademark owner for infringement. The following infringement remedies are available under both UK and US law

- injunctive relief
- a prohibition on importation of goods bearing an infringing trademark (ie counterfeit goods) and forfeiture of such goods
- damages or account of profits
- destruction of infringing goods
- cancellation of an invalid trademark registration (where appropriate ) and costs

Under section 7 of UK Trademarks Act 1994 is provided the exclusive rights of a trademark owner, acts that constitute infringement and exceptions thereto. Section 8 enumerates the remedies available for infringement. So the Uganda Act Trademarks can adopt similar provisions to those under the UK Act.

Thirdly, the Act should provide a claim of priority for foreign registrations. Although Uganda is a member of the international convention also known as the Paris convention, it has not yet accorded priority rights to other convention member countries. Under the international convention, member countries provide equal treatment of the nationals and residents of other convention member countries. Providing such equal treatment in Uganda for example equal fee scale would encourage foreign investors to do business in Uganda.

The UK amended its trademarks Act in 1994. the changes included implementation of the following Paris convention provisions: -
Recognizing priority in convention countries based on a first application in a convention country; Protecting well known trademarks; Controlling registration of flags, armorial bearings, hall marks and official signs of convention countries and international intergovernmental organizations; and Preventing an agent of a person in a convention country from registering or holding a mark of which that person is the owner.

The trademarks Act should be amended to accord priority to other convention member countries and to implement the other provisions listed above. It is worth noting that **Section 30 of the Trademarks Act** provides for registration of a well-known mark as a 'defensive' mark. A similar defensive mark registration was deleted from the UK trademarks Act in 1994 in favour of the protection offered to well-known marks under the convention discussed above. Uganda can therefore borrow a leaf from this.

Uganda is a member of the **African Regional Industrial Property Organisation (ARIPO)**, and organization meant to protect industrial property. However, Uganda has not yet adhered to the Banjul protocol there under although efforts are underway to adhere to the protocol. I recommend that Uganda should adopt and consent to the Banjul protol immediately because it stands to benefit since ARIPO is allowed to register regional trademarks and service marks.

Furthermore, the Act should clarify that the assignment records are publicly available and searchable. It is important to provide a system of recording titles of trademark registrations as well as any documents affecting title, such as changes of name, security interests and so on. The assignment records should be publicly available so that the title of a registered mark is easily ascertainable. This is particularly important where investors are determining whether to licence or purchase a trademark. Therefore **S.27 of the Act**, which provides for registration of assignments and transmissions with the registrar, should be amended to clarify that the assignment records are publicly available and searchable.

It is recommended that references to part A and B of the register should be removed so that there will be a single trademark register. The UK legislation has done away with this distinction and the register has been unified. This is a positive development which should be adopted in Uganda.

There is need to improve on the co-ordination between the trademarks department and other government departments especially Uganda Revenue Authority and the departments there under such as customs, so that infringing products are withheld from either leaving or entering the country. Probably as more punishment to the infringers such goods should be destroyed and where

destruction is impossible or is impracticable they should be sold off to the aggrieved party at a very low price. This could be a good measure to curb further infringement.

Probably **S.1 of the Act** defining trademarks and service marks should be amended to explicitly allow registration of internet domain names as trademarks. This is common practice in the US. Alternatively, this could be provided for in the trademarks rules.

The following **sections** should be revised **6, 7, 8 and 9** relating to infringement, **S.17** relating to registration of a mark including a word(s) used as the name or description of an article or substance and **S.24** relating to registration of assignments.

Finally, the fee schedule for trademark registration and renewal should be reviewed and updated to make it pocket friendly to those seeking protection.

The above recommendations and options would help in offering better protection to trademarks against infringement and would help clarify the Act vis a vis the other international obligations and requirements. Once the amendments to the Act are finalized, the trademarks Rules should be revised accordingly.

## 5.2 CONCLUSION

On the whole, the Trademarks Act is still a very useful and important document in protecting trademarks as well as regulating their use. As already noted, the biggest part of the Act is commensurate with the trademark legislation of most industralised countries including the UK, US and Japan. However, faced with demands for stronger and more effective trademark laws, Uganda has two major problems to contend with. On the one hand there are those related to meeting domestic needs and on the other hand those related to international trade. Thus the demands have changed over time and so the Act needs some revision in order to create a modernized law that can satisfy the different demands.

Recent trends in some developing countries regarding the subject of trademarks protection is quite revealing. Most of these countries like US and UK have established the process of protection and

the fact that almost all these countries have attained a level of development that places them in a class above the developing countries like Uganda for example implies that even the latter countries cannot remain without such protection for long.

With demand for legislation that is not in conflict with the requirements under the World Trade Organisation (WTO) Agreement to which Uganda is bound, there is need therefore to harmonise laws with actual practices, to revise the laws as a result of desired regulatory changes wherever the constraining regulatory provisions are underpinned by the law, and to modify other related laws which are restrictive or outdated because they are nolonger effective, required or sufficiently favourable, as well as establishing modern provisions which currently do not exist.

Therefore the trademarks Act should be revised to create a more modernized Act such as the UK trademarks Act 1994. This statute not only implemented the provisions of the Paris convention but also provided for recent European Union legislation. Trademarks Act should also satisfy the requirements under ARIPO. We could borrow the modern UK statute and use it to introduce modern concepts to the Ugandan Act.

**Laws differ between countries:**

Although international laws exist to prevent trademark and copyright infringements, the reality is prosecution is difficult. Not living in the same country as the offender will make taking someone to court very difficult, and even a good intellectual property lawyer will have a hard time making a good case. Not only may it be costly, but some countries do not see these issues as criminal behavior. Trying to get a court to take action against a foreigner may be even more difficult. And in the best case scenario, where one wins the case, the offender may not have anything to recompense the victim so basically he/she walks away with impunity. We've spoken to quite a few lawyers in San Diego, and not a single one would even get involved.

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