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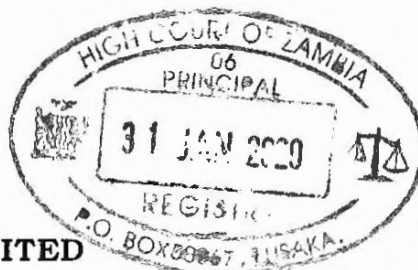
IN THE HIGH COURT FOR ZAMBIA

2010/HP/1216

AT THE PRINCIPAL REGISTRY

HOLDEN AT LUSAKA

(Civil Jurisdiction)



BETWEEN:

AIRTEL HOLDINGS LIMITED	1ST PLAINTIFF
AIRTEL LIMITED	2ND PLAINTIFF
AIRTEL HIGH DEFINITION TELEVISION LIMITED	3RD PLAINTIFF
AND	
PATENTS AND COMPANIES REGISTRATION AGENCY	1ST DEFENDANT
BHARTI AIRTEL DEVELOPERS FORUM LIMITED	2ND DEFENDANT

BEFORE THE HONOURABLE LADY JUSTICE P. K. YANGAILO, IN OPEN COURT, ON 31ST JANUARY, 2020.

For the Plaintiffs: Mr. M. J. Katolo - Messrs. Milner & Paul
Legal Practitioners

For the 1st Defendant: Mrs. B. Musopelo-Siakumo - In House
Counsel

For the 2nd Defendant: Ms. D. Nondwe - Messrs. Ranchhod Chungu
Advocates

JUDGMENT

CASE AUTHORITIES REFERRED TO:

1. Trade Kings Limited vs. Unilever Plc Cheeseborough Ponds (Z) Limited, Lever Brothers Limited and Lever Brothers (Z) Limited - SCZ Judgment No. 2 of 2000;
2. Clarke vs. Sharp (1898) 15 RPC 14;

3. *N. R. Investments Limited vs. Tiger Foods Brands Intellectual and Another* - (2012/HPC/0373) [2015] ZMHC 123 (7 April 2015);
4. *Erven Warnink Bv and Others v. J. Townsend & Sons Hull Limited and Others* (1979) 2 ALL ER 927;
5. *Chief Constable of the North Wales Police vs. Evans* (1982) 3 ALL ER 141 at 143;
6. *Reckitt & Colman Products Ltd vs. Borden Inc* (1990) 1 ALL ER 873 at 880;
7. *Bocacina Ltd vs. Boca Cafes Ltd* (2013) ALL ER (D) 152;
8. *Phones 4U Ltd vs. Phone4u.co.uk Internet Ltd* (2006) EWCA Civ 244;
9. *Chikuta vs. Chipata District Council* (1974) Z.R. 241 (SC);
10. *N.R Dongre vs. Whirlpool Corporation* (1996) 5 SCC 714;
11. *IRC vs. Muller & Co's Margarine Limited* (1901) AC 217;
12. *Three Angels Message vs. Registrar of Companies* - 2014/HP/0897;
13. *DH Brothers Industries (PTY) Limited vs. Olivine Industry (PTY) Limited* - SCZ Appeal No. 74 of 2010;
14. *New Plast Industries vs. Commissioner of Lands and Attorney General* (2001) Z.R. 51;
15. *Christopher Lubasi Mundia vs. Sentor Motors Limited* (1982) Z.R. 66;
16. *Lyons Brooke Bond (Z) Limited vs. Zambia Tanzania Road Services Limited* (1977) Z.R. 317;
17. *Carvel Joel Jere vs. Shamayuwa and Attorney General* (1978) Z.R. 204;
18. *Robinson Settlement, Grant vs. Hobbs* (1912) 1 Ch. D. 728;
19. *Godfrey Miyanda vs. The High Court* (1984) Z.R. 62;
20. *Anisminic Limited vs. Foreign Compensation Commission* (1969) 2 AC 147;
21. *R. vs. Ministry of Defence , Ex Parte Smith* (1996) QB 517;
22. *Central Africa Baptist College and Seminary vs. The Copperbelt University* - CAZ Appeal No. 2 of 2019;
23. *Mulenga Beatrice Mubanga vs. Chasemah and Advertising Media Limited* (2011) Vol. 1 Z.R. 102;
24. *General Electric Co. vs. General Electric Co. Ltd* (1972) 2 ALL ER 507; and
25. *Star Industrial Company Limited vs. Yap Kwee Kor* (1976) FSR 256.

LEGISLATION AND OTHER WORKS REFERRED TO:

1. *The Companies Act, Chapter 388 of the Laws of Zambia;*
2. *Black's Law Dictionary, Bryan A. Garner;*
3. *The Rules of the Supreme Court of England (White Book) 1999 Edition;*
4. *Halsbury's Laws of England, 5th Edition, 2010, Volume 61 at para 601;*
5. *The Trade Mark Act, Chapter 401 of the Laws of Zambia;*
6. *George Kanja, Intellectual Property Law, 2006;*

7. Christopher Wadlow, *The Law of Passing Off*, 2nd Edition;
8. *The High Court Act, Chapter 27 of the Laws of Zambia*; and
9. *Halsbury's Laws of England*, 4th Edition, Volume 1.

The Plaintiffs commenced this action against the Defendants by way of Writ of Summons and Statement of Claim on 10th November, 2010, seeking the following reliefs namely: -

- i. *An order that the Plaintiffs are the only duly registered companies in Zambia entitled to operate under and use the name Airtel as part of a group of companies;*
- ii. *An order that the 1st Defendant be prohibited from registering another company in Zambia bearing the name Airtel Networks Zambia Limited or Airtel Money Limited or such other similar name to that of the Plaintiffs;*
- iii. *An order of injunction restraining the Defendants and each one of them whether by themselves their servants agents or whomsoever from either registering or attempting to register or using in any way in Zambia the name Airtel Networks Zambia Limited or Airtel Money Limited or such other name similar to that of the Plaintiffs until determination of this matter or until further order of the Court;*
- iv. *Any other reliefs the Court may deem fit; and*
- v. *Costs.*

The Plaintiffs' case as set out in the Statement of Claim is that sometime between 17th February, 2010 and 3rd August, 2010, the

1st Defendant registered the Plaintiffs as limited liability companies, operating in Zambia as a group of companies with the 1st Plaintiff as the holding company and consequently issued them with Certificates of Incorporation. All the Plaintiff companies incorporated the word "Airtel" in their respective names.

It was averred that the 2nd Defendant, following its acquisition of shares in Celtel Zambia Plc, attempted to register with the 1st Defendant two companies similar in name to the Plaintiffs. The companies that the 2nd Defendant sought to register are Airtel Networks Zambia Limited and Airtel Money Limited. Further, that an attempt to register or authorise the use of the word "Airtel" in the 2nd Defendant's companies is likely to cause confusion in the public and will injure and infringe the goodwill established by the Plaintiffs and may pass off the Companies as part of the Plaintiffs' Airtel Group of Companies.

The Plaintiffs asserted that the 1st Defendant has in fact cleared the names "Airtel Networks Zambia Limited" and "Airtel Money Limited" in readiness for incorporation by the 2nd Defendant. That any registration of the companies in question amounts to a breach of the 1st Defendant's statutory duty under **Section 37 of The Companies Act**¹.

The 1st Defendant in its amended defence averred that the Plaintiffs were registered as distinct entities as opposed to a group of companies. Further, that the Plaintiffs are not operational and their registered office at Plot 11, Nchenja Road, Northmead, Lusaka

is a residence of one Mrs. Soko, a teacher at Northmead Basic School.

It was stated that the 1st Defendant's mandate at the material time extended to the provisions of ***The Companies Act***¹ and that the 1st Defendant did not exist as the Patents and Companies Registration Agency was not yet in existence. In addition, that the regulatory framework of companies was vested exclusively in the Registrar of Companies.

It was asserted that the 1st Defendant approved an application for change of name from Zain Developers Forum Limited to Bharti Airtel Limited, the 2nd Defendant. Consequently, a replacement certificate of incorporation was issued on 17th March, 2010. This, according to the 1st Defendant, was before the incorporation of the 3rd Plaintiff. The 1st Defendant went on to aver that the use of the word "Airtel" is not exclusive to the Plaintiffs.

The 1st Defendant stated that the use of the said word is not likely to cause confusion or deceive members of the public as it is not an invention of any of the parties and is commonly used by the 2nd Defendant's business operations internationally. In addition, that the word is not likely to be taken as indicating any connection in the course of business between the Plaintiffs and the 2nd Defendant considering the fact that the 2nd Defendant will be operating Celtel Zambia Limited, a commonly known mobile service provider in Zambia.

It was averred that as per the provisions of **Section 37 of The Companies Act¹**, it is only the Registrar of Companies who is possessed with the exclusive authority/jurisdiction to decide whether or not a name of a company is likely to cause confusion with another company. Further, that a challenge of the Registrar's duties can only be by way of judicial review thereby rendering these proceedings irregular.

The 2nd Defendant settled a Defence dated 1st December, 2010, wherein it was averred that it is a subsidiary of Celtel Zambia Plc and was incorporated on 11th February, 2010, under the name Zain Developers Forum Limited. Further, that the 2nd Defendant changed its name to Bharti Airtel Developers Forum Limited following the acquisition of Zain Africa Holdings BV, the Majority shareholder of Celtel Zambia Plc on 30th March, 2010, by the 2nd Defendant, of Indian origin, which operates under the well-known trademark of "Airtel".

It was asserted that whilst negotiations were ongoing for the acquisition of Zain Africa Holdings BV by the 2nd Defendant in early 2010, the 2nd Plaintiff was incorporated on 17th February 2010. Further, that the records held with the 1st Defendant show that the shareholders of the 2nd Plaintiff company are PW1, Patricia Samba Kawina, Sandra Chilumbi and Sipho Jere.

It was averred that on 9th March 2010, the 1st Plaintiff was incorporated by Brian Muhazo Kawina (PW1), George Matoka Kawina and Sipho Jere and that in August, 2010, the 3rd Plaintiff

was incorporated by the 1st Plaintiff, Nelson Chongo and Moomba Maimbo. Further, that the 2nd Defendant has never attempted to register a company by the name of "Airtel Networks Limited" as alleged, but that the 2nd Defendant did in fact apply for name clearance in respect of the name "Airtel Money Limited".

The 2nd Defendant asserted that no confusion can occur from the registration of a name on the 1st Defendant's Companies Register bearing the word "Airtel" in combination with other words by the mere fact that the Plaintiffs' names embody the said word.

In the Alternative, the 2nd Defendant stated that the Plaintiffs are not entitled to exclusive use of the word "Airtel" as they were incorporated in bad faith as an instrument of fraud, extortion and passing-off and without any intention to carry on business. The 2nd Defendant went on to state that the Plaintiffs were only set up to frustrate incorporations under the name "Airtel" singularly or in combination with other words by the 2nd Defendant following news of the intended acquisition of Zain Africa Holdings BV, the majority shareholder of Celtel Zambia Plc, by the 2nd Defendant. According to the 2nd Defendant, the acquisition came to fruition on 30th March 2010. The 2nd Defendant particularised malice and bad faith on the part of the Plaintiffs in the following terms: -

- a) *The same individuals behind the Plaintiffs companies (i.e. Brian Kawina, George Kawina, and Sipho Jere) incorporated Orange Zambia Limited and Orange Holdings Limited in September and October 2009 respectively. This*

was after French Telecoms giant Orange had made public entreaties to acquire the Zain group to which Celtel Zambia Plc belonged. The same conduct was replicated as soon as Bharti Airtel Limited of India which commonly operates under the well-known Trademark of "Airtel" expressed interest to acquire Celtel Zambia Plc's Holding company;

- b) The Bharti group has a television business arm called Bharti Airtel DTH Holdings BV and the 2nd Defendant's parent company Celtel Zambia Plc did, in accordance with the law, publish notice of intention to apply for a broadcasting license. The notices were published on 9th and 10th July, 2010, in The Post and Zambia Daily Mail newspapers respectively, following which the 3rd Plaintiff, was incorporated by Messrs. Airtel Holdings Limited, Nelson Chongo and Moomba Maimbo in August, 2010;*
- c) The Plaintiffs, though they claim to be the proprietors of goodwill, which is denied, possess no Trademark upon which they can assert monopoly over the use of the name "Airtel" as they seek to do.*

The 2nd Defendant averred that it is entitled to register the name "Airtel Money Limited" in respect of which it has received clearance from the 1st Defendant but it has never applied to register "Airtel Networks Limited". The 2nd Defendant averred that the Plaintiffs are not entitled to any of the sought reliefs.

The Plaintiffs in their Reply asserted that Plot 11, Nchenja Road, Northmead, Lusaka was the Plaintiffs' registered office and that one Mrs. Soko is a relation of one of the Directors in the Plaintiff companies. Further, that the 2nd Defendant in fact operates as Airtel Zambia and not Celtel Zambia Limited. In addition, that the Plaintiff companies were incorporated in good faith and not for the purpose of frustrating incorporations under the name "Airtel" singularly or in combination with other words by the 2nd Defendant.

In support of their claims, the Plaintiffs called 2 witnesses. PW1 was Brian Muhazo Kawina, one of the Directors/Shareholders in the Plaintiff Companies. He testified that the nature of the business of the Plaintiffs is that they were engaged in the business of selling phones and airtime to the general public. He went on to state that the Plaintiffs have sued the Defendants in connection with the registration and use of the word "Airtel".

According to PW1, after the 1st Defendant registered the Plaintiff companies it later registered the 2nd Defendant, a company bearing a similar name with the Plaintiff companies leading to confusion in the minds of the general public. He informed the Court of a particular instance when a parcel from Switzerland was erroneously delivered to the 2nd Defendant's offices instead of the Plaintiffs' office by a courier called DHL.

PW1 informed the Court that following this incidence, the Plaintiffs wrote to DHL communicating their displeasure regarding the 'mishandling' of the parcel leading to it being delivered to the 2nd

Defendant. According to PW1, DHL later apologised for the error. However, no evidence to such effect from DHL was ever placed by the Plaintiffs before this Court. PW1 added that the parcel was not sent to the correct address owing to the fact that there were similarities in name between the Plaintiffs and the 2nd Defendant.

PW1 further testified that he was approached by certain individuals to provide local expertise for companies that had attempted to buy ZAMTEL which was eventually sold to LAP Green. He further testified that the incorporation of the Plaintiff companies was motivated by the boom in the telecommunication industry with regard to selling of airtime and phones. He stated that the incorporation of the Plaintiff companies was done in good faith.

PW1 told the Court that the advert that appeared in the newspaper with regard to Celtel Zambia Plc's intention to apply for a broadcasting licence could not have prompted PW1 to incorporate the Plaintiff companies as the word "Airtel" was not used in the advert. He added that the Plaintiffs have, by law, monopoly to use the name "Airtel". He went on to assert that the Plaintiffs have the exclusive rights to use the said name as they are the originators of the name in Zambia.

It was PW1's testimony that he wanted to have the 2nd Defendant deregistered as it is interfering with the Plaintiffs' business. He added that the confusion raised by the name has led the Plaintiffs' to close their account with Barclays Bank. Further, that members

of the public are questioning whether or not the Plaintiffs are the same as the 2nd Defendant.

Under cross examination, PW1 stated that he is resident in Meanwood, Lusaka, as well as Dubai where he carries on business. He told the Court that he has not been permitted to testify on behalf of the 3rd Plaintiff as he is neither Director nor Shareholder in the 3rd Plaintiff. He told the Court that the Plaintiffs operate from Nchenja Road in Northmead through a Company called First Line. He denied that Mrs. Soko is his relative and went further to state that she is not a relative of any of the Plaintiffs' Directors. He added that the Plaintiff companies merely rent space from Mrs. Soko through a company called First Line.

PW1 maintained that the said premises were being shared by three other Companies including the Plaintiffs. He denied that Mrs. Soko was residing at the said premises and added that she resided in a servant's quarter at the said premises, while three companies used the main house as business premises.

PW1 stated that there was no evidence on record showing the balances on the bank account held with Barclays Bank, neither is there evidence showing that the Plaintiffs imported goods for their business aside from the purchase of four tyres as well as airtime worth K40, 000.00 (unrebated).

When referred to the dates of incorporation for the Plaintiffs' companies and the 2nd Defendant, PW1 admitted that the 2nd

Defendant was registered earlier than any of the Plaintiff companies.

With regard to the confusion with DHL regarding delivery of a parcel, PW1 told the Court that there was a letter written by DHL confirming that the confusion was because of the name although the said letter was not before Court. In relation to whether or not PW1 knew of a Company called "Orange", he stated that he was not aware of such a company, neither was he aware of the 2nd Defendant's existence prior to incorporating the 1st and 2nd Plaintiffs. He maintained that it were the Plaintiffs that created the name "Airtel".

PW1 stated that he was seeking the Court's indulgence to deregister all companies embodying the name "Airtel" that were registered after the Plaintiff companies. He stated that he was not aware that the Registrar of Companies had the discretion whether or not to register a particular company. He conceded that the Plaintiff companies were registered individually and yet the Registrar of Companies allowed their names to stand.

It was PW1's testimony that the Plaintiff companies were no longer operational as operations were suspended following the closure of the bank account. He added that there is no proof before Court to show that the Plaintiff companies had assets or that the confusion in name with the 2nd Defendant led to losses to the Plaintiffs.

PW1 admitted that the Registered office for Orange Zambia Limited was 53 Independence Avenue, Lusaka, which is the same address as PW1's residence. He denied being aware of the hurdles faced by Zain in trying to sell its Africa operations. He stated that Orange Holdings (Z) Limited was never operational. PW1 admitted being one of the Directors of Orange Holdings. He confirmed that the two companies in which he was a Director are not operational and have never been in operation.

In re-examination, PW1 stated that there is no evidence that Plot 53 Independence Avenue is a residential address. He maintained that No. 11 Nchenja Road was the Plaintiffs' registered office. He conceded that the 2nd Defendant was incorporated before the Plaintiff Companies. When referred to page 6 of the 1st Defendant's Bundle of Documents, PW1 stated that the 2nd Defendant was incorporated on 17th March, 2010. He added that the 2nd Defendant ought to be deregistered as it was registered after the Plaintiffs.

PW2 was Moomba Maimbo, a shareholder in the 3rd Plaintiff. He told the Court that the 3rd Plaintiff started off as a broadcasting and ICT provider. After the company was incorporated in August, 2010, the 2nd Plaintiff, one of its shareholders informed the Company that they had encountered a challenge as one of the letters from Switzerland was erroneously delivered to the 2nd Defendant.

According to PW2, it was decided that the operations of the Plaintiffs would be stalled to allow the issue of the names to be

resolved by the 1st Defendant. He added that there was a lot of confusion as the Plaintiffs were seen to be fraudsters when they presented themselves as "Airtel" because the public believed that they were not part of the 2nd Defendant.

It was PW2's evidence that an action was commenced by the Plaintiffs owing to the similarity in name between the Plaintiffs and the 2nd Defendant which caused confusion. He added that the 1st Defendant should not have registered the 2nd Defendant. PW2 referred to an occasion when he attempted to incorporate a Company similar in name with another company and the Registrar refused to register it.

PW2 stated that the Plaintiff companies were not registered in bad faith. Further, that the Plaintiffs did not demand for any money from the 2nd Defendant as all they wanted was for the 2nd Defendant to desist from using their name. He went on to state that it was not the intention of the Plaintiffs to frustrate the incorporation of the 2nd Defendant. He maintained that the Plaintiffs have had problem conducting business owing to the confusion with the names. He reiterated that he wanted the 2nd Defendant deregistered and to be paid for costs incurred as a result of the confusion.

Under cross examination, PW2 stated that the 3rd Plaintiff has monopoly over the name "Airtel" although he stated that he was not qualified to state for a fact that the word was the 3rd Plaintiff's invention.

PW2 stated that the 1st Plaintiff was registered first while he is the shareholder in the 3rd Plaintiff. He stated that the name was in fact invented by the 1st Plaintiff. He denied being a shareholder in the 1st Plaintiff company but conceded that it is the Registrar of Companies' duty to determine whether or not a name is confusing or similar with another name.

PW2 stated that he only testifies on behalf of the 3rd Plaintiff and he was not aware when the 2nd Plaintiff was incorporated. He noted that the 3rd Plaintiff started encountering problems when it registered with ZICTA. He stated that the 3rd Plaintiff did not import any equipment for the 3rd Plaintiff.

It was PW2's testimony that the first confusion was when a letter was erroneously delivered to the 2nd Defendant. He added that there was more confusion when Yellow Dots, a South African Company started enquiring whether the 3rd Plaintiff was the same as the 2nd Defendant. Further, that Yellow Dots asked the 3rd Plaintiff to sort out the confusion with the names as they were informed that Celtel also intended to start offering broadcasting services. PW2 denied being aware that the 2nd Defendant was running a telephone business.

It was PW2's testimony that the 3rd Plaintiff had applied for an equipment licence although he could not recall the name of the licence. He added that there was no special mark that distinguished the 3rd Plaintiff and no monetary transaction were ever concluded by the 3rd Plaintiff.

PW2 told the Court that he, together with a Mr. Kaenga, created CASAT. He stated that he was not sure whether or not the returns at PACRA were up to date. He added that all TPIN and administration issues were handled by PW1. He maintained that he could not recall what licence the 3rd Plaintiff had applied for at ZICTA.

Under re-examination, PW2 stated that there was no communication from the Registrar of Companies regarding the similarities in name. He stated that the 3rd Plaintiff encountered costs as it had business interactions which required the use of monetary resources. He added that the 3rd Plaintiff had interacted with States Digital Infrastructure of India and it too raised concerns regarding the confusion in name with the 2nd Defendant.

That marked the close of the Plaintiffs' case.

The 1st Defendant called 1 witness, Lloyd Musonda (DW1). He testified that he is an Inspector of Companies at the 1st Defendant. He informed the Court that his role at the 1st Defendant is to inspect company records to ensure that there is compliance with the provisions of the law. Further, that he is also tasked with the responsibility of approving names for companies at registration. He added that in his duties he is guided by the provisions of **Sections 41, 42 and 43 of *The Companies Act***¹.

DW1 testified that the underlying principles of the above provisions require that the Registrar approves the name that is not confusingly

similar with a company which is already registered or a well-known trademark. He went on to state that names will not be approved if they are undesirable or against public policy or suggest a patronage of the President or any foreign head of state. He further informed the Court that he has been in the employ of the 1st Defendant for 18 years.

It was DW1's testimony that the document at page 6 of the 1st Defendant's Bundle of Documents is a replacement certificate of incorporation for the 2nd Defendant, which was initially registered on 11th February, 2010 and later had its name changed from Zain Developers Forum Limited. He noted that the 2nd Plaintiff was registered on 17th February, 2010, while the 1st Plaintiff was incorporated on 9th March, 2010.

DW1 informed the Court that the Plaintiff companies are unique and distinct companies which are distinguishable by their descriptive titles. He added that the Plaintiff companies' names are distinct from the 2nd Defendant. He went on to state that all four companies were registered because they are not confusing or similar.

Under cross examination, DW1 stated that the Plaintiffs were registered first and that the Companies are not confusingly similar. When asked about the erroneously delivered letter, DW1 stated that he did not think that it had anything to do with the names of the companies.

DW1 maintained that there was no confusion with regard to the four names of the companies in question. He stated that he did not know whether or not any of the Plaintiffs had started operating.

He told the Court that the 1st Defendant normally looks at the distinctiveness of the name being applied for and the names that have already been registered before any name is approved. He told the Court that the common name now known by the public is "Airtel" which provides mobile services without there being a distinction as to whether it is in reference to Bharti Airtel (2nd Defendant), Airtel High Definition (3rd Plaintiff) or Airtel Holdings (1st Plaintiff).

There was no re-examination of this witness and that marked the close of the 1st Defendant's case.

The 2nd Defendant opted not to call any witness and that marked the close of its case.

The parties were given a period of 45 days from 26th August, 2019, to file their written submissions.

The Plaintiffs filed herein their submissions dated 13th September, 2019, wherein it is submitted that notwithstanding that the Plaintiff companies were registered by the 1st Defendant on 17th February and 3rd August, 2010, the 1st Defendant proceeded with the name clearance of the 2nd Defendant's Airtel Network Zambia Limited and Airtel Money Limited in readiness for incorporation. It is contended that the registration of a company similar to the Plaintiffs' names by

the 1st Defendant is contrary to **Section 37** of **The Companies Act**¹ and is likely to cause confusion in the public, injure the good will established by the Plaintiffs and may pass off the companies as part of the Plaintiffs' Group of Companies.

The Plaintiffs argue that the 1st Defendant's attempt/or registering the 2nd Defendant's Companies under the similar names as that of the Plaintiffs was misconceived and in breach of the law, as the Plaintiffs were registered first and had lodged an application for registration of a Trade Mark "Airtel" on 21st April, 2010. **Black's Law Dictionary**² was cited for its definition of a Trade Mark as follows: -

"A word, phrase, logo, or other graphic symbol used by a manufacturer or seller to distinguish its product or products from those of other. The main purpose of a trade mark is to designate the source of goods or services. In effect, the trade mark is the commercial substitute for one's signature." (Counsel's emphasis)

It is contended by the Plaintiffs that the consequence of the similarity in names between the Plaintiffs and the 2nd Defendant is that it is deceptive to the ordinary customer as was seen by the fact that DHL delivered the Plaintiffs' parcel to the 2nd Defendant. To support this contention, the case of **Trade Kings Limited vs. Unilever Plc and 3 others**¹ was cited for holding that: -

"In Trade Mark cases, it must always be kept in mind that the actual issue is not whether or not the Judge would or would not have personally been deceived, but whether or not after hearing the evidence, comparing the articles, and having had all the similarities pointed out, the true conclusion is that the ordinary

average customer or retail dealer is likely to be deceived."
(Counsel's emphasis)

In the said case, Ngulube C.J. (as he then was), quoted the case of **Clarke vs. Sharp**² and stated as follows: -

"...it is obvious that the judgment of the eyesight is a most important, if not the most important, element in its determination, so much so that, there are many cases in which it practically determines the case, and that, notwithstanding the views of many witnesses and the most careful and elaborate discussion of difference of opinion. On the other hand, there are cases in which the evidence satisfies one that the eyesight, alone and unguarded, misleads. It is necessary to consider the nature of the article sold, the class of customers who buy; to remember that it is a question of likelihood of deceiving the average customer of the class which buys, neither those too clever, nor fools; neither those over careful, nor those over careless. One must bear in mind the points of resemblance and the points of dissimilarity, attaching fair weight and importance to all, but remembering that the ultimate solution is to be arrived at, not by adding up and comparing the results of such matters, but by judging the general effect of the respective wholes. A man may be entitled to use every single dissected item of the whole, and any of such items, and yet be disentitled to use the whole; being the items arranged in a particular form or manner. Another matter of vital importance to be considered is whether there is, or is not, some essential point of difference or resemblance which overcomes or establishes the effect of other points of resemblance; how much of the matter complained of is common to the world, how much to the trade in other similar articles, and how much to the trade in the specific commodity; colour, shape, form, originality of arrangement – all these have to

be considered; but the ultimate decision must be come to, having regard to all considerations, as a matter of judgment on a question of fact." (Counsel's emphasis)

It is argued by the Plaintiffs that the 2nd Defendant's names are similar to that of the Plaintiffs thus causing confusion. To fortify this argument, I was invited to the case of ***N. R. Investments Limited vs. Tiger Foods Brands Intellectual and Another***³, where Mutuna J. stated as follows: -

"...the test for determining similarity is very broad. Put simply however, it can be broken down as follows:

- 1) To hear the evidence;***
- 2) Compare the articles; in doing so ascertaining;***
 - 2.1 whether or not there is a likelihood of the similarities deceiving the average customer;***
 - 2.2 whether or not there are points of dissimilarity;***
 - 2.3 what is the collective effect of the findings in 1 & 2, above***
- 3) whether or not there is some essential point of difference or resemblance which overcomes or establishes the effect of the other points of resemblance and in so doing, determine;***
 - 3.1 how much of the matter complained of is common to the world;***
 - 3.2 how much of the matter complained is common to the trade in other similar articles;***
 - 3.3 how much of the matter complained of is common to the trade in the specific commodity i.e. is it the colour, shape, form or originality of arrangements."*** (Counsel's emphasis)

It is further argued by the Plaintiffs that the continued use of the name "Airtel" by the 2nd Defendant is detrimental and an inconvenience to the Plaintiffs' business operations. That the use of the name will injure the Plaintiffs' reputation and good will. Further, that the names are not only identical but are similar, thus it is likely to result in there being a reasonable probability or likelihood of the average consumer confusing the Plaintiffs with the 2nd Defendant. The case of ***Erven Warnink B. V. and others vs. J. Townsend & Sons (Hull) Ltd and others***⁴ was cited to fortify their arguments, in which the Court identified the main characteristics of a passing-off action as follows: -

"My Lords, A. G. Spalding & Bros. v A. W. Gamage Ltd. (1915) 32 R.P.C. 273) and the later cases make it possible to identify five characteristics which must be present in order to create a valid cause of action for passing off: (1) a misrepresentation (2) made by a trader in the course of trade, (3) to prospective customers of his or ultimate consumers of goods or services supplied by him, (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence) and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a quia timet action) will probably do so." (Counsel's emphasis)

The Plaintiffs prayed that the Court grants the reliefs sought.

The 2nd Defendant filed into Court submissions dated 10th October, 2019. It was contended that the Plaintiffs' claims are twofold namely that the 1st Defendant registered the 2nd Defendant wrongly when the Plaintiffs had already been registered and that the

registration of similar names is likely to cause confusion in the public, injure goodwill and may pass off the companies as part of the Airtel Group of Companies.

The 2nd Defendant submits that since the Plaintiffs sought to challenge the exercise of the Registrar's powers, a public officer, under **Section 37 (3) of The Companies Act¹**, the Plaintiffs ought to have commenced an action for judicial review under the provisions of **Order 53 of The Rules of the Supreme Court³** and not by way of Writ of Summons. I was referred to the general principles of judicial review as highlighted by the learned authors of the **Halsbury's Laws of England⁴**. The 2nd Defendant went on to argue that any claims challenging the decision to register the 2nd Defendant should fail on account of the wrong mode of commencement.

In the alternative, the 2nd Defendant argued that the Court has no power to substitute the opinion of the Registrar of the Patents and Companies Registration Agency with its own. To fortify their argument, the 2nd Defendant invited the Court to the decision in **Chief Constable of the North Wales Police vs. Evans⁵**.

With regard to passing off, the 2nd Defendant argued that it is a common law tort whose remedies include injunctive relief, delivery up of the offensive goods and damages to the owner of the rights or an accounting of the profits by the offender. The 2nd Defendant went on to argue that passing off is a type of unfair competition claim made by holders of unregistered trademarks to prevent others

from copying the mark and packaging and presenting the copied goods and services as their own. According to the 2nd Defendant, leading authorities on passing off have identified 3 elements namely: -

1. *That a Plaintiff's goods or services have acquired a goodwill in the market and are known by some distinguished name, mark or indicium;*
2. *That there is a misrepresentation by the Defendant (intentional or otherwise) leading or likely to lead to the belief that the goods or services offered by the Defendant are in fact goods or services of the Plaintiff; and*
3. *That the Plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the Defendant's misrepresentation.*

The 2nd Defendant submitted that the above 3 elements were espoused in the case of **Reckitt & Colman Products Ltd vs. Borden Inc**⁶ and **Bocacina Ltd vs. Boca Cafes Ltd**⁷. The 2nd Defendant further submitted that in a passing off claim the holder has to prove that he traded goods and/or services; and that the goods and/or services have acquired goodwill and reputation in the relevant marketplace. Further, that passing off has nothing to do with improper use of a mark or name as stated by the learned authors of **Halsbury's Laws of England**⁴ and the decision of the Court in the case of **Phones 4U Ltd vs. Phone4u.co.uk Internet Ltd**⁸.

The 2nd Defendant submitted that in the case of **Reckitt & Colman Products Ltd vs. Borden Inc**⁶, the Court recognised that for there to be goodwill and reputation under a name, mark or indicium, there must be customers or prospective customers who recognise the name, mark or indicium as being distinctive of a Plaintiff's goods and services. Further, that while the claims in the cases cited by the Plaintiffs are trademark claims, this case is not a trademark claim as the Plaintiffs complain about similarity of names. The Plaintiffs have not met the threshold to be entitled to a remedy for any goods or services that may have been passed off by the 2nd Defendant.

It was the 2nd Defendant's contention that the Plaintiffs' witnesses having conceded that no operations had commenced, there were no goods or services which the Plaintiffs can claim were "confused" by any customer. Further, that the Plaintiffs' claim for passing off must fail. The 2nd Defendant prayed that the Court dismisses the Plaintiffs' case with costs to the Defendants.

The 1st Defendant filed into Court submissions dated 5th November, 2019, wherein it was argued that the matter ought to be determined from two distinct points of law namely; registration of company names, under **Section 37 of The Companies Act**¹ and the law surrounding trademarks, under **The Trade Mark Act**⁵.

With regard to the first issue, the 1st Defendant argued that as per **Section 37 of The Companies Act**¹, only the Registrar of Companies is clothed with power to determine whether or not the

name of a company is likely to cause confusion with the name of another company. Further, that the use of the words '*in his opinion*' in **Section 37** of **The Companies Act**¹ shows that the Registrar of Companies has exclusive jurisdiction to determine whether a name was likely to cause confusion with another name.

The 1st Defendant argued that the fact that **The Companies Act**¹, did not provide for procedure for challenging the decision of the Registrar, as the case is with **Section 37** and **38** of **The Trade Marks Act**⁵ is because he has exclusive jurisdiction to determine which names are registrable or not.

It was the 1st Defendant's argument that **Section 37** of **The Companies Act**¹ was an attempt for a statutory recognition of the law on trademarks and passing off. Further, that the said section was meant to ensure that the Registrar did not breach the law on trademarks and passing off when registering a company name. The 1st Defendant went on to argue that this did not take away the right of the aggrieved party to bring actions under the law on trademarks and passing off.

It was submitted by the 1st Defendant that challenging the registration or use of similar names by a business operator is a preserve of the law on trademarks and passing off. The 1st Defendant maintained that the Registrar had exercised his discretion under **Section 37** of **The Companies Act**¹ correctly as the names were not confusingly similar.

The 1st Defendant contended that the Registrar was of the view that there was no monopoly over the use of the word "Airtel" as no company/individual in Zambia had registered a trade mark in relation to the said word. Further, that the names in question were all used in combination with other words, thereby creating dissimilar characteristics in the respective company names.

It was argued that the 2nd Defendant had been operational internationally with the trademark "Airtel" before its registration in Zambia and was specifically known to have taken over Zain. Further, that 2nd Defendant had registered a trademark "Airtel" in India, on 22nd October, 2005.

In the alternative, the 1st Defendant submitted that should the Court be of the view that the powers under **Section 37** of **The Companies Act**¹ were not exclusive to the Registrar, the Plaintiffs ought to have commenced this action by way of judicial review. Therefore, the matter is incompetently before the Court. In support of this contention, I was invited to the case of **Chikuta vs. Chipata District Council**⁹, where the Court held that mode of commencement goes to jurisdiction.

The 1st Defendant argued that there is a distinction between challenging the decision-making process of the Registrar and commencing a suit to prevent the 2nd Defendant from using a trademark or an unregistered trademark. The former ought to be commenced by way of judicial review.

With regard to the Plaintiffs' arguments on trademarks, it was contended that they have never registered a trade mark in relation to the word "Airtel" and thus have no exclusive use of the said word.

It was contended that the Plaintiffs could only have sustained an action for passing off. I was referred to an extract from learned author George Kanja's book *Intellectual Property Law*⁶, where he described the common law tort of passing off. I was further referred to the case of *N.R Dongre vs. Whirlpool Corporation*¹⁰ where the Court opined that a man may not sell his own goods under the pretence that they are goods of another man. The Court was urged to determine whether or not the 2nd Defendant made misrepresentations that their goods or services were the Plaintiffs'.

It was contended that it was in fact the Plaintiffs that exhibited fraudulent tendencies in that when it became public that a foreign company trading as "Orange" was in the process of buying majority shares in a company trading as "Zain", some directors of the 1st Plaintiff decided to incorporate "Orange Holdings Zambia Limited". Further, that some directors of the 2nd Plaintiff incorporated "Orange Zambia Limited". The 1st Defendant went on to argue that when it became apparent that the 2nd Defendant, bearing the name "Airtel" would buy majority shares in "Zain", the Plaintiffs' directors, incorporated the Plaintiff companies, all bearing the word "Airtel" in their company names.

The 1st Defendant argued that this was no mere coincidence and that it was in fact the Plaintiffs that were attempting to pass off the 2nd Defendant's use of the word "Airtel" before it was established in Zambia.

With regard to the characteristics of passing off, I was referred to the case of **Trade Kings Limited vs. Unilever Plc Cheesebrough Ponds (Z) Limited, Lever Brothers Limited and Lever Brothers (Z)**¹, where the Supreme Court adopted the characteristics of passing off as espoused in the English case of **Erven Warnink Bv and Others v. J. Townsent & Sons (Hull Limited and Others)**⁴. The 1st Defendant contended that the Plaintiffs have failed to establish the tort of passing off against the Defendants as they have not demonstrated that the 2nd Defendant was holding out their goods and services as those of the Plaintiffs to customers.

It was contended that the Plaintiffs have merely attempted to demonstrate that the names of the 2nd Defendant are confusingly similar to those of the Plaintiffs. Further, that the erroneous delivery of documents is a common mistake which can be made by any person during the course of business transactions.

According to the 1st Defendant, the Plaintiffs failed to demonstrate that there was confusion of names within the Zambian market. Further, that the Plaintiffs have not demonstrated that their goodwill or reputation has been injured or was likely to be injured. I was referred to the definition of the term goodwill as defined in the

case of ***IRC vs. Muller & Co's Margarine Limited***¹¹, wherein it was defined as follows: -

"The benefit and advantage of the good name, reputation and connection of a business, the attractive force which brings in custom, and the one thing which distinguishes an old established business from the new business at its first start."

It was the 1st Defendant's contention that the Plaintiffs have not demonstrated that they had built goodwill in the market. Further, that goodwill is a reputation that is built overtime. The 1st Defendant went on to argue that the Plaintiffs ought to have shown numerous business transactions and a large clientele as evidence of their goodwill. It was further argued that the Plaintiffs only showed a single transaction and one suggestion of existence of communication.

The 1st Defendant contended that the Plaintiffs have failed to demonstrate that any goodwill or reputation was built, and that the same was injured or was likely to be injured by the 2nd Defendant.

With regard to the issue of monopoly, the 1st Defendant argued that there is no monopoly on the use of unregistered trademark. Therefore, the Plaintiffs cannot argue that they have exclusive use of the word "Airtel". I was referred to the cited case of ***Trade Kings Limited vs. Unilever Plc Cheesebrough Ponds (Z) Limited, Lever Brothers Limited and Lever Brothers (Z) Limited***¹ where the Supreme Court cited with approval the opinion of Christopher Wadlow in his book ***The Law of Passing Off*** that passing off does

not confer monopoly rights in any names. I was further, referred to the cases of *Three Angels Message vs. Registrar of Companies*¹² and *DH Brothers Industries (PTY) Limited vs. Olivine Industry (PTY) Limited*¹³, where the Court refused to recognise an unregistered trademark. The Court was similarly urged to dismiss the Plaintiffs' action.

The Plaintiffs filed their submissions in reply on 1st November, 2019, wherein it was argued that **Order VI, Rule 1** of **The High Court Rules**⁸ provides for the mode of commencement where no written law or rule provides for the mode of commencement. I was further referred to the decision of the Court in *New Plast Industries vs. Commissioner of Lands and Attorney General*¹⁴ where the Court held that the mode of commencement of any action is usually provided for by the relevant statute.

It was the Plaintiffs' argument that this action could not have been commenced under **Order 53** of **The Rules of the Supreme Court**³ as the said provision is only invoked where a party is aggrieved by a decision of a public authority. Further, that the Plaintiffs did not plead for any of the reliefs under **Order 53** of **The Rules of the Supreme Court**³, therefore they could not have commenced an action for judicial review.

It was the Plaintiffs' submission that the action could not be commenced by way of judicial review on account that the matters herein are contentious, therefore, the proper mode of commencement was by way of Writ of Summons. Further, that the

2nd Defendant cannot raise the issue of jurisdiction now when it was never raised in the pleadings. I was referred to the cases of **Christopher Lubasi Mundia vs. Sentor Motors Limited**¹⁵, **Lyons Brooke Bond (Z) Limited vs. Zambia Tanzania Road Services Limited**¹⁶, **Carvel Joel Jere vs. Shamayuwa and Attorney General**¹⁷ and **Robinson Settlement, Grant vs. Hobbs**¹⁸, where the Court discussed the functions of pleadings and the fact that the parties are bound by pleadings. The Plaintiffs argued that the Defendants cannot raise the issues of mode of commencement at this stage.

With regard to whether or not this Court has the power to reverse and/or quash the decision of the Registrar of Companies, the Plaintiffs argued that this Court has the requisite power to substitute the opinion of the Registrar with its own. As authority for this argument the Plaintiffs referred to the cases of **Godfrey Miyanda vs. The High Court**¹⁹, **Anisminic Limited vs. Foreign Compensation Commission**²⁰ and **R. vs. Ministry of Defence, Ex Parte Smith**²¹.

The Plaintiffs argued that the case of **Reckitt & Colman Products Ltd vs. Borden Inc**⁶ referred to by the Defendants in fact supports their case as they proved at trial that the Plaintiffs' business has been affected by the 2nd Defendant's use of the word "Airtel". Further, that considering the elements of an action for pass off as espoused in the **Erven Warnink Bv and Others vs. J. Townsend & Sons (Hull Limited and Others)**⁴, the 2nd Defendant cannot raise

the issue of passing off as it is the Plaintiffs that have suffered loss of good will as a result of the Defendants' actions. The Plaintiffs urged the Court to allow the Plaintiffs' claims with costs.

I have carefully considered the pleadings before me, the evidence adduced and the parties' written submissions. I am grateful to Counsel for their industry and depth in submissions. I may not state all the authorities cited by Counsel but I am alive to the principles espoused therein, for which I am indebted to Counsel for.

It must be noted from the outset that the Defendants have raised an issue regarding the mode of commencement. The question is whether or not the Plaintiffs' action was properly commenced by way of Writ of Summons and Statement of Claim as opposed to Judicial Review.

The 1st Defendant contends that there is a distinction between challenging the decision-making process of the Registrar and commencing a suit to prevent the 2nd Defendant from using a trademark or an unregistered trademark. That the former ought to be commenced by way of judicial review.

On the other hand, the Plaintiffs' contend that this action could not have been commenced under **Order 53** of **The Rules of the Supreme Court**³ as the said provision is only invoked where a party is aggrieved by a decision of a public authority. That the Plaintiffs did not plead for any of the reliefs under **Order 53** of **The Rules of**

the Supreme Court³, therefore they could not have commenced an action for judicial review.

Judicial review is not concerned with the decision of a public body but instead with the decision-making process. The learned authors of **Halsbury's Laws of England**⁹ defined Judicial Review as a process by which the High Court exercises its supervisory jurisdiction over the proceedings and decisions of tribunals/bodies charged with performance of public acts and duties. The Court of Appeal in the case of **Central Africa Baptist College and Seminary vs. The Copperbelt University**²² put it this way: -

"Judicial Review... is concerned with reviewing the decision-making process of the impugned decision. It is not concerned with the merits of the decision in respect of which the application for judicial review is made, but the review of the decision-making process itself."

Order 53 (1) of **The Rules of the Supreme Court**³ provides for cases where an application for Judicial Review may be made and is couched as follows: -

"Cases appropriate for application for judicial review

(1) An application for -

(a) an order of mandamus, prohibition or certiorari, or

(b) an injunction under section 30 of the Act restraining a person from acting in any office in which he is not entitled to act,

shall be made by way of an application for judicial review in accordance with the provisions of this Order."

At the time this matter was commenced by the Plaintiffs, it will be seen from the evidence before this Court, that the 1st Defendant had not yet exercised its discretion under **Section 37** of the then **Companies Act**¹ on whether or not to accept to register the 2nd Defendant and use the word "Airtel" in its company name. This being the position, it is this Court's view that there was not yet any decision of an administrative office, such as that of the 1st Defendant, that was capable of being challenged by way of Judicial Review. Clearly, the Plaintiffs are aggrieved with the Registrar's decision to register the 2nd Defendant's company name and not the decision making process itself. Consequently, the 1st Defendant's argument that the Plaintiffs ought to have commenced this action by way of Judicial Review rather than in the manner they have done lacks merit. It is, therefore, the finding of this court that the Plaintiffs commenced this action in an appropriate way as they are not looking to challenge the decision-making process by the Registrar. In any event, the Plaintiffs do not seek any of the reliefs sought after under Judicial Review.

The Plaintiffs contend that the 2nd Defendant attempted to register with the 1st Defendant two other companies similar in name to the Plaintiffs, namely, "Airtel Networks Zambia Limited" and "Airtel Money Limited" which would likely lead to causing confusion in the public, injury and infringement of the goodwill established by the Plaintiffs. That this may pass off the companies as part of the Plaintiffs' Airtel Group of Companies.

Further, the Plaintiffs contend that the 1st Defendant ^{as} has a matter of fact proceeded to clear the names of "Airtel Networks Zambia Limited" and "Airtel Money Limited", in readiness for incorporation by 2nd Defendant. The Plaintiffs also contend that any registration of a company name similar to the Plaintiffs' names by the 1st Defendant amounts to a breach of the 1st Defendant's statutory duty under **Section 37** of **The Companies Act**¹.

On the other hand, the 1st Defendant, who confirmed that it has cleared the names "Airtel Networks Zambia Limited" and "Airtel Money Limited" for incorporation by the 2nd Defendant, contends that the names "Airtel Networks Zambia Limited" and "Airtel Money Limited", are not confusingly similar with any of the Plaintiffs' companies. That the use of the word "Airtel" by any person, in combination with any other words would not cause confusion in the market place, and that the Plaintiffs do not in any event enjoy exclusive rights of or any combination of words bearing the word "Airtel". Further, that the word "Airtel" is not in any case the invention of the Plaintiffs. The 1st Defendant also contends that the Plaintiffs have no basis for sustaining an action for pass off.

The 2nd Defendant who changed its name to Bharti Airtel Developers Limited, following the acquisition of Zain Africa Holdings BV, the majority shareholder of Celtel Zambia on 30th March, 2010, by Bharti Airtel Limited of India, which commonly operates under the well known trademark of Airtel contends that whilst negotiations were underway for the acquisition of Zain Africa

Holdings BV; the majority shareholder of Celtel Zambia Plc by Bharti Airtel Limited, early in 2010, a matter which was notoriously in the public domain in Zambia, the 2nd Plaintiff company, Airtel Limited, was incorporated on 17th February, 2010. That the records at the Patents and Companies Registration Agency show that the shareholders of the 2nd Plaintiff are Brian Kawina, Samba Kawina, Sandra Chilubi and Sipho Jere. Further that on 9th March, 2010, another similar company, namely, Airtel Holdings Limited, the 1st Plaintiff in this action, was incorporated by Nelson Chongo and Moomba Mambo. The 2nd Defendant denies that it ever attempted to register a company by the name of "Airtel Networks Limited", as alleged by the Plaintiffs, but admits that it applied for name clearance in respect of "Airtel Money Limited".

The 2nd Defendant further contends that no confusion can occur from the registration of a name on the 1st Defendant's companies register bearing the word "Airtel" in combination with other words by the mere fact that the Plaintiffs names embody that word. The 2nd Defendant also contends that the three Plaintiff companies are not entitled to exclusive use of the word "Airtel", because the Plaintiffs were incorporated in bad faith, maliciously and as an instrument of fraud, extortion and passing-off. That they were incorporated without any intention that they be utilised for any other purpose apart from frustrating the incorporation of a company under the name "Airtel", singularly or in combination with other words by the 2nd Defendant and/or Bharti Airtel Limited, following the news of the intended acquisition of Zain Africa

Holdings BV, the majority shareholder of Celtel Zambia Plc, by Bharti Airtel Limited, a transaction which was consummated on 30th March, 2010.

I find that the key issues I must determine are firstly, whether or not the Plaintiffs are the only duly registered companies in Zambia entitled to operate and use the name "Airtel" and secondly, whether the 1st Defendant should have registered, as it did, the 2nd Defendant Company bearing the name "Airtel" in Zambia such that it should now be de-registered.

On the first issue indentified above, the evidence presented to this Court by all the parties does confirm that the Plaintiffs are not the only duly registered companies in Zambia. Rather the 2nd Defendant is also confirmed by the testimonies of the witnesses of the Plaintiffs and the 1st Defendant, as also being a duly registered company in Zambia. The record will show that by virtue of the replacement Certificate of Incorporation for change of name appearing at page 6 of the 1st Defendant's Bundle of Documents, the 2nd Defendant is duly incorporated in Zambia as at 20th July, 2010. The Plaintiffs, as evidenced in their Statement of Claim, seek to effectively have the 2nd Defendant's name deregistered and to further prevent any names bearing the word "Airtel" from being registered with the 1st Defendant.

It is not disputed that the Plaintiffs have not registered the word "Airtel" as a trademark to warrant them having the sole use of the name.

As such, it is the finding of this Court that the Registrar properly used the discretion to allow the registration of the 2nd Defendant whose name includes the word "Airtel" and based on the evidence of the witnesses referred to above, the Plaintiffs and the 2nd Defendant are all entitled to operate and use the name "Airtel" in Zambia in their respective company names as registered by the 1st Defendant.

On the second issue for determination by this Court identified above, the central provisions as it was in the now repealed and replaced **Companies Act**¹ is **Section 37 (3)** of the said piece legislation, which provides as follows: -

"The Registrar shall not register as the name of a company a name which in his opinion is likely to cause confusion with the name of another company or is otherwise undesirable."

The evidence of the witnesses of both the Plaintiffs and 1st Defendant, who testified on the powers of the Registrar of the 1st Defendant, confirmed that it was the Registrar and Registrar alone that was empowered under the said **Section 37 (3)**¹ to exercise discretion on whether or not to register a company name such as the ones in contention herein. The evidence placed before this Court further goes on to confirm that the Registrar did exercise his discretion and registered the 2nd Defendant company using the word "Airtel" in the company name.

While the Plaintiffs contend that the Registrar should not have exercised his discretion under the law as he did and allowed the registration of the 2nd Defendant company with the word "Airtel" as

this has caused confusion between the Plaintiffs' and the 2nd Defendant's companies, the evidence to support the Plaintiffs' contention requires to be interrogated here to see whether indeed there is any such confusion as alleged by the Plaintiffs. The case law cited to support the arguments of confusion being an element to have weighed against the Registrar allowing the registration of the 2nd Defendant company using "Airtel" in it has specific thresholds to be met. Amongst these thresholds are the requirement that the party alleging confusion needed to show with cogent evidence that it was operational in the same business and space as the other company alleged to cause confusion on the two entities' customers. Further the party alleging confusion needed also to show that it had built a reputation around its business operations in relation to its customers over a reasonable period of time in the space it operates from.

As I stated above, the Plaintiffs seem to suggest that the registration of the 2nd Defendant will cause and has in fact caused confusion in members of the public as they will not be able to differentiate between the names. This argument is in line with the principle of passing off under which head the Plaintiffs may properly sue. In the case of ***Mulenga Beatrice Mubanga vs. Chasemah And Advertising, Media Limited***²³, the Court opined that passing off is a common law tort which can be used to enforce unregistered trademark rights. Further, that Passing off is concerned with the protection of business goodwill, and reputation. The learned

authors of **Halsbury's Laws of England**⁴, with regard to passing off observed that: -

"A claim will lie for the passing off of a work as the work of the claimant, if its title or appearance is such as to lead the public to believe that they are purchasing, or using, a work of the claimant and injury is likely to accrue to the claimant; it is not necessary to show an intention to deceive."

In the English case of **General Electric Co. vs. General Electric Co Ltd.**²⁴, the Court observed that the right (of property in trademark) was an adjunct of the goodwill of a business and was incapable of separate existence dissociated from that goodwill.

In the case of **Star Industrial Company Limited vs. Yap Kwee Kor**²⁵, Lord Diplock stated that: -

"A passing off action is a remedy for the invasion of a right of property not in the mark, name or get-up improperly used, but in the business or goodwill likely to be injured by the misrepresentation made by passing off one person's goods as the goods of another."

Similarly, Lord Herschell stated that: -

"passing off is a remedy for the invasion of a right of property, the property being in the business or goodwill likely to be injured by the misrepresentation rather than in the mark, name or get-up improperly used."

In **Reckitt and Colman Limited vs. Borden Incorporation**⁶ at **page 873**, Lord Oliver reduced the above essential elements in an action for passing-off to three, namely the existence of the

claimant's goodwill, a misrepresentation as the goods or services offered by the defendant, and damage (or likely damage) to the claimant's goodwill as a result of the defendant's misrepresentation.

The evidence presented by the Plaintiffs to this Court show that its companies are actually not even operational and have not had any viable transactions to suggest that they have developed sufficient goodwill to warrant the deregistration of the 2nd Defendant. Further, the Plaintiffs have failed to show that there is any confusion created by the registration of the 2nd Defendant by the 1st Defendant. They had only one alleged incident of a wrong delivery of a package to the 2nd Defendant, which allegation was not even supported by any evidence from DHL, the courier, alleged to have had done the alleged misdelivery. As if that was not enough, the Plaintiffs had only confirmed in its evidence before this Court to have acquired insignificant assets without any history of actual trading in the space that they operate in. No any other cogent evidence has been placed before this Court by the Plaintiffs to attempt to meet the thresholds propagated in the case law referred to in this matter in this regard. This, in my view is not sufficient to warrant deregistration of the 2nd Defendant especially considering the fact that the Plaintiff companies are not 'active' and have never really had an ongoing viable business. No ~~any~~ goodwill was ever created and demonstrated by the Plaintiffs.

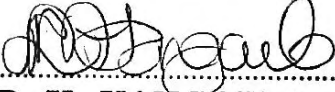
Consequently, it is the view of this Court that the Plaintiffs have failed to provide sufficient evidence which meets the thresholds

specified in the case law cited on this issue. As such I find that the Registrar was within his rights to exercise the discretion to register the 2nd Defendant company name with the word "Airtel" used. It follows, therefore, that there is no merit in the Plaintiffs' claim demanding the Registrar to de-register the 2nd Defendant company. The Plaintiffs claim on this issue also fails.

For the foregoing reasons, the Plaintiffs' action is without merit and is dismissed with costs to the Defendants to be taxed in default of agreement.

Leave to Appeal is granted.

Delivered at Lusaka on 31st January, 2020.


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P. K. YANGAILO
HIGH COURT JUDGE