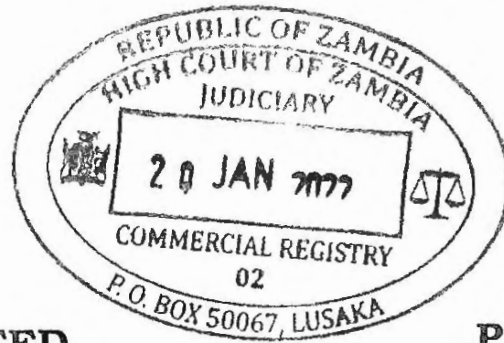


IN THE HIGH COURT FOR ZAMBIA  
COMMERCIAL DIVISION  
HOLDEN AT LUSAKA  
(Civil Jurisdiction)

2018/HPC/0423



**BETWEEN:**

**CHICKEN SLICE ZAMBIA LIMITED**

**PLAINTIFF**

**AND**

**SLICE INVESTMENTS LIMITED**

**DEFENDANT**

**CORAM: Hon. Lady Justice Dr. W. Sithole Mwenda at Lusaka on the 20<sup>th</sup> day of January, 2022.**

*For the Plaintiff: Mr. K. Nchito of Kapungwe Nchito Legal Practitioners*

*For the Defendant: Mr. I. Siame of Corpus Legal Practitioners*

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## **JUDGMENT**

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**Cases referred to:**

1. *Masauso Zulu v. Avondale Housing Project* (1981) Z.R. 172.
2. *Anderson Kambela Mazoka, Lt General Christon Tembo, Godfrey Miyanda v. Levy Patrick Mwanawasa, The Electoral Commission of Zambia and Attorney General* (2005) Z.R. 138 (S.C.).
3. *Khalid Mohamed v. The Attorney General* (1982) Z.R. 49 (S.C.).
4. *Trade Kings Limited v. Unilever Plc. Cheesebrough Ponds (Zambia) Limited Lever Brothers (Private) Limited and Lever Brothers (Zambia) Limited*, S.C.Z. Judgment No. 2 of 2000.
5. *DH Brothers Industries (PTY) Limited v. Olivine Industries PTY Limited*, S.C.Z. Judgment No. 10 of 2012.
6. *Dunlop Rubber Co Ltd v. AA Booth & Co Ltd* (1926) 43 RPC 139.

**Legislation referred to:**

1. *The Trade Marks Act, Chapter 401 of the Laws of Zambia.*

**Publication referred to:**

1. *Halsbury's Laws of England, 5<sup>th</sup> Edition, [London: Butterworths LexisNexis, 2007 Reissue], Volume 48.*

**1. INTRODUCTION**

1.1 The Plaintiff commenced this action against the Defendant on 8<sup>th</sup> October, 2018, by way of Writ of Summons and accompanying Statement of Claim, for the following remedies:

- (i) A declaration that the trademarks being used by the Plaintiff to label, mark, and/or paint its premises and products are trademarks duly registered by the Plaintiff and belong to the Plaintiff;
- (ii) An injunction restraining the Defendant whether by itself, its agents, servants or whomsoever from interfering with the Plaintiff by seizing the purported infringing products or stopping the Plaintiff in any way from using the purported infringing products until the final determination of this matter;
- (iii) An inquiry into what damages have been and may be suffered by the Plaintiff by reason of the Defendant interfering with the operations of the Plaintiff by in any way threatening to seize the purported infringing

products or threatening to stop the Plaintiff from using the purported infringing products;

- (iv) Further or other relief the Court may deem fit;
- (v) Interest;
- (vi) Costs.

## **2. PLAINTIFF'S CASE**

2.1 The Plaintiff alleges that in or about December, 2016, the Plaintiff was incorporated and registered with the Zambia Revenue Authority (ZRA) and operates a fast-food outlet at number 50 Oasis Mall on Dedan Kimathi Road, the location at which it sells chicken and chips, pizza, ice cream and coffee. On 9<sup>th</sup> September, 2018, a representative of the Defendant went to the Plaintiff's location and started taking pictures and alleging that the Plaintiff had copied the Defendant's Trademarks.

2.2 On or about 21<sup>st</sup> September, 2018, the Plaintiff received a letter from the Defendant's Advocates in which they alleged that the Plaintiff had copied the Defendant's Trademarks. The Defendant, *inter alia*, alleged that the Plaintiff was operating its business copying the Trademarks of the Defendant and had

labelled, marked and painted its premises and products with the Defendant's Trademarks without authorisation from the Defendant.

2.3 The Statement of Claim reveals that the Defendant, further, alleged that the continued use of the Trademarks was a wrongful act and an infringement of the Defendant's rights. Consequently, the Defendant could take steps which could include issuing legal proceedings, seizure of alleged infringing products and applying for an immediate injunction stopping future trademark infringements.

2.4 The Plaintiff avers that it carried out an online search on the Patents and Companies Registration Agency (PACRA) website and found that the Defendant published its trademarks on 28<sup>th</sup> June, 2018, while the Plaintiff had been trading for more than two years using its trademarks. That, a further search at PACRA revealed that the Defendant was registered on 10<sup>th</sup> October, 2017, more than a year after the Plaintiff had registered as a company. Further, that the Plaintiff registered its trademarks with PACRA on 19<sup>th</sup> September, 2018. That, a look at the Defendant's and the Plaintiff's trademarks will reveal that the trademarks are different.

- 2.5 The Plaintiff also alleges that it is actively operating its business with daily sales, paying taxes and has employed more than 15 people in running the fast-food outlet.
- 2.6 That, by reason of the Defendant's threat to the Plaintiff to have the purported infringing products seized and to apply for an immediate injunction stopping the purported future trademark infringement, the Defendant has affected the operations of the Plaintiff, resulting in failure to plan and project the expansion and future sales. Thus, the Plaintiff is claiming the reliefs as enumerated in paragraph 1.1 above.

### **3. DEFENDANT'S DEFENCE AND COUNTERCLAIM**

#### **Defence**

- 3.1 In response to the Plaintiff's claims, the Defendant states that one of its representatives went to the Plaintiff's premises to buy food when she noticed that the Plaintiff had copied the Defendant's trademarks, prompting her to take reasonable measures to secure evidence of trademark infringement by the Plaintiff.
- 3.2 The Defendant further asserts that the Plaintiff has purportedly adopted trademarks so resembling those of the

Defendant, such that ordinary purchasers, buying with ordinary caution, are likely to be deceived and misled.

3.3 The Defendant states that the mere fact that the Plaintiff has been trading for two years using the Defendant's trademarks does not entitle it to the continued use of the same to the Defendant's detriment.

3.4 The Defendant asserts that the Plaintiff's purported registration of the trademarks offends the Trademarks Act, Chapter 401 of the Laws of Zambia, in that their use is likely to deceive or cause confusion with the Defendant's trademarks. That, the Plaintiff has labelled, marked and/or painted its premises and products with the exact marks registered in the Defendant's name, designed and calculated to mislead and deceive purchasers into thinking that the Plaintiff and the Defendant are one and the same entity.

3.5 The Defendant denies that the Plaintiff has any claim against the Defendant or is entitled to any of the reliefs the plaintiff is seeking.

**Counterclaim**

3.6 In its counterclaim, the Defendant avers that it was incorporated on 10<sup>th</sup> October, 2017, and on 19<sup>th</sup> March, 2018, it registered with PACRA four trademarks, namely, Chicken Slice - Class 16, under No. 371/2018, Slice Groceries - Class 16 under No. 373/2018, Pizza Slice - Class 29 under No. 372/2018 and Creamy Slice - Class 29 under No. 370/2018 (collectively, the "Slice Trademarks"). That, the registration of the Slice Trademarks is and was at all material times valid and subsisting.

3.7 The Defendant claims that the Plaintiff has infringed its registered Slice Trademarks and, unless restrained by the Court, threatens and intends to continue to infringe the registered Slice Trademarks.

3.8 The Defendant has tabulated the particulars of the infringement as follows:

(a) That, the Plaintiff has been from a date unknown to the Defendant (and still is), using the Slice Trademarks or marks similar to the Slice Trademarks and has labelled, marked and/or painted its restaurant and products with

Slice Trademarks without the licence or authorisation of the Defendant, the restaurant having no connection with the Defendant;

(b) That, in particular, the Plaintiff has labelled and marked its premises at Shop No. 59, opposite Intercity Bus Terminus, Dedan Kimathi Road, Lusaka, with the exact words contained in the Slice Trademarks of "Pizza Slice," "Chicken Slice," and "Creamy Slice," intended to mislead, cause confusion and deceive customers into thinking that the Plaintiff and the Defendant are one entity;

(c) That, the Defendant is unable to give particulars of all the infringements committed by the Plaintiff until after discovery herein, but will seek to recover damages or an account of profits in respect of each and every such infringement.

3.9 The Defendant claims that by reason of the foregoing, it has suffered loss and damage, and, thus, counterclaims as follows:

- (a) Damages for copyright infringement;
- (b) Damages for loss of business;
- (c) Damages for consequential loss;



- (d) A declaration that the trademarks registered by the Defendant with PACRA under the names and registration numbers: Chicken Slice - No.371/2018 (Class 16), Slice Groceries No.373/2018 (Class 16), Pizza Slice - No. 372/2018 (Class 29); and Creamy Slice - No. 370/2018 (Class 29), are duly registered and belong to the Defendant;
- (e) An injunction to restrain the Plaintiff whether acting by its director, officers, servants, agents or otherwise howsoever, from infringing the Defendant's registered trademarks No.371/2018 (Class 16), No. 373/2018 (Class 16), No. 372/2018 (Class 29) and No. 370/2018 (Class 29);
- (f) Interest;
- (g) Legal Costs; and
- (h) Any other relief the Court may deem necessary.

#### **4. PLAINTIFF'S REPLY AND DEFENCE TO COUNTERCLAIM**

##### **Reply to Defence**

- 4.1 The Plaintiff has denied copying the Defendant's trademarks and has emphasised that it carried out a search at PACRA which revealed that the Defendant published its trademarks

on 28<sup>th</sup> June, 2018, while the Plaintiff had been trading for more than two years, using its trademarks.

4.2 Further, that on 19<sup>th</sup> September, 2018, the Plaintiff registered its trademarks with PACRA and a closer look at the parties' trademarks reveals that they are different.

### **Defence to Counterclaim**

4.3 The Plaintiff in defence to the Defendant's counterclaim has reaffirmed that it has not infringed the Defendant's trademarks or any trademark or at all.

4.4 The Plaintiff has averred that the Defendant has no claim against the Plaintiff and is not entitled to any reliefs sought in the counterclaim, or any reliefs against the Plaintiff or at all.

### **Reply to Defence to Counterclaim**

4.5 The Defendant avers that the measures taken by one of its representatives were legal and necessary for purposes of preserving evidence of the trademark infringement.

4.6 The Defendant, further, asserts that it was incorporated as a private company limited by shares on 10<sup>th</sup> October, 2017 and did, in fact, register four Slice trademarks with PACRA. That,

the registration of the trademarks is subsisting and was valid at all material times.

- 4.7 The Defendant maintains that the Plaintiff has infringed the Defendant's registered trademarks and the Defendant is entitled to the reliefs sought in its Counterclaim.

## **5. THE TRIAL**

- 5.1 The matter came up for trial on 3<sup>rd</sup> March 2020. Both parties were represented and each called one witness. Prior to the trial both sides had filed in witness statements. At the trial, the statements were duly admitted as examination in chief of the witnesses. Also admitted in evidence were the parties' respective bundles of documents.

### **Plaintiff's Evidence**

- 5.2 The Plaintiff's witness, PW1, was one Davis Chilambe Sichula, a Director in the Plaintiff Company. It was his testimony that the Plaintiff was incorporated and registered with the ZRA, in or about August, 2017. In this regard, PW1 referred the Court to page 8 of the Plaintiff's Bundle of Documents.
- 5.3 PW1 further testified that the Plaintiff operates a fast-food outlet at No. 50 Oasis Mall, on Dedan Kimathi Road, Lusaka,

the location at which the Plaintiff sells chicken, chips, pizza, ice cream and coffee.

5.4 That, on or about 9<sup>th</sup> September, 2018, a representative of the Defendant, visited the Plaintiff's location and took pictures of the premises and alleged that the Plaintiff had copied the Defendant's trademarks. That, on or about 21<sup>st</sup> September, 2018, the Plaintiff received a letter from the Defendant's advocates, in which the Defendant alleged that the Plaintiff had copied the Defendant's trademarks. The letter referred to is exhibited at pages 38 and 39 of the Plaintiff's Bundle of Documents.

5.5 PW1 testified that the letter alleged, *inter alia*, that the Plaintiff was operating its business by copying the Defendant's trademarks and that the Plaintiff had labelled, marked and painted its premises and products with the Defendant's trademarks without authorisation from the Defendant; and that the continued use of the trademarks was a wrongful act and an infringement of the Defendant's rights and the Defendant would take steps, including commencing legal proceedings, seizure of alleged infringing products and

applying for an immediate injunction stopping future trademark infringement.

5.6 PW1 also testified that the Plaintiff carried out an online search on the PACRA website which disclosed that the Defendant published its trademarks on 25<sup>th</sup> June, 2018, and that a further search revealed that the Defendant was registered on 10<sup>th</sup> October, 2017. PW1 referred to pages 41 to 45 of the Plaintiff's Bundle of Documents for this.

5.7 It was PW1's testimony that on 19<sup>th</sup> September, 2018, the Plaintiff lodged its application for registration of trademark at PACRA and that on 5<sup>th</sup> November, 2018, the examiner of trademarks refused the Plaintiff's applications for trademark registration on the basis of similar prior registrations in respect of "Pizza Slice" and "Creamy Slice". That, the application for registration of "Chicken Slice" was, however, rejected on account of a different reason, that the trademark has a direct reference to the character or quality of the goods contrary to section 14 (1) (d). PW1 referred the Court to pages 30 to 37 and 47 to 49 of the Plaintiff's Bundle of Documents for the applications and refusals.

5.8 PW1 stated that the refusal was not absolute and the Plaintiff was given two months within which to respond. That, the Plaintiff, thus, appealed against the refusal to the Registrar of Patents and the Assistant Registrar - Intellectual Property, responded to the Plaintiff on 16<sup>th</sup> November, 2018, advising the Plaintiff to amend its trademark. PW1 referred the Court to pages 50 to 54 of the Plaintiff's Bundle of Documents and page 1 of the Supplementary Bundle of Documents.

5.9 It was PW1's further testimony that on 19<sup>th</sup> November, 2018, the Registrar of trademarks wrote to the Plaintiff informing the Plaintiff that the application would be advertised before acceptance and the Plaintiff made the required amendments, as per instructions of the Assistant Registrar. PW1 referred the Court to pages 2 to 3 and 4 to 6 of the Supplementary Bundle.

5.10 PW1 also testified that the Plaintiff made a follow-up on its application through a letter dated 18<sup>th</sup> November, 2018 to the Registrar- Intellectual Property, requesting the position on the application and the Plaintiff was granted a conditional acceptance of its trademark application on 2<sup>nd</sup> January, 2019. For this, PW1 referred the Court to pages 7 and 8 of the Supplementary Bundle. PW1 further testified that the Plaintiff

was awaiting the Ruling of the Registrar on its trademark application and had been trading for a continuous period of two years using its trademarks. Further, that the Plaintiff was actively operating its business and had daily sales. For this, PW1 referred the Court to a bank statement exhibited at pages 9 to 29 of the Plaintiff's Bundle of Documents.

5.11 Referring to a salary schedule exhibited at page 46 of the Plaintiff's Bundle of Documents, PW1 testified that the Plaintiff had employed more than 15 people.

5.12 Finally, PW1 testified that the Plaintiff had not copied the Defendant's trademarks, but had labelled, marked and painted its premises and products using its trademarks which it had been using continuously for more than two years.

5.13 During cross-examination, PW1 conceded that the trademarks in question were not registered in the Plaintiff's name and that irrespective of that, the Plaintiff had been using them.

5.14 PW1 also conceded that the trademarks were on the PACRA register on the website as the Defendant's trademarks as at June 2018, that is, before the Plaintiff made its application for trademark registration in September of 2018.

5.15 When referred to pages 31 and 41 of the Plaintiff's Bundle of Documents, containing the Plaintiff's trademark and Defendant's trademark, respectively, with respect to 'Pizza Slice', PW1 maintained that, save for the words 'Pizza Slice' the two marks were different.

5.16 PW1 conceded that the marks in respect of 'Chicken Slice', exhibited at pages 35 and 42 of the Plaintiff's Bundle were the same.

5.17 PW1 further conceded that the Plaintiff's applications for registration of the trademarks relating to 'Creamy Slice' and 'Pizza Slice' were rejected by PACRA for being identical with the Defendant's trademarks which had been registered prior to the Plaintiff's applications. PW1 also admitted that the Plaintiff's application for registration of the trademark relating to 'Chicken Slice' was also rejected by PACRA.

5.18 With respect to the marks referring to 'Creamy Slice', exhibited at pages 33 and 43 of the Plaintiff's Bundle, PW1 stated that the two bore the same name.

5.19 PW1 also admitted that the Plaintiff became aware that there was another interested party in the trademarks when it made its applications for trademark registration which were rejected,



as well as when it received a demand notice to desist from using the trademarks in contention issued by the Defendant sometime in September, 2018.

5.20 PW1 further conceded that the Plaintiff's application for registration of the trademarks was not conditionally accepted, as he had earlier stated in his Witness Statement, but, that the same was only accepted for advertisement in the Zambia Patent and Trade Marks Journal. PW1 thus, conceded that the Plaintiff had continued to use trademarks which had been registered in the Defendant's name and not in its name.

5.21 In re-examination, PW1 restated that the basis on which the Plaintiff was using the trademarks in question was that when the Plaintiff was incorporated in 2016, way before the Defendant was registered in Zambia or the trademarks were even registered at PACRA, the Plaintiff had started using the marks in its correspondence in its trading. That, whilst trading, the Plaintiff approached PACRA to have the logos formalised/registered and thus, lodged applications in September, 2018, about a year since the Plaintiff had started using the trademarks, and had consistently used them for a period of two years. That, PACRA rejected the applications to

formalise the logos on the basis of having some similarities with other logos.

5.22 PW1 further stated that since the rejection from PACRA, the Plaintiff has appealed against the rejection and is awaiting a ruling from PACRA, on the position regarding the acceptance of the Plaintiff's application, after PACRA had advised the Plaintiff on what needed to be amended for PACRA to accept the application.

5.23 As regards the logos being similar, PW1 clarified that the same were different except for the names, with the exclusion of the 'Chicken Slice' one which was a universal picture and could not be substituted.

5.24 PW1 further clarified that the application for trademark registration had not been withdrawn and that the rejection was not absolute as the Plaintiff was required to appeal within a period of two months from the date that the application was lodged.

5.25 PW1 maintained that the applications were accepted with certain conditions and that it continued to use the trademarks because it was awaiting certificates of registration from PACRA, which were still being considered. PW1 further stated

that the communication the Plaintiff had received from PACRA was that the marks intended to be registered by the Plaintiff were similar or identical to the ones registered by the Defendant, and thus, the Plaintiff needed to make some amendments on its applications for them to be reviewed or meet PACRA's conditions; therefore, it was not an absolute rejection or refusal of registration of the marks.

5.26 This marked the close of the Plaintiff's case.

### **Defendant's Evidence**

5.27 Testifying on behalf of the Defendant was one Mr. Tawanda Mutylebere, a Director at the Defendant Company (DW1). He testified that the Defendant was incorporated on 10<sup>th</sup> October, 2017, in Zambia, as a private company limited by shares. Further, that on 19<sup>th</sup> March, 2018, the Defendant registered with PACRA, four trademarks, namely, Chicken Slice - Class 16 under No.371/2018, Slice Groceries under No. 373/2018, Pizza Slice - Class 29 under No. 372/2018 and Creamy Slice - Class 29 under No. 370/2018. DW1 referred the Court to pages 2 to 5 of the Defendant's Bundle of Documents, as proof of his testimony.

5.28 It was DW1's testimony that on 10<sup>th</sup> October, 2018, the Defendant registered additional trademarks with PACRA, in a class which included other food stuffs to add more protection to the Defendant's products. For this, DW1 referred the Court to pages 6 to 8 of the Defendant's Bundle of Documents.

5.29 DW1 testified that on or about 17<sup>th</sup> September, 2018, during his visit to Zambia, he came across a restaurant branded with the same logos and colours as the Defendant's officially registered trademarks. That, the trademarks that were imprinted on the Plaintiff's walls so resembled those of the Defendant's and it was clear that the Plaintiff had labelled, marked and/or painted the premises and products with the exact marks registered in the Defendant's name, designed and calculated to mislead and deceive ordinary purchasers into thinking that the Plaintiff and the Defendant were one and the same entity.

5.30 It was DW1's testimony that he advised a representative of the Plaintiff that the trademarks the Plaintiff was using were already registered in the Defendant's name and that the Plaintiff should stop using them as continued use of them constituted a trademark infringement. DW1 was informed by

the Plaintiff's representative that the Plaintiff was in the process of applying for trademark registration and would file an application to that effect. DW1 then advised the Plaintiff's representative that the purported registration by the Plaintiff would contravene the Zambian laws and good conscience in that the use thereof was likely to deceive or cause confusion with respect to the Defendant's registered trademarks.

5.31 DW1 testified that he then took photographs of the Plaintiff's walls on which the infringing marks were imprinted as evidence of trademark infringement. DW1 referred the Court to pages 9 to 15 of the Defendant's Bundle of Documents, for the photographs. Further, DW1 testified that he instructed the Defendant's advocates to issue a letter to the Plaintiff, demanding that they desist from further infringement of trademarks registered in the Defendant's name. That, the Plaintiff's response to the demand was that it would consider the issues raised in the Defendant's letter and revert, but instead, the Plaintiff commenced this action against the Defendant.

5.32 DW1 testified that after the Plaintiff had commenced this matter, he conducted a search at PACRA on 19<sup>th</sup> September,

2019, and learnt that the Plaintiff attempted to register its trademarks, but its applications were rejected by PACRA, in that the marks were too similar to those of the Defendant. For this, DW1 referred the Court to pages 16-24 of the Defendant's Bundle of Documents. That, despite the decision by PACRA to refuse to register the Plaintiff's trademarks, the Plaintiff had continued using the Defendant's trademarks and continued to label, mark and/or paint its restaurant and products with the Defendant's trademarks without the licence or authorisation of the Defendant; the Plaintiff and its products having no connection with the Defendant.

5.33 Under cross-examination, DW1 conceded that the Defendant did not have any location in Zambia at which it had put up the signs alleged to be infringed. DW1 also conceded that the Defendant did not have a bank account and that apart from filing the trademarks, not much had been done by the Defendant to start the business in Zambia. That, the Defendant did not have actual business in Zambia.

5.34 When asked where the Defendant had put up its signs of the trademarks in question and which customers stood to be confused, DW1 conceded that the Defendant had not put up

any signs in Zambia, and that the customers that stood to be confused by the marks were customers travelling from Zimbabwe and Zambians travelling to Zimbabwe. When further asked to show the Court any photographic evidence of the signs as they appeared in Zimbabwe, DW1 failed to produce the evidence.

5.35 In re-examination, DW1 clarified that the court proceedings herein over ownership of the trademarks were the reason for the Defendant not having a physical location or bank account in Zambia but that the Defendant was in an expansion drive and its target was to come to Zambia and open branches. Further, that the Defendant had an office at No. 3 Mbeki Park, Thabo Mbeki Road and had already registered the company and trademarks, which went to show that the Defendant was ready to come and invest in Zambia.

5.36 This marked the close of the Defendant's case.

## **6. PARTIES' SUBMISSIONS**

### **Plaintiff's Submissions**

6.1 Counsel for the Plaintiff argued that evidence had been tendered before this Court, which spoke to the Plaintiff's

assertion that it had been trading using its trademarks for more than two years, which evidence had not been rebutted by the Defendant. Further, that the Plaintiff was incorporated on 7<sup>th</sup> December, 2016 and at the time the Defendant visited the Plaintiff's premises and alleged that the Plaintiff had copied the Defendant's trademarks, the Plaintiff had been operating as a fast-food market and launched its trademarks on the market with the aim of competing and distinguishing itself from other local and foreign fast-food products.

6.2 Counsel argued, further, that the trademarks introduced on the market since establishment included Pizza Slice, Creamy Slice and Chicken Slice, and the Plaintiff had been using the trademarks since incorporation, and had, as a result, invested considerable sums of money in the promotion and marketing of the trademarks. Further, that the Plaintiff was actively operating its business, with daily sales, and had employed more than 15 people.

6.3 Counsel for the Plaintiff, submitted that, in contrast, the Defendant was incorporated on 10<sup>th</sup> October, 2017 and published its trademarks on 25<sup>th</sup> June, 2018. That, despite



being incorporated in Zambia, the Defendant had no commercial presence in Zambia.

6.4 Citing Sections 12 and 13 of the Trademarks Act, Chapter 401 of the Laws of Zambia, Counsel for the Plaintiff submitted that the provisions are instructive and are designed to safeguard vested rights of a person who has continuously used trademarks without registration, from interference or harassment by a person who later comes to register a similar or identical trademark. In this regard, Counsel further, submitted that the Plaintiff in the circumstances, has vested rights in the trademarks in question arising from continuous use of the trademarks. With this, Counsel for the Plaintiff prayed that the Plaintiff's claims be granted.

#### **Defendant's Submissions**

6.5 Counsel for the Defendant began by stating that the main issue for determination was whether the Plaintiff was entitled to the declaratory relief that the trademarks in dispute belonged to the Plaintiff, and whether the continued use of the disputed trademarks by the Plaintiff, without the Defendant's consent, amounted to trademark infringement.

6.6 Counsel submitted, further, that the burden to prove the claims in this matter lay with the Plaintiff as the duty of a plaintiff in every action is to prove each and every claim on a balance of probabilities, no matter the Defendant's case. In support of this submission, Counsel cited the cases of *Masauso Zulu v. Avondale Housing Project*<sup>1</sup>, *Anderson Kambela Mazoka, Lt. General Christon Tembo, Godfrey Miyanda v. Levy Patrick Mwanawasa, The Electoral Commission of Zambia and Attorney General*<sup>2</sup> and *Khalid Mohamed v. The Attorney General*<sup>3</sup>.

6.7 Counsel went on to submit that the Plaintiff's claim against the Defendant was unfounded and misconceived, and that the Plaintiff had not adduced any evidence before this Court to show that the trademarks in question were registered in its name.

6.8 Counsel contended that it is settled law that, in order to be successful in claiming trademark infringement, the claimant should show that they are the registered owner of that trademark and, therefore, have a right to its use and enjoyment. Counsel cited Sections 7 and 9 (a) of the

Trademarks Act, Chapter 401 of the Laws of Zambia, to buttress his position.

6.9 Citing the case of *Trade Kings Limited v. Unilever Plc. Cheesebrough Ponds (Zambia) Limited Lever Brothers (Private) Limited and Lever Brothers (Zambia) Limited*<sup>1</sup>, Counsel submitted that it must always be kept in mind that the actual issue is not whether or not the judge determining it 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 and dissimilarities pointed out, the true conclusion is that the ordinary average customer of retail dealers is likely to be deceived.

6.10 Counsel for the Defendant further submitted that only the registered owner of a trademark can have a right of action against third parties. That, the Trademarks Act only offers protection to registered trademarks and not to similar or identical unregistered trademarks. Further, that Section 7 of the Act disentitles a proprietor of an unregistered trademark from instituting proceedings to prevent or recover damages for infringement of an unregistered trademark. Counsel called

into aid, the case of *DH Brothers Industries (PTY) Limited v. Olivine Industries (PTY) Limited*<sup>5</sup>.

6.11 As regards well-known trademarks, Counsel for the Defendant submitted that the law provides protection to well-known trademarks that are considered to be well-known by the authority of the country where the protection for the trademark is sought, and they receive a high standard of protection even if they have not been registered. To fortify this, Counsel cited Article 2 of the Joint Recommendations concerning provisions on Protection of Well-Known Marks by WIPO. That, in view of Article 2 aforementioned, the Plaintiff cannot claim that it has goodwill and has created a reputation and therefore, seeks protection as a well-known unregistered trademark, solely on the grounds that an application to register the trademark has been made or that the trademark is well-known by the public.

6.12 Counsel, thus, submitted that the Plaintiff has failed to register its trademarks and is disentitled from bringing these proceedings. That, this action by the Plaintiff is premature in its current state for failure to show that the Plaintiff is the registered owner of the trademarks in question; and that the

Plaintiff is not entitled to any protection or relief, and its claim of ownership of the trademarks should not be sustained.

6.13 It was finally submitted, as regards the defence, that the Plaintiff is not a registered trademark holder as is required by law to bring this action and the relief sought by the Plaintiff is, therefore, unclear and the Plaintiff does not have a right that it seeks to protect. That, due to this, this Court should not grant any relief to the Plaintiff.

6.14 As regards the Counterclaim, Counsel for the Defendant submitted that the Defendant has produced evidence proving ownership of the registered trademarks. Further, that the Plaintiff's use of the trademarks registered in the Defendant's name has potential to mislead the public into thinking that the Plaintiff and the Defendant are one and the same. That, the Plaintiff's continued use of the trademarks in question constitutes a trademark infringement by the Plaintiff on the Defendant's trademark.

6.15 That, by reason of the above, the Defendant is entitled to the reliefs as claimed in the Counterclaim. Further, that the claim by the Plaintiff that the trademarks in question belong to it is misconceived, not tenable at law and should be dismissed.

6.16 Counsel for the Defendant, thus, prayed that the Plaintiff's case be dismissed and the Defendant should succeed on its Counterclaim.

## **7. ANALYSIS AND FINDINGS**

7.1 I have carefully considered the evidence on record, written submissions and the authorities cited by the parties. It is not in dispute that the Plaintiff was incorporated on 7<sup>th</sup> December, 2016 and registered for tax remission with the ZRA on 29<sup>th</sup> August, 2017 and has been trading as a fast-food business since sometime in 2017.

7.2 It is also not in dispute that the Defendant was incorporated on 10<sup>th</sup> October, 2017, and in June, 2018, went on to register a number of trademarks styled as, "Chicken Slice," "Pizza Slice," "Slice Groceries" and "Creamy Slice", which were effectively certified as registered on 12<sup>th</sup> September, 2018.

7.3 It is, further, not in dispute that the Plaintiff has, during its trade, been using a series of trademarks in the styles and names, "Chicken Slice," "Pizza Slice," and "Creamy Slice," which a representative of the Defendant challenged as

belonging to the Defendant, upon visiting the Plaintiff's premises on 17<sup>th</sup> September, 2018.

7.4 The record also shows that following the Defendant's visit on 17<sup>th</sup> September, 2018, the Plaintiff attempted to register the trademarks in question at PACRA on 19<sup>th</sup> September, 2018 and the applications were rejected; the Creamy Slice and Pizza Slice for being similar or identical to prior trademark registrations in the name of the Defendant; and the Chicken Slice for not being distinctive, as it made a direct reference to the character or quality of the goods being sold.

7.5 The record, further, shows that the Defendant wrote to the Plaintiff on 21<sup>st</sup> September, 2018, requesting it to desist from using the trademarks, as the continued use of the trademarks constituted an infringement. The Plaintiff's response was that it was giving the issues raised by the Defendant serious consideration and would respond to the Defendant, but then proceeded to commence the proceedings herein, on 8<sup>th</sup> October, 2018.

7.6 Meanwhile, the Plaintiff had continued exchanging correspondence with the Registrar at PACRA from November, 2018 to January, 2019, with respect to the trademark relating

to "Chicken Slice". On 8<sup>th</sup> November, 2018, a month after the proceedings herein had been commenced, the Plaintiff appealed to the Registrar against his refusal to register the Chicken Slice trademark in favour of the Plaintiff. On 16<sup>th</sup> November, 2018, the Registrar responded to the Plaintiff's appeal and advised that the Plaintiff amend its Chicken Slice trademark, so as to comply with statutory provisions to enable PACRA proceed to accept its application.

- 7.7 The record reveals that on 30<sup>th</sup> November, 2018, the Plaintiff lodged its amendment of the chicken Slice logo, with PACRA and on 18<sup>th</sup> December, 2018, the Plaintiff wrote a chaser to PACRA, inquiring on the status of the impending amendment. On 2<sup>nd</sup> January, 2019, PACRA wrote back to the Plaintiff informing it that its application had been accepted for advertisement subject to certain conditions. This chain of correspondence appears to have only been in respect of the "Chicken Slice" trademark, and the record does not show anything done further by the Plaintiff, beyond PACRA's refusal, with regard to the "Pizza Slice" and "Creamy Slice" trademarks.



7.8 Finally, it is also not in dispute that the Defendant has not put up any of the trademarks or begun trading under them anywhere in Zambia.

7.9 The dispute is arising as a result of the Plaintiff's insistence that it is entitled to be declared the rightful owner of the trademarks because it has been using the same since it began trading, despite not having registered the trademarks. On the other hand, the Defendant is insisting that it is the rightful owner because it is the one in whose name the trademarks are registered at PACRA.

7.10 In light of the above, the issues that have been identified by Counsel for the Defendant as due for determination, and which I am in agreement with, plus a third one are, in my view, the following:

- (1) Whether the Plaintiff is entitled to the declaratory relief that the trademarks in dispute belong to the Plaintiff;
- (2) Whether the continued use of the disputed trademarks by the Plaintiff, without the Defendant's consent, amounts to trademark infringement; and
- (3) Whether the Defendant is entitled to the reliefs as claimed in the Counterclaim.

7.11 Before I delve into determination of the issues above, it is imperative that I address my mind to a set of facts which, when the law is interpreted and applied thereto, will have a direct bearing on how I proceed with the issues herein.

7.12 It is not in dispute that the trademarks in contention herein are registered in the Defendant's name and the Plaintiff has been trading using the same since the inception of its business. The Plaintiff has, thus, argued that it has been trading using the trademarks for more than two years (beginning early 2017) while the Defendant was only incorporated on 10<sup>th</sup> October, 2017 and published its trademarks on 25<sup>th</sup> June, 2018.

7.13 The situation at hand, therefore, is that the Plaintiff has been trading using a number of unregistered trademarks, which happen to have been registered by the Defendant during the course of the Plaintiff's trading. Simply put, the Defendant is the registered proprietor of the trademarks in question, while the Plaintiff is not, but has been using the trademarks.

7.14 In this regard, Section 7 of the Trade Marks Act, provides as follows, when it comes to actions for infringement of unregistered trademarks:

*“No person shall be entitled to institute any proceedings 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.”*

7.15 Further, the Supreme Court, in the case of *DH Brothers Industries (PTY) Limited v. Olivine Industries (PTY) Limited*<sup>5</sup>, agreeing with the lower Court, sustained the interpretation that Section 7 of the Trade Marks Act disentitles a proprietor of an unregistered trademark from instituting proceedings to prevent or recover damages for infringement of an unregistered trademark. Just as in the present case, the Court in that case was also faced with the issue of protection of an unregistered trademark that had, nonetheless, been in prior use in Zambia. The Supreme Court had the following to say:

*“It is also our conclusion that both the Registrar of Trade Marks and the Appellate High Court Judge were on firm ground when they held that the Appellant’s trade mark “Daily” could not be accorded protection on account of non-registration, though the Appellant had shown sufficient prior use of the mark in Zambia.”*

7.16 It is clear from the above, that a person is precluded from instituting proceedings in respect of an unregistered trademark. Under Section 7, an action against any person for

passing off goods as goods of another person or remedies in respect thereof, appears to be an exception.

7.17 The pertinent question to ask at this juncture therefore, is, what then is the status of the Plaintiff's action, herein, in light of Section 7 of the Trade Marks Act? In *casu*, the Plaintiff, which is clearly the party that has not registered the trademarks in contention, is the one that commenced these proceedings claiming the following:

- (i) A declaration that the trademarks being used by the Plaintiff to label, mark, and/or paint its premises and products are trademarks duly registered by the Plaintiff and belong to the Plaintiff;
- (ii) An injunction restraining the Defendants whether by itself, its agents, servants or whomsoever from interfering with the Plaintiff by seizing the purported infringing products or stopping the Plaintiff in any way from using the purported infringing products until the final determination of this matter;
- (iii) An inquiry into what damages have been and may be suffered by the Plaintiff by reason of the Defendant interfering with the operations of the Plaintiff by in any

way threatening to seize the purported infringing products or threatening to stop the Plaintiff from using the purported infringing products;

- (iv) Further or other relief the court may deem fit;
- (v) Interest;
- (vi) Costs.

7.18 A careful examination of the Plaintiff's claim and pleadings clearly reveals that the action herein is not captured by the exception created in Section 7 of the Trade Marks Act. Most important, however, is the fact that the Plaintiff is disentitled, as a proprietor of an unregistered trademark, from instituting proceedings such as the ones in *casu*. I am, therefore, guided by Section 7 of the Trade Marks Act that the Plaintiff is precluded from commencing these proceedings owing to non-registration of the trademarks, in respect of which these proceedings have been brought. In any event, similar arguments to the Plaintiff's contentions herein have been presented to the Registrar at PACRA and it appears from the correspondence between the Plaintiff and PACRA produced by the Plaintiff before this Court, that they are pending final resolution.

7.19 In view of the foregoing, therefore, I find that the proceedings herein as brought by the Plaintiff, should not be entertained by this Court, in the circumstances and on the strength of Section 7 of the Trade Marks Act. I, therefore, agree with Counsel for the Defendant that the action by the Plaintiff is premature in its current state for failure to show that the Plaintiff is the registered owner of the trademarks in question. In any event, the Act exists primarily to protect proprietors of registered trademarks and to this end, the Preamble to the Act clearly states that it is an Act to make provision relating to the registration of the trademarks and for other purposes incidental thereto.

7.20 For the afore-stated reasons, it is evident that the Plaintiff is not entitled to the declaratory relief that the trademarks in dispute belong to the Plaintiff as the Plaintiff, not being the registered owner of the trademarks in issue, is clearly neither entitled to bring the proceedings before court nor to the declaratory relief being sought. In view of this finding, the other reliefs claimed by the Plaintiff must necessarily fail and are dismissed.

7.21 There are, however, two subsequent issues that, in my view, arise as a result of the Defendant's Counterclaim and ought to be addressed independently of the Plaintiff's action, as it is trite that a counterclaim is regarded as a separate action from the Plaintiff's action and the parties accordingly invert.

7.22 The first issue falling for determination on the Counterclaim is whether the continued use of the disputed trademarks by the Plaintiff, without the Defendant's consent amounts to trademark infringement. The evidence on the record reveals that the Defendant herein, is the registered owner of the trademarks in question. Section 57 of the Trade Marks Act, in this regard, provides as follows:

*"In all legal proceedings relating to a registered trademark (including applications under section thirty-seven), the fact that a person is registered as proprietor of the trademark shall be prima facie evidence of the validity of the original registration of the trademark and of all subsequent assignments and transmissions thereof."*

7.23 As regards the rights that come with registration of trademarks and their infringement, Section 9 (1) of the Trade Marks Act, further, provides as follows:

*"Subject to the provisions of this section and of sections twelve and thirteen, the registration of a person in Part A*

*of the register as proprietor of a 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 the trademark in relation to those goods and, without prejudice to the generality of the foregoing words, 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 the 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 and in such manner as to render the use of the mark likely to be taken either-*

- (a) as being used as a trademark; or*
- (b) in a case in which the use is use upon the goods or in physical relation thereto or in an advertising circular or other advertisement issued to the public, as referring-*
  - (i) to some person having the right either as proprietor or as registered user to use the trademark; or*
  - (ii) to goods with which such a person as aforesaid is connected in the course of trade."*

7.24 The combined effect of the provisions above is that the Defendant herein having registered the trademarks in contention is validly the owner of the trademarks and has the exclusive rights to use them. Further, any person who purports to use the trademarks without the Defendant's prior consent or permission would be infringing the Defendant's rights. Therefore, having established that the rightful registered proprietor of the trademarks in question is the Defendant, the continued use of the trademarks by the



Plaintiff, henceforth, shall be deemed to constitute an infringement of the Defendant's rights in respect of the trademarks. 18

7.25 Finally, I turn to the issue of whether the Defendant is entitled to the reliefs as claimed in the Counterclaim. The Defendant contends that it has suffered loss and damage, and, thus, counterclaims as follows:

- (a) Damages for copyright infringement;
- (b) Damages for loss of business;
- (c) Damages for consequential loss;
- (d) A declaration that the trademarks registered by the Defendant with PACRA under the names and registration numbers: Chicken Slice - No.371/2018 (Class 16), Slice Groceries No.373/2018 (Class 16), Pizza Slice - No. 372/2018 (Class 29); and Creamy Slice - No. 370/2018 (Class 29), are duly registered and belong to the Defendant;
- (e) An injunction to restrain the Plaintiff whether acting by their director, officers, servants, agents or otherwise howsoever, from infringing the Defendant's registered trademarks No.371/2018 (Class 16), No. 373/2018

(Class 16), No. 372/2018 (Class 29) and No. 370/2018

(Class 29);

- (f) Interest;
- (g) Legal Costs; and
- (h) Any other relief the Court may deem necessary.

7.26 The learned authors of Halsbury's Laws of England, Volume 48, 5<sup>th</sup> Edition, state in general the types of relief available, in an action for infringement, as follows in paragraph 436:

*"Following judgment at trial for a claimant in an action for infringement of a registered trademark or a protected international trademark, or for passing off, the types of relief available are those generally available in respect of the infringement of a property right. These include a permanent injunction, a declaration, an inquiry as to damages or an account of profits, an order for delivery up, erasure or destruction, a certificate of contested validity of a registered trademark, and costs."*

7.27 It is a well-established principle of law that he who alleges must prove. Counsel for the Defendant has cited cases to lend credence to this tenet and I am in agreement with him. The Defendant is seeking damages for copyright infringement, loss of business and consequential loss. The learned authors of Halsbury's Laws of England, Volume 48, 5<sup>th</sup> Edition, state, in

paragraph 443 that when awarding damages, all appropriate aspects must be taken into account, including in particular:

- (1) The negative economic consequences, including any lost profits, that the claimant has suffered and any unfair profits made by the defendant; and
- (2) Elements other than economic factors, including the moral prejudice caused to the claimant by the infringement.

7.28 The authors continue in the same paragraph as follows:

*“The claimant can recover only in respect of such damage as he can be shown to have in fact sustained or as must be presumed to flow from the acts proved to have been committed by the defendant... The measure of damages recoverable is largely a question of fact to be determined in the light of the evidence by the tribunal in the way in which a jury would estimate damages. In general, the claimant is entitled to damages for all loss actually sustained by him as the natural and direct consequence of the defendant's wrongful acts, including any loss of trade sustained either directly from those acts or properly attributable to the injury to the claimant's reputation and goodwill caused by the acts.”*

7.29 It was conceded by DW1 during cross-examination that despite being incorporated in Zambia, the Defendant has no commercial presence in Zambia, or indeed, put out the trademarks registered to the public. All that the Defendant has done in respect of the same trademarks is register them at

PACRA. In my view, this does not form any basis upon which the nature of damages being sought by the Defendant can be awarded. The Defendant has simply not adduced any evidence to satisfy this Court that it has suffered the loss and damage it is claiming it has suffered. There is nothing the Defendant has brought before Court to allow the Court to examine the aspects that ought to be taken into account when awarding damages, as guided by the learned authors of Halsbury's Laws of England above.

7.30 The Defendant is also seeking a declaration that the trademarks in dispute are duly registered and belong to it. The Defendant is, further, seeking an injunction restraining the Plaintiff from infringing the trademarks. Declaratory and injunctive reliefs in trademark infringement actions are closely related and I shall accordingly deal with them at the same time. The learned authors of Halsbury's Laws of England, Volume 48, 5<sup>th</sup> Edition, have the following to say in paragraph 437, regarding permanent injunctions in cases such as the one at hand:

*"An infringement of a registered or protected international trademark, or the passing off of goods or services, gives generally the right to an injunction to restrain its*

continuance; but, where it is clear that the defendant has no intention of continuing the wrongful acts, a declaration may be granted in lieu of an injunction, together with liberty to apply for an injunction. Where the act is an isolated and innocent act or where the acts were inadvertent, particularly if the defendant has promptly admitted the claimant's rights, an injunction may not be granted. Where, however, there was evidence of the act having been done by mistake but the defendant refused to give an apology or to offer any undertaking, an injunction has been granted. Similarly, where a defendant insists on a claim of right to do certain things, it is no ground for refusing an injunction to restrain him from doing them to prove that he has not yet done them in fact. An application by the defendant for the registration of a trademark is a sufficient threat to use the mark. Even if the defendant offers an undertaking, the claimant may well be entitled (as, for example, where publicity is desirable) to an order in open court if the infringement was deliberate."

7.31 According to the case of *Dunlop Rubber Co Ltd v. AA Booth & Co Ltd*<sup>6</sup>, in an action for infringement of a registered trademark, the injunction restrains the infringement of the mark generally.

7.32 An investigation of the evidence on the record reveals that the Plaintiff's conduct after it was approached by the Defendant and requested to stop using the trademarks in dispute, was such that the Plaintiff was very inclined towards asserting its "rights" as regards the trademarks; so much so, that the Plaintiff even attempted to register the same trademarks and

was refused, and further instituted these proceedings, all in a bid to cling to the trademarks in dispute. Against this backdrop, I find it necessary to grant a permanent injunction to restrain the Plaintiff from infringing the trademarks as it has been resolved above that the rightful registered proprietor of the trademarks in dispute is the Defendant.

7.33 As regards declaratory reliefs in cases of infringement, the learned authors of Halsbury's Laws of England, Volume 48, 5<sup>th</sup> Edition, state in paragraph 441 that normally a declaration that a defendant has infringed a trademark is unnecessary because the grant of the injunction speaks for itself. Occasionally an injunction is not awarded, as being unnecessary in the circumstances, where a declaration has been made. Likewise, in *casu*, I do not see it necessary to proceed to make the declaration as the finding that the Defendant is entitled to a permanent injunction is enough to cover that which the declaratory relief is seeking to cover.

7.34 With respect to the Defendant's claim for interest, I see no basis upon which to grant any interest, as there are no sums, liquidated or otherwise, adjudged to be due to the Defendant. The Defendant, thus, is not entitled to any award of interest.

7.35 I shall make an appropriate order as to costs, under the next part of this judgment.

7.36 The net finding, as regards the Defendant's Counterclaim, therefore, is that it succeeds with the exception of the claims relating to damages and interest.

## 8. CONCLUSION AND ORDERS

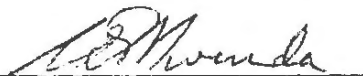
8.1 The Plaintiff's case is dismissed on the strength of Section 7 of the Trade Marks Act, as the same is defeated for being proceedings to prevent or to recover damages for the infringement of an unregistered trademark.

8.2 The Defendant's Counterclaim succeeds only on the declaratory and injunctive reliefs, with all the claims as to damages and interest failing.

8.3 Therefore, it is **hereby ordered** that the Plaintiff whether acting by its directors, officers, servants, agents or otherwise, howsoever, is permanently restrained from infringing the Defendant's registered trademarks Chicken Slice - No.371/2018 (Class 16), Slice Groceries - No. 373/2018 (Class 16), Pizza Slice - No. 372/2018 (Class 29) and Creamy Slice - No. 370/2018 (Class 29).

- 8.4 Costs are awarded to the Defendant, to be agreed by the parties or taxed in default thereof.
- 8.5 Leave to appeal is denied.

**Dated at Lusaka the 20<sup>th</sup> day of January, 2022.**



**W.S. MWENDA (Dr.)  
HIGH COURT JUDGE**