

**IN THE SUPREME COURT OF ZAMBIA**  
**HOLDEN AT LUSAKA**

**APPEAL NO. 06/2019**

*(Civil Jurisdiction)*

**B E T W E E N:**

**LA GROUP LIMITED**

**AND**

**UNITED STATES POLO ASSOCIATION**

**APPELLANT**

**RESPONDENT**

**Coram: Musonda DCJ, Wood and Kajimanga, JJS**

**On 4<sup>th</sup> June, 2020 and 10<sup>th</sup> July, 2020**

*For the Appellant: Ms. Mutale Mukuka, Ellis and Company*

*For the Respondent: Ms J Mutemi, Mesdames Theotis Mataka & Sampa  
Legal Practitioners*

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**JUDGMENT**

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Wood, JS delivered the judgment of the court.

**Cases Referred to:**

1. *Sabel BV vs. Puma A.G., Rudolf Dassler Sport (1988) 1 CMLR 445 ECJ*
2. *Lloyd Schuhfabrik Meyer and Co. Gmbh v Klijsen Handel BV*
3. *Trade Kings Limited v Unilever Plc and three others (2000) Z.R. 16*
4. *Clark v Sharpe [1898] 15 RPC 14*

**Legislation referred to:**

1. *Sections 16 and 17 of the Trade Marks Act Cap 401 of the Laws of Zambia*

**Other works referred to:**

2. *Halsbury's Laws of England Volume 48 4<sup>th</sup> Edition*

This is an appeal against a decision of the Court of Appeal upholding the decision of the Registrar of Trade Marks to register the respondent's trademarks under the provisions of the Trade Marks Act Cap 401 of the Laws of Zambia.

The appellant is the registered owner of the Polo mark which shows a single rider with a raised mallet on a pony. The Polo Pony Device mark was registered as trade mark number 558 – 559/2003 in classes 18 and 25 to cover items such as bags, clothing, footwear, sleepwear for both male and female while the respondent applied to register the Polo mark depicting two horses and two riders with raised mallets under application 1005/2012 and 1007/2012 on 16<sup>th</sup> August, 2012.

The appellant opposed the respondent's application on grounds that it was likely to cause confusion to the consumer

thereby offending the provisions of section 17 (1) of the Trade Marks Act which guards against registration of identical and resembling trade marks in respect of the goods both in form and description and that it was likely to deceive the public into believing that the respondent's goods are the goods of the appellant. Further, the appellant was of the view that the respondent's proposed trade marks were visually similar to those of the appellant.

The appellant argued that it had developed goodwill in its retail sale of its goods and is well known in Africa and that registration of the respondent's proposed trade mark would cause confusion as to the source of the goods.

The respondent disputed that its Horses and Polo Players Device resembled the appellant's registered Polo Pony Device. The respondent advanced the argument that the two trademarks differ visually with no likelihood of confusion arising as the respondent had developed international goodwill. The respondent contended that while its mark signifies the sport of Polo and depicts two players on horses, the appellant's mark depicts one polo player on a

horse. The respondent therefore refuted any goodwill acquired by the appellant in respect of the trade marks.

The appellant responded that its goodwill and reputation was evidenced by a number of stand-alone shops in South Africa specifically Sandton City Mall which was frequented by tourists from Zambia. The respondent's proposed trade mark was similar to its Polo Pony device and the appellant contended that it ought not to be registered as doing so would be contrary to the provisions of section 17 (1) of the Trade Marks Act.

The Registrar of Trade Marks came to the conclusion that the trade marks in issue were similar in the sense envisaged under section 16 and 17 (1) of the Trade Marks Act and they had no essential point of difference between them which may overcome their similarity and that confusion arising from the trade marks was high. He took into account that even though the trade marks were being used internationally, the protection of any intellectual property is territorial.

The Registrar of Trade Marks was of the view that despite the appellant being entitled to protection under section 16 and 17 (1) of the Trade Marks Act it was possible for the respondent's marks to co-exist with the appellant's mark on the Register of Trade Marks. The Registrar relied on the provisions of section 17 (2) of the Trade Marks Act which gives the Registrar discretion to register trademarks that are identical or nearly resemble each other in respect of the same goods or description of goods. The Registrar was of the opinion that there was no danger of a real likelihood of confusion to render the consumers incapable of identifying the origin of the products. In addition, the appellant's mark had achieved sufficient commercial success to be distinguished from subsequent marks such as the respondent's.

The appellant appealed to the High Court on seven grounds which the High Court narrowed down to two issues namely; whether or not the two marks are similar or nearly resemble each other so as to cause confusion to intended customers and whether or not the Registrar of Trade Marks was on firm ground when he

invoked section 17 (2) of the Act and permitted the two marks to co-exist.

The High Court found that despite section 17 (2) of the Act providing exceptions to section 17 (1) of the Act, it is limited to instances of honest current use or where special circumstances demand. The High Court was of the view that the Registrar had not made findings of honest current use nor did the Registrar set out the special circumstances to justify the suspension of the provisions of section 17 (1) of the Trade Marks Act. The learned judge found that the Registrar misapprehended the extent of his power by assuming that it was a *carte blanche* power when in fact not, quashed the decision of the Registrar, and upheld the objection of the appellant.

The respondent appealed to the Court of Appeal on three grounds namely:

- i. *The court below erred in fact and law when it found that the Registrar did not set out the "special circumstances" which justified him in exercising his discretionary power when in fact the special circumstances were set out by the Registrar in his ruling.*

- ii. *The court below erred in law and in fact when it found that the Registrar had assumed that the discretionary power under section 17 (2) of the Trade Marks Act was a "carte blanche" power when it ruled in favour of the appellant (respondent) and the words "special circumstances" in section 17 (2) of the Trade Marks Act are not defined and there is no limited list of them.*
- iii. *The Honorable Court erred in law and fact when it found that the Registrar's reasoning under section 17 (2) "flew in the teeth of his own finding" when in fact the Honourable Court erroneously confused the test applicable in opposition proceedings where notional use is relevant with the test applicable in trade mark infringement proceedings where actual use is considered.*

The Court of Appeal considered the arguments advanced by both parties and held that the Registrar has discretion to either refuse an application, accept it absolutely or subject to certain conditions. The nature of the discretion vested in the Registrar is judicial and is subject to appeal by an applicant or opponent against whom it is adversely exercised. The Court of Appeal also held that although a Registrar is not limited to any particular type of consideration, the discretion must be judicially exercised on reasonable grounds which must be clearly stated.

Reference was made to section 17 (1) of the Trade Marks Act which reads as follows:

- "17. (1) Subject to the provisions of subsection (2), no trade mark shall be registered in respect of any goods or description of goods that is identical with a trade mark belonging to a different proprietor and already on the register in respect of the same goods or description of goods, or that so nearly resembles such a trade mark as to be likely to deceive or cause confusion.*
- (2) In the case of honest current use or other special circumstances which, in the opinion of the Registrar, or the High Court in the event of an appeal from a decision of the Registrar, make it proper so to do, the Registrar or the High Court as the case may be, may permit the registration of trade marks that are identical or nearly resemble each other in respect of the same goods or description of goods by more than one proprietor subject to such conditions and limitations, if any, as the Registrar or the High Court may think it right to impose."*

The Court of Appeal interpreted deception as causing someone to believe something that is false and confusion as causing bewilderment, doubt or uncertainty. It was of the view that the main issue in this appeal related to the interpretation of the meaning of confusion and that the High Court judgement related mainly to the exercise of discretion by the Registrar of Trade Marks.

The Court of Appeal dealt first with the issue of resemblance of a mark before addressing the question of discretion. The court considered whether the respondent's proposed mark nearly resembles the appellant's mark so as to likely deceive or cause



confusion in the minds of the average consumer. It took into account the visual similarity of a mark and also whether there were any oral or, conceptual and phonetic similarities. It also took into account the case of *British PLC and James Robertsons and Sons Ltd 19196 RPC* which held that the following factors need to be considered namely:

- i. *The respective uses of the respective goods or services*
- ii. *The respective users of the respective goods*
- iii. *The market - whether they are likely to be found on the same or different market.*

The court made a distinction between the similarity of goods and the likelihood of confusion. The court found that the appellant's Polo Pony Device and the respondent's Horse and Polo Players Device had common denominators when one looked at the words Polo and Device. The marks also depict the game of polo. One mark shows a horseman device holding a mallet in the air and the other mark has two polo players holding their mallets in the air. The court concluded that the two marks nearly resemble each other and are similar. The High Court and the Registrar were also of the same view.

The likelihood of confusion was the next issue the Court of Appeal Considered. The Court held that the fact that certain goods may fall within the same class is not evidence of the same description. This is so because trademarks are divided within a series of classes and numbered accordingly. It was not in issue that the respondent's trade mark is in class 18 and 25 which was the same as the appellant's. The Court relied on some passages from Halsbury's Laws of England Volume 48, to determine the likelihood of confusion of a mark. The passages read as follows:

- i. *The likelihood of confusion must be appreciated globally, taking account of all relevant factors;*
- ii. *The matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;*
- iii. *The average consumer normally perceives a mark as a whole and does not proceed to analyze its various details;*
- iv. *The visual, aural and conceptual similarities of the marks must therefore normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components;*

- v. *The overall impression conveyed to the average consumer by a composite trade mark may, in certain circumstances, be dominated by one or more of its components. But it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;*
- vi. *And beyond the visual case, where the average consumer perceives a mark as a whole, it is possible that in a particular case an element in a composite sign corresponding to an earlier trade mark may have an independent distinctive role in the composite sign without necessarily constituting the dominant element;*
- vii. *a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods or services, and vice versa;*
- viii. *there is greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;*
- ix. *mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;*
- x. *the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;*
- xi. *the risk that the public might wrongly believe that the respective goods or services come from the same or economically linked undertakings constitutes a likelihood of confusion.*

The Court then made reference to the case of *Sabel BV vs. Puma A.G., Rudolf Dassler Sport*<sup>1</sup> on the test of likelihood of confusion. The Court held that in determining whether there is a likelihood of confusion, the long-standing rule requires taking into account the class of persons who are likely to be consumers of

goods. That is, the perception of the marks in the mind of the average consumer of the types of goods or services involved. The normal consumer normally perceives a mark as a whole and does not proceed to analyze its details. A reasonable consumer is one who is reasonably well informed and reasonably observant and circumspect as was held in the case of *Lloyd Schufabrik Meyer and Co. GmbH v Klijsen Handel BV*<sup>2</sup>. The Court of Appeal was of the view that the fact that a mark is similar to a registered mark does not automatically mean that there will be a likelihood of confusion on the part of the public. It is a question of fact to be determined by the court taking into account all relevant circumstances. Neither does the fact that marks used on similar goods will entail that there will *ipso facto* be confusion. The Court held that in considering whether there is a similarity, all factors relating to the goods or services must be taken into account; such as the respective uses of goods, the physical nature of the goods and respective trade channels through which the goods reach the market.

The Court of Appeal held that there is a likelihood of confusion where the public can be mistaken as to the origin of the goods that

it is desirable that signs requiring registration are not similar to those already registered. Having found that there was a likelihood of confusion, the Court then considered whether the Registrar was in order to permit the registration of the marks that nearly resemble each other in respect of the same goods under section 17 (2). Further, whether there were any special circumstances which qualified for this exception. The Court held that having analyzed the reasons advanced, it could not fault the Registrar for exercising his discretion in allowing the registration of the respondent's trade mark. The Registrar had considered the special circumstances, namely the fact that the appellant's trade mark had achieved sufficient commercial success so as to stand out and be distinguished from subsequent marks as those of the applicant and the fact that co-existence of marks in question has proved to be attainable in other jurisdictions namely the United States of America, Germany, United Kingdom and Japan. The Court was also of the view that the Registrar had considered the absence of a likelihood of confusion as a pre-requisite before allowing the co-existence of the two marks. The Court was wary of granting monopoly where common words are included in a registered mark

such as the word “polo” which is an ordinary English word which means a game of Eastern origin resembling hockey played on horseback with a long-handled mallet. The appellant did not also have exclusive use of the device of a polo player as there were hundreds of polo trade marks in the world and the public had not been misled or confused by the number of polo player devices available in the market. The court therefore decided not to interfere with the discretion exercised by the Registrar and set aside the decision of the High Court and reinstated the Registrar’s decision.

The appellant has now appealed to this Court on the following nine grounds of appeal:

- i. *The Court below erred both in law and in fact in upholding the decision of the Registrar based on the exercise of his discretion to allow the registration of the Respondent’s mark on the ground of section 17 (2) and of the existence of special circumstances in the absence of any evidence or proof on record of any such circumstance; being provided by the respondent.*
- ii. *The Court below erred both in law and in fact in upholding the Registrar’s decision aforesaid based on the exercise of his discretion in the circumstances in which the respondent failed to provide any evidence to prove that it had been using its trade mark in Zambia, or that its trade mark had achieved sufficient commercial success so as to stand out and to be distinguished from subsequent trade marks, or to prove that it has any registered territorial protection in this jurisdiction.*

- iii. *The Court below erred both in law and in fact in upholding the Registrar's decision aforesaid in the absence of any evidence on record of any honest or concurrent use by the respondent of its trade mark in Zambia, or any evidence of the existence of any special circumstances.*
- iv. *The Court below erred both in law and in fact in upholding the Registrar's decision aforesaid on the basis of the purported fact that co-existence of the trade marks in question had proven to be attainable in other jurisdictions, namely, the United States of America, Germany, United Kingdom and Japan in the absence of any supporting evidence thereof on record.*
- v. *The Court below erred both in law and in fact in upholding the Registrar's decision that there was no danger to render the average consumer incapable of identifying the origins of the products bearing the trade marks in view of his finding that there was a likelihood of confusion between the trademarks and the provisions of section 17 (1) of the Trade Marks Act.*
- vi. *The Court below erred both in law and in fact in upholding the Registrar's decision that the trade marks could co-exist in view of the Registrar's finding that the appellant's trade mark had achieved sufficient commercial success in Zambia.*
- vii. *The Court below erred both in law and fact by reinstating the decision of the Registrar of Trade Marks that the two trademarks should co-exist despite the Registrar acknowledging that the respondent's trade mark is confusingly similar to the applicant's trade mark.*
- viii. *The Court below erred both in law and fact by reinstating the decision of the Registrar of Trade Marks that the appellant's mark is entitled to the protection conferred on it by sections 16 and 17 of the Trade Marks Act and yet proceeded to find that the two trademarks can co-exist in terms of section 17 (2) of the Trade Marks Act.*
- ix. *The Court below erred both in law and in fact by taking into account "the hundreds of polo trade marks in the world" and the fact that*

*the “public has not been said to have been misled or even confused by the number of the polo player devices” when in fact there was no such evidence on record to support such findings and, in any event, even if there was such evidence on record this evidence is irrelevant as it pertains to assertions and facts outside Zambia.*

The appellant has argued grounds (1) (II) (III) (V) (VII) and (VIII) together as they raise overlapping issues. We shall also address them together. The appellant has argued that the applicant is obliged to demonstrate that the confusingly similar trade mark it seeks to register is in use, in Zambia, at the time the application was made and further that it has been used in an honest manner. The applicant must demonstrate that there are special circumstances permitting the registration of a confusingly similar trademark. The record shows that there is no evidence by the respondent showing or confirming ‘current use’ or any use, of its trade mark in Zambia at the time it filed its trade mark application. In fact, the respondent did not apply for and did not seek registration of its mark on the basis of honest concurrent use. There was thus no application by the respondent requesting the Registrar to exercise a discretion under section 17 (2). This is so because the respondent has not made use of its mark in Zambia.



As regards special circumstances, which is an alternative condition, no special circumstances appear on record, or for that matter were argued in support of a case to permit the registration of the respondent's trade mark on this basis. Furthermore, the respondent did not apply for and did not seek registration of its mark on the grounds that special circumstances exist that entitle it to registration under section 17(2). The Registrar of Trade Marks did not state which pre-condition under section 17 (2) he had relied upon. Furthermore, the Registrar's exercise of his discretion was at odds with his findings of fact regarding the similarity of the respective parties' trademarks and the confusion the ordinary customer would experience. There was therefore a danger which could render the average consumer incapable of identifying the origin of the products bearing the respective trademarks. The Registrar contradicted himself by permitting the registration of the respondent's confusingly similar trade mark as there is no evidence of special circumstances or the 'current use' in Zambia of the respondent's trade mark permitting its registration, despite the finding that the respective trade marks are confusingly similar.

Consequently, the appellant's trade mark is entitled to protection, as it is registered in line with sections 16 and 17 (1) of the Trade Marks Act as read with section 9(1).

With regard to grounds (IV), (VI) and (IX), the appellant argued that the trade marks should not co-exist as trade mark protection is territorial and it was irrelevant whether the trade marks do co-exist in other jurisdictions. In any event, no evidence of co-existence or use in other jurisdictions was led before the Registrar. The fact that the appellant's trade mark had achieved commercial success was not a ground for permitting co-existence with the trade mark sought to be registered as commercial success was the result of the use of a registered trade mark. A proprietor ought not to be punished for its success by permitting the registration and use of a confusingly similar competing trade mark.

The respondent has argued that:

- i. *The Court of appeal elected not to fault or assail the Registrar of Trade Marks for exercising his discretion in allowing the two trademarks to co-exist;*

- ii. *The discretion of the Registrar was predicated on findings of fact that there exist special circumstances which, in the opinion of the Registrar, rendered it expedient for the two trade marks to co-exist;*
- iii. *The Court of Appeal having assiduously taken into account the reasons advanced by the Registrar for arriving at his decision, the Court of Appeal was on firm ground in not interfering with the discretion exercised by the Registrar in tandem with the settled position of the law. In the case of Future Enterprises Pte Ltd v McDonald's Corp [2007] SGCA 18 it was held that "An appellate court should not disturb the findings of fact of a trade mark tribunal unless there was a material error of principle." Similarly, in SC Prodal 94 SRL v Spirits International NV [2003] EWHC 2756 (Ch) Laddie J expressed the same sentiments as follows: "It is not the duty of this court to overturn a decision of the Trade Mark Registry simply because it comes to the conclusion that it might have decided the case differently had it, that is to say the High Court, been the court of first instance. It has to be demonstrated that the decision at first instance was wrong in a material way: that is to say there must be some significant departure from a proper assessment of the law or the facts."*

The decision of the Registrar to permit the coexistence of the two marks in issue was predicated on the following reasons:

- i. *That although the two marks in issue are similar, the similarity in this case does not amount to what may be termed as "confusingly similar;"*
- ii. *That the appellant's trademark has achieved sufficient commercial success, so as to stand out and be distinguished from the subsequent marks such as those of the respondent;*

- iii. *That the co-existence of the marks in question has proved to be attainable in other jurisdictions.*

The appellant has not disputed the fact that its trade mark has achieved sufficient commercial success. It is therefore able to stand out and be distinguished from the subsequent marks such as those of the respondent. The Court can take judicial notice of the fact that many trademarks worldwide use the word "polo" whether or not the same refers to goods covered by class 18 or 25. In this particular case the co-existence of the marks in question has proved to be attainable in other jurisdictions. The courts should therefore be wary of granting monopoly where the words included in a registered mark are ordinary English words used in common parlance.

The appellant filed arguments in reply. We take the view that nothing much would be gained from them as they are by and large a repetition of the appellant's heads of argument. The parties relied on their filed arguments when this appeal was heard. The brief oral submissions were in the main what is contained in their heads of argument.

We have considered this appeal in considerable detail starting with the proceedings before the Registrar of Trade Marks, the appeal to the High Court, the Court of Appeal and eventually the appeal to this Court. This appeal essentially revolves around the interpretation and application of section 17 of the Trade Marks Act which has been referred to above. A literal interpretation of section 17(1) is that subject to subsection 2 of section 17 no trade mark shall be registered:

- (i) *in respect of any goods or description of goods that is identical with a trade mark belonging to a different proprietor and already on the register;*
- (ii) *in respect of the same goods or description of goods;*
- (iii) *or that so nearly resembles such a trade mark as to be likely to deceive or cause confusion.*

Once the above conditions are proved, then the registrar can refuse to registrar a trade mark. Section 17 (2) however gives the Registrar a discretion to register an identical trade mark or trademarks which nearly resemble each other in the case of honest current use or other special circumstances. In such a situation there is need for the applicant to prove the honest current use or

show the special circumstances. Section 17 (2) also provides that the Registrar may grant permission subject to such conditions and limitations.

The wording of section 17 can also be found in paragraphs 69 and 73 Halsbury's Laws of England Volume 48. Paragraph 69 states that:

*"Subject to the effect of honest concurrent use or other special circumstances, no trade mark may be registered in respect of any goods or description of goods that (1) is identical with a trade mark belonging to a different proprietor and already registered in respect of the same goods or description of goods; or (2) so nearly resembles such a registered trade mark as to be likely to deceive or cause confusion."*

Paragraph 73 on the other hand states that:

*"In the case of honest concurrent use or of other special circumstances, the Registrar of Trade Marks or the court may permit the registration of trade marks that are identical or nearly resemble each other in respect of the same goods or description of goods by more than one proprietor subject to such conditions and limitations, if any, as may be thought right. Each case must be considered on its own merits, and the likelihood that real hardship may be caused by a refusal of the application may offset the possibility of confusion. The concurrent use must be honest, and knowledge of the registration or use of another mark may be significant. The public interest is important, but is not conclusive where the concurrent use is in good faith and registration is just."*

It can be seen from paragraph 73 that when such an application arises, the Registrar must consider the case on its own merits and must also consider the likelihood that real hardship may be caused by a refusal of the application in addition to the other considerations outlined in Paragraph 73.

In paragraph 84 the learned authors of Halsbury's Laws of England emphasize the overriding nature of the Registrar's discretion and that it is imperative for the Registrar to exercise his discretion judicially. Paragraph 84 states as follows:

*"Overriding nature of the (Registrar's) discretion. On an appeal the court will pay considerable attention to the exercise of the registrar's discretion, and will be reluctant to interfere unless the registrar has clearly acted wrongly. This discretion must be exercised judicially on reasonable grounds which are capable of being clearly stated."*

Paragraphs 134,135,136,137,138, and 140 give an overview of what to consider in a trade mark application. They state as follows:

Paragraph 134. – *"Burden of proof. The basic general considerations which arise in determining the degree of proof of resemblance of trade marks etc. in all proceedings in which comparison arises are similar, but*

*the burden of proof may differ in the various types of cases. Thus, in applications for the registration of trademarks and in oppositions to them, the burden is on the applicant to satisfy the registrar that the trade mark applied for is not likely to deceive or cause confusion, whereas in applications for rectification the burden is on the applicant for revocation."*

*Paragraph 135.- "Resemblance a question of fact. Whether or not any degree of resemblance likely to deceive or cause confusion exists is a question of fact for the Registrar of Trade Marks or the court to decide on the evidence in each case and is not a matter for witnesses. What degree of resemblance is likely to deceive or cause confusion in any instance is incapable of definition a priori, and the observations of judges upon other and quite different facts are usually of little help.*

*Paragraph 136. – "Rules for comparison. The rules for comparison of word marks have been summarized as follows: (1) the two words must be taken and judged both by their look and by their sound; (2) the goods to which the marks are to be applied and the nature and kind of customer who is likely to buy these goods must be considered; and (3) all the surrounding circumstances must be considered and also what is likely to happen if each of the marks is used in a normal way as a trade mark for the goods of the respective owners of the marks. These considerations differ to some*



*extent when device marks are being compared or when a device is being compared with a word mark."*

Paragraph 137. – *"Totality of impression – In proceedings in which comparison arises, each mark, name or get-up concerned must always be considered as a whole, as the true test is whether the totality of the impression given both orally and visually is such that it is likely to cause mistake, deception or confusion."*

Paragraph 138. – *"Idea of marks. – In comparing two marks it must be considered whether the marks have, or may suggest, the same idea or lead to the goods being referred to by the same name."*

Paragraph 139. *"Comparison side by side and imperfect recollection. The tribunal must bear in mind that the marks will not normally be seen side by side and guard against the danger that a person seeing the new mark may think that it is the same as one he has seen before, or even that it is a new or associated mark of the proprietor of the former mark. However, the doctrine of imperfect recollection must not be pressed too far. Marks are often remembered by general impressions or by some essential feature."*

Paragraph 140. *"Effect of class and standard of persons concerned. The persons associated with the goods in the course of trade, whether as retailers or the ultimate purchasers, must be considered in each case, and this includes persons abroad if the goods have a foreign market. The*

*standard of literacy and education of the persons concerned may be important."*

We have deliberately quoted extensively from the above paragraphs of Halsbury's so as to provide a guide on what to take into consideration when one is faced with a trade mark dispute as a reading of section 17 on its own is not sufficient for one to determine whether or not an application should be allowed. It can be seen from a close reading of the above paragraphs that one has to show honest concurrent use or other special circumstances before a trade mark may be registered in respect of goods or description of goods that is identical with a trade mark belonging to a different proprietor. Special circumstances include facts peculiar to the applicant in relation to the subject matter of the application. Permission to register may be subject to condition and limitations.

What we have quoted in considerable detail above was of course summed up very well in the seminal case of *Trade Kings Limited v Unilever Plc and three others*<sup>3</sup>. Although this case dealt with a number of procedural issues under the Trade Marks relating to expunction, rectification infringement and passing off it also

touched on what we have referred to in the preceding paragraph on proceedings in which comparison of trade marks arise. Ngulube CJ as he then was, quoting from the case of *Clark v Sharpe*<sup>4</sup> aptly summed it up as follows at pages 20 to 21:

*"...This being the issue, 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 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 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.”*

The *Clark and Sharpe* decision referred to in the *Trade Kings* judgment encapsulates the various paragraphs from Halsbury’s which we have referred to above. Bearing this in mind, we now have to examine the two marks and see whether the Registrar’s decision which was reinstated by the Court of Appeal applied the right principles. However, before we do so, we need to address the general argument raised by the appellant which is that there was no evidence of special circumstances; no evidence of use of the mark in Zambia by the respondent; no proof of registration of the respondent’s mark; no evidence of any honest or concurrent use of the respondent’s mark in Zambia; no use of the respondent’s mark in other jurisdictions; no evidence of the number of polo trade marks in use in the world and no evidence of the public being misled or even confused by the number of Polo player devices. These are valid arguments as we have not been able to discern any evidence to the contrary from the record of appeal. The respondent has not shown what special circumstances the Registrar relied

upon to allow the co-existence of the two marks. At page 23 of his decision, the Registrar dismisses the appellant's allegations of commercial success when he holds that *"...To this extent, the Applicant's allegations that there is no clear evidence of usage in Zambia by the Opponent seem to be true..."* However, towards the end of his decision at page 24, the Registrar contradicts himself when he states that: *"This is particularly given the fact that the Opponent's trade mark has achieved sufficient commercial success..."* Again, at page 24 he held that: *"... In other words, there has to be a real likelihood of confusion, so as to render the average consumer incapable of identifying the origin of the products bearing the said marks. It is my view that there is no such danger in this case."* Earlier on in his decision at page 22 on the confusing similarity of the two marks he held that: *"Rather, the general effect of the respective wholes leads to the finding that the probability of confusing similarity arising between the two marks is high. In addition, there is a high likelihood that the products covered by the mark will be placed and sold from the same location in the stores, thereby emphasizing their similarity and the risk of confusion among the consumers."* It is quite clear from this tussle which the Registrar

was having as he was trying to reach a decision that he had in fact come to the conclusion that the marks were confusingly similar. He however goes on to hold that *"...there has to be a real likelihood of confusion, so as to render the average consumer incapable of identifying the origin..."* when visually his conclusion was that the marks were confusingly similar. The Court of Appeal held that the Registrar's discretion should not be lightly interfered with. We agree with this general principle. What we do not however agree with, is the holding by the Court of Appeal that having found that the appellant's trade mark had achieved commercial success, the marks could co-exist. We say so because the Registrar in one breath did not believe the appellant's assertion of commercial success and yet in the next, he used it to justify the co-existence of the two marks. Commercial success, does not in our view qualify as a special circumstance for the co-existence of two marks as it would defeat the whole purpose of protecting commercially successful marks. A mark that has achieved commercial success should not be diluted by the addition of other confusingly similar marks in the class in which it is registered simply because it is commercially successful. Commercial success is the very reason

why applicants go to the trouble of registering their marks so that they can be identified with them. There is no proof of registration of the respondent's mark in other jurisdictions nor is there proof of commercial success in the jurisdictions mentioned nor proof of honest current use in Zambia. There is also no evidence of the number of polo marks in use in the world. We accordingly allow all the grounds of appeal relating to the findings based on non-existent evidence.

Coming back to the comparison between the two marks we note from the record that the appellant's mark depicts a rider on a pony with a raised mallet facing more to the left with the pony in motion while the respondent's mark has two riders on two horses following each other. The rear rider is blurred. The rider in front has a raised mallet. The horses are in motion and are facing the reader. The appellant's mark is registered in classes 18 and 25 and the respondent is also seeking to register its mark in classes 18 and 25. The size of the marks is the same and they both depict the sport of polo. Visually, conceptually and phonetically, the marks appear to be similar. It has been argued that the two marks are

confusingly similar. We agree with this argument as the two marks cannot be easily told apart visually. One has to look at the two marks closely to note that the respondent's mark has two horses and two riders. Both marks are Polo Pony devices which depict the sport of polo. While we may accept that the global village may have narrowed the room for originality and creativity in terms of trade marks, it cannot be said that intellectual space has been obliterated to the extent that the difference between trademarks registered in the same class can be blurred to give subsequent applicants room to register their marks. We accordingly agree with the argument that the marks are confusingly similar and that the judgment of the High Court should have been upheld. We therefore allow this appeal and set aside the Registrar's decision which was confirmed by the Court of Appeal. Costs to the appellant to be taxed in default of agreement.



M.MUSONDA  
DEPUTY CHIEF JUSTICE



A.M.WOOD  
SUPREME COURT JUDGE



C.KAJIMANGA  
SUPREME COURT JUDGE